

SENATE BILL NO. 511—COMMITTEE ON GOVERNMENT AFFAIRS

(ON BEHALF OF THE STATE TREASURER)

MARCH 26, 2007

Referred to Committee on Government Affairs

SUMMARY—Makes various changes relating to state financial administration. (BDR 31-495)

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 state financial administration; revising provisions governing deposits of public money; revising provisions governing oversight by the State Treasurer of certain depositories of public money; abolishing the Account for Travel Advances; transferring certain duties relating to travel advances from the State Treasurer to the State Controller; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Section 1 of this bill revises NRS 353.250, which provides that, subject to certain exceptions, all public money received by a state officer, department or commission must be deposited in designated financial institutions on Thursday of each week, to allow such deposits to be made on or before Thursday of each week.

Section 4 of this bill revises the definition of “public money” set forth in NRS 356.330, which provides that “public money” means money deposited with a depository by the State or a local government, to specify that “public money” means money deposited with a depository by the State Treasurer, certain official custodians of public money and public administrators, but excluding deposits by Native American tribes or the Federal Government.

Sections 5 and 6 of this bill revise provisions governing third-party depositories which, pursuant to NRS 356.340 and 356.360, are authorized to hold securities as collateral against deposits of public money on behalf of a depository for the benefit of the State Treasurer. The revised provisions require that such securities be held for the benefit of a collateral pool in which the State Treasurer participates. Such collateral pools are established pursuant to regulations adopted by the State Treasurer and are set forth in chapter 356 of NAC.



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Section 6 of this bill also revises the provisions of NRS 356.360 which require that a depository of public money submit to the State Treasurer a weekly report of the total fair market value of securities held by a third-party depository on behalf of the depository, to require that such a weekly report be submitted only if requested by the State Treasurer.

Sections 7-11 of this bill remove the responsibilities of the State Treasurer relating to cash advances for travel. **Section 7** transfers responsibility for issuing checks or warrants for cash advances for travel to the State Controller, and **section 11** transfers authority to adopt regulations relating to such cash advances to the State Controller.

Section 12 of this bill abolishes the Account for Travel Advances which is administered by the State Treasurer and upon which checks are drawn to provide travel advances to state officers and employees, and **section 13** of this bill provides for the reversion of the unencumbered money in the Account to the State General Fund.

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

Section 1. NRS 353.250 is hereby amended to read as follows:
353.250 1. The State Treasurer shall designate the financial institutions into which money received by a state officer, department or commission must be deposited.

2. Except as otherwise provided in subsections 3 and 4, every state officer, department or commission which receives or which may receive any money of the State of Nevada or for its use and benefit shall deposit on *or before* Thursday of each week, in a financial institution designated by the State Treasurer to the credit of the State Treasurer's Account, all money received by that officer, department or commission during the previous week.

3. Except as otherwise provided in subsection 4, if on any day the money accumulated for deposit is \$10,000 or more, a deposit must be made not later than the next working day.

4. If the Department of Wildlife accumulates for deposit \$10,000 or more on any day, the money must be deposited within 10 working days.

5. Every officer, department or commission which is required to deposit money with the State Treasurer shall comply with that requirement by depositing the money in a financial institution designated by the State Treasurer to the credit of the State Treasurer's Account.

6. Every officer, head of any department or commissioner who fails to comply with the provisions of this section is guilty of a misdemeanor in office.

7. As used in this section, "financial institution" means a bank, savings and loan association, thrift company or credit union regulated pursuant to title 55 or 56 of NRS.



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1 **Sec. 2.** Chapter 356 of NRS is hereby amended by adding
2 thereto a new section to read as follows:

3 *“Acceptable securities” means the securities described in:*

4 1. *Subsection 1 of NRS 356.020; and*

5 2. *Subsection 1 of NRS 356.133.*

6 **Sec. 3.** NRS 356.300 is hereby amended to read as follows:

7 356.300 As used in NRS 356.300 to 356.390, inclusive, *and*
8 *section 2 of this act*, unless the context otherwise requires, the
9 words and terms defined in NRS 356.310 ~~[to 356.340, inclusive.]~~,
10 *356.330 and 356.340 and section 2 of this act* have the meanings
11 ascribed to them in those sections.

12 **Sec. 4.** NRS 356.330 is hereby amended to read as follows:

13 356.330 1. “Public money” means *all* money deposited with
14 a depository by ~~[the State or a local government.]~~ *any of the*
15 *following:*

16 (a) *The State Treasurer.*

17 (b) *An official custodian with plenary authority, including*
18 *control over money belonging to, or held for the benefit of, the*
19 *State or any of its political subdivisions, public corporations,*
20 *municipal corporations, courts, or public agencies, boards,*
21 *commissions or committees. If the exercise of plenary authority*
22 *over public money requires action by or the consent of two or*
23 *more recognized custodians, the custodians shall be treated as the*
24 *official custodian of the public money. For the purposes of this*
25 *paragraph, “control” means the possession of public money and*
26 *the authority to establish accounts of public money in public*
27 *depository institutions and to make deposits, withdrawals and*
28 *disbursements of public money.*

29 (c) *A public administrator acting as a trustee, agent or bailee.*

30 2. *The term does not include money deposited with a*
31 *depository by:*

32 (a) *A Native American tribe or an agent or representative*
33 *thereof; or*

34 (b) *The Federal Government or an agent or representative*
35 *thereof.*

36 **Sec. 5.** NRS 356.340 is hereby amended to read as follows:

37 356.340 “Third-party depository” means a trust company or
38 trust department of a state, national or federal reserve district bank
39 which is authorized to hold *acceptable* securities on behalf of a
40 depository for the benefit of *a collateral pool in which* the State
41 Treasurer ~~[]~~ *participates pursuant to regulations adopted by the*
42 *State Treasurer under NRS 356.390.*

43 **Sec. 6.** NRS 356.360 is hereby amended to read as follows:

44 356.360 ~~[]~~ The program established pursuant to NRS
45 356.350 must provide that:



~~[(a)]~~ 1. Each depository is required to maintain as collateral acceptable securities having a fair market value that is at least 102 percent of the amount of the uninsured balances of the public money held by the depository;

~~[(b)]~~ 2. A depository may satisfy the requirement set forth in ~~paragraph (a)]~~ *subsection 1* by arranging for a third-party depository to hold *acceptable* securities on behalf of the depository for the benefit of *a collateral pool in which* the State Treasurer ~~is~~ *participates pursuant to regulations adopted by the State Treasurer under NRS 356.390;*

3. No depository may, at any one time, hold public money in an amount exceeding the total equity of the depository, as reflected on the financial statement of the depository;

~~[(4)]~~ 4. Each depository is required to submit to the State Treasurer, in the form and manner prescribed by the State Treasurer, the following reports:

~~[(1)]~~ (a) A daily report of the total amount of public money held by the depository;

~~[(2) A]~~

(b) *If requested by the State Treasurer, a* weekly summary report of the total fair market value of *acceptable* securities held by a third-party depository on behalf of the depository;

~~[(3)]~~ (c) A monthly report setting forth a list of acceptable securities, including, without limitation, the fair market value of those securities, held by the depository or held by any third-party depository on behalf of the depository; and

~~[(4)]~~ (d) A current annual report containing the financial statement of the depository; and

~~[(e)]~~ 5. The State Treasurer may impose an administrative fine not to exceed:

~~[(1)]~~ (a) One hundred dollars per day against a depository that fails to submit in a timely manner a report ~~described in paragraph (d); and~~

~~[(2)]~~ *required by subsection 4; and*

(b) Two hundred fifty dollars per day against a depository that fails to maintain *the* collateral ~~as described in paragraph (a);~~

~~2. As used in this section, "acceptable securities" means the securities described in:~~

~~(a) Subsection 1 of NRS 356.020; and~~

~~(b) Subsection 1 of NRS 356.133.]~~ *required by subsection 1.*

Sec. 7. NRS 281.172 is hereby amended to read as follows:

281.172 1. Any state officer or employee may apply for advance money for authorized travel expenses and subsistence allowances arising out of his official duties or employment in the amounts as provided for in NRS 281.160 by filing a request with the



1 administrative head of the state office, department or agency by
2 which he is employed.

3 2. If the administrative head or his designee approves the
4 request, he shall process a voucher for a cash advance for travel in
5 the approved amount in the same manner as other claims against the
6 State are processed.

7 3. Unless otherwise approved by the Budget Division of the
8 Department of Administration before the travel occurs, all cash
9 advances for travel issued by the administrative head or his designee
10 must be charged to the budget account to which money was
11 appropriated or authorized for expenditure for the travel.

12 4. If the administrative head or his designee cannot process a
13 cash advance for travel because of a temporary budget restriction,
14 the administrative head or his designee may forward a copy of the
15 request and approval to the State ~~Treasurer.~~ *Controller.*

16 5. Upon receiving a copy of the request and approval from the
17 administrative head or his designee, the State ~~Treasurer or one of~~
18 ~~his officers or employees whom he has designated for the purpose~~
19 *Controller* may issue a check or warrant ~~drawn upon the Account~~
20 ~~for Travel Advances for the amount of the advance requested.~~ *for*
21 *the cash advance for travel.*

22 **Sec. 8.** NRS 281.173 is hereby amended to read as follows:

23 281.173 A cash advance for travel, when approved by the
24 administrative head or his designee or the State ~~Treasurer,~~
25 *Controller*, constitutes a lien in favor of the State of Nevada upon
26 the accrued wages of the requesting officer or employee in an
27 amount equal to the sum advanced, but the administrative head or
28 his designee or the State ~~Treasurer~~ *Controller* may, in his
29 discretion, advance more than the amount of the accrued wages of
30 the officer or employee.

31 **Sec. 9.** NRS 281.174 is hereby amended to read as follows:

32 281.174 ~~1.~~ Upon the return of the officer or employee, he is
33 entitled to receive any authorized expenses and subsistence
34 allowances in excess of the amount ~~advanced, and a sum equal to~~
35 ~~the advance must be paid into the account from which the advance~~
36 ~~was made.~~

37 ~~2. If an advance is not repaid, the administrative head or his~~
38 ~~designee or the State Treasurer may file a claim with the State~~
39 ~~Board of Examiners for money to replenish the account from which~~
40 ~~the advance was made. If the State Board approves the claim it must~~
41 ~~be paid from the Reserve for Statutory Contingency Account.~~

42 ~~3. If an officer or employee of an agency terminates his~~
43 ~~employment after he receives a payment from the Account for~~
44 ~~Travel Advances but before repayment to the Account, the State~~
45 ~~Treasurer may collect from the agency the amount~~ advanced.



- 1 **Sec. 10.** NRS 281.1745 is hereby amended to read as follows:
2 281.1745 When an officer or employee ~~{receives a cash~~
3 ~~advance for travel from the State Treasurer or}~~ uses a charge card
4 issued at the request of the State for cash advances or travel
5 expenses, or both, and the receipt of his travel reimbursement may
6 be delayed more than 5 working days after the date of the initial
7 submission of the travel reimbursement claim, the administrative
8 head or his designee shall immediately issue to the officer or
9 employee, for payment to the ~~{State Treasurer or the}~~ issuer of the
10 charge card issued at the request of the State, a cash advance as
11 described in NRS 281.172 in the amount of the ~~{cash advance made~~
12 ~~by the State Treasurer or the}~~ total travel expenses charged on the
13 charge card. ~~{, whichever is applicable.}~~
14 **Sec. 11.** NRS 281.175 is hereby amended to read as follows:
15 281.175 The State ~~{Treasurer}~~ **Controller** may make
16 reasonable rules and regulations to carry out the provisions of NRS
17 ~~{281.171}~~ **281.172** to 281.175, inclusive.
18 **Sec. 12.** NRS 281.171 and 356.320 are hereby repealed.
19 **Sec. 13.** Any balance remaining in the Account for Travel
20 Advances created by NRS 281.171 that has not been committed for
21 expenditure on or before July 1, 2007, must be reverted to the State
22 General Fund.
23 **Sec. 14.** This act becomes effective on July 1, 2007.

TEXT OF REPEALED SECTIONS

281.171 Account for Travel Advances: Creation; use; duties of State Treasurer.

1. The Account for Travel Advances is hereby created. Money in the Account must be used by the State Treasurer to provide advance money to state officers and employees for travel expenses and subsistence allowances.
2. The State Treasurer shall deposit the money in the Account in a bank or credit union qualified to receive deposits of public money, and the deposit must be secured by collateral satisfactory to the State Board of Examiners.
3. The State Treasurer or any of his officers or employees whom he has designated for this purpose may sign all checks and warrants drawn upon the Account.



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356.320 “Local government” defined. “Local government” has the meaning ascribed to it in NRS 354.474.

