

ASSEMBLY BILL NO. 291—ASSEMBLYMAN GOICOECHEA

MARCH 13, 2007

Referred to Committee on Government Affairs

SUMMARY—Revises provisions governing the use of money deposited in a local governmental fund established to stabilize the operation of the local government and mitigate the effects of natural disasters. (BDR 31-189)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

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EXPLANATION – Matter in **bolded italics** is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to local financial administration; expanding the purposes for which, in certain smaller counties, money may be expended from a local governmental fund established to stabilize the operation of the local government and mitigate the effects of natural disasters; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

1 Existing law authorizes the governing body of a local government to establish a
2 fund to stabilize the operation of the local government and mitigate the effects of
3 natural disasters, and restricts the purposes for which the money in the fund may be
4 expended. (NRS 354.6115) This bill expands those purposes to authorize local
5 governments in counties with a population of less than 9,000 (currently Pershing,
6 Lander, Mineral, Lincoln, Storey, Eureka and Esmeralda Counties) to use the
7 money to retire outstanding debt.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 **Section 1.** NRS 354.6115 is hereby amended to read as
2 follows:
3 354.6115 1. The governing body of a local government may,
4 by resolution, establish a fund to stabilize the operation of the local
5 government and mitigate the effects of natural disasters.



1 2. ~~[The]~~ *Except as otherwise provided in this subsection, the*
2 money in the fund must be used only:

3 (a) If the total actual revenue of the local government falls short
4 of the total anticipated revenue in the general fund for the fiscal year
5 in which the local government uses that money; or

6 (b) To pay expenses incurred by the local government to
7 mitigate the effects of a natural disaster.

8 ➔ *In a county whose population is less than 9,000, the money in*
9 *the fund may also be used to retire outstanding bonds or other*
10 *forms of debt.* The money in the fund at the end of the fiscal year
11 may not revert to any other fund or be a surplus for any purpose
12 other than a purpose specified in this subsection.

13 3. The money in the fund may not be used to pay expenses
14 incurred to mitigate the effects of a natural disaster until the
15 governing body of the local government issues a formal declaration
16 that a natural disaster exists. The governing body shall not make
17 such a declaration unless a natural disaster is occurring or has
18 occurred. Upon the issuance of such a declaration, the money in the
19 fund may be used for the payment of the following expenses
20 incurred by the local government as a result of the natural disaster:

21 (a) The repair or replacement of roads, streets, bridges, water
22 control facilities, public buildings, public utilities, recreational
23 facilities and parks owned by the local government and damaged by
24 the natural disaster;

25 (b) Any emergency measures undertaken to save lives, protect
26 public health and safety or protect property within the jurisdiction of
27 the local government;

28 (c) The removal of debris from publicly or privately owned land
29 and waterways within the jurisdiction of the local government that
30 was undertaken because of the natural disaster;

31 (d) Expenses incurred by the local government for any overtime
32 worked by an employee of the local government because of the
33 natural disaster or any other extraordinary expenses incurred by the
34 local government because of the natural disaster; and

35 (e) The payment of any grant match the local government must
36 provide to obtain a grant from a federal disaster assistance agency
37 for an eligible project to repair damage caused by the natural
38 disaster within the jurisdiction of the local government.

39 4. The balance in the fund must not exceed 10 percent of the
40 expenditures from the general fund for the previous fiscal year,
41 excluding any federal funds expended by the local government.

42 5. The annual budget and audit report of the local government
43 prepared pursuant to NRS 354.624 must specifically identify the
44 fund.



1 6. The audit report prepared for the fund must include a
2 statement by the auditor whether the local government has complied
3 with the provisions of this section.

4 7. Any transfer of money from a fund established pursuant to
5 this section must be completed within 90 days after the end of the
6 fiscal year in which the natural disaster for which the fund was
7 established occurs.

8 8. As used in this section:

9 (a) "Grant match" has the meaning ascribed to it in
10 NRS 353.2725.

11 (b) "Natural disaster" means a fire, flood, earthquake, drought or
12 any other occurrence that:

13 (1) Results in widespread or severe damage to property or
14 injury to or the death of persons within the jurisdiction of the local
15 government; and

16 (2) As determined by the governing body of the local
17 government, requires immediate action to protect the health, safety
18 and welfare of persons residing within the jurisdiction of the local
19 government.

20 **Sec. 2.** This act becomes effective on July 1, 2007.

