

CHAPTER.....

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, the Federal Government or the Public Employees’ Retirement System.

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 pursuant to regulations adopted by the State Treasurer set forth in chapter 356 of NAC.

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.

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

"Acceptable securities" means the securities described in:

1. Subsection 1 of NRS 356.020; and

2. Subsection 1 of NRS 356.133.

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

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



Sec. 4. NRS 356.330 is hereby amended to read as follows:
356.330 **1.** “Public money” means *all* money deposited with a depository by ~~{the State or a local government.}~~ *any of the following:*

(a) The State Treasurer.

(b) An official custodian with plenary authority, including control over money belonging to, or held for the benefit of, the State or any of its political subdivisions, public corporations, municipal corporations, courts, or public agencies, boards, commissions or committees. If the exercise of plenary authority over public money requires action by or the consent of two or more recognized official custodians, the official custodians shall be treated as one official custodian having plenary authority over the public money. For the purposes of this paragraph:

(1) “Control” means the possession of public money and the authority to establish accounts of public money in public depository institutions and to make deposits, withdrawals and disbursements of public money.

(2) “Official custodian” means the State or any of its political subdivisions, public corporations, municipal corporations, courts, or public agencies, boards, commissions or committees.

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

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

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

(b) The Federal Government or an agent or representative thereof; or

(c) The Public Employees’ Retirement System or an agent or representative thereof.

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

356.340 “Third-party depository” means a trust company or trust department of a state, national or federal reserve district bank which is authorized to hold *acceptable* securities on behalf of a depository for the benefit of *a collateral pool* ~~{the State Treasurer.}~~ *pursuant to regulations adopted by the State Treasurer under NRS 356.390.*

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

356.360 ~~{1.}~~ The program established pursuant to NRS 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** ~~[(the State Treasurer; —(c))] 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;

~~[(d)]~~ 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



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

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

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

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

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

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

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

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

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

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

~~3. If an officer or employee of an agency terminates his employment after he receives a payment from the Account for~~



~~Travel Advances but before repayment to the Account, the State Treasurer may collect from the agency the amount~~ advanced.

Sec. 10. NRS 281.1745 is hereby amended to read as follows:

281.1745 When an officer or employee ~~{receives a cash advance for travel from the State Treasurer or}~~ uses a charge card issued at the request of the State for cash advances or travel expenses, or both, and the receipt of his travel reimbursement may be delayed more than 5 working days after the date of the initial submission of the travel reimbursement claim, the administrative head or his designee shall immediately issue to the officer or employee, for payment to the ~~{State Treasurer or the}~~ issuer of the charge card issued at the request of the State, a cash advance as described in NRS 281.172 in the amount of the ~~{cash advance made by the State Treasurer or the}~~ total travel expenses charged on the charge card. ~~{, whichever is applicable.}~~

Sec. 11. NRS 281.175 is hereby amended to read as follows:

281.175 The State ~~{Treasurer}~~ **Controller** may make reasonable rules and regulations to carry out the provisions of NRS ~~{281.171}~~ **281.172** to 281.175, inclusive.

Sec. 12. NRS 281.171 and 356.320 are hereby repealed.

Sec. 13. Any balance remaining in the Account for Travel Advances created by NRS 281.171 that has not been committed for expenditure on or before July 1, 2007, must be reverted to the State General Fund.

Sec. 14. This act becomes effective on July 1, 2007.

