

ASSEMBLY BILL NO. 424—ASSEMBLYMEN HARDY,
HICKEY, HAMBRICK; AND SHERWOOD

MARCH 21, 2011

JOINT SPONSOR: SENATOR RHODS

Referred to Committee on Government Affairs

SUMMARY—Revises provisions governing the revision of work programs and the acceptance of gifts and grants. (BDR 31-814)

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; increasing the monetary thresholds at which certain approval of revisions of work programs and acceptance of gifts and grants is required; exempting certain revisions of work programs from certain approval; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

1 Under the State Budget Act, a state department, institution or agency of the
2 Executive Department of State Government is required to obtain approval from the
3 Interim Finance Committee, except in certain limited circumstances, before
4 revising a work program in an amount more than \$20,000 if the revision will
5 increase or decrease by 10 percent or \$50,000, whichever is less, the expenditure
6 level approved by the Legislature for any of the allotments within the work
7 program. (NRS 353.220) **Section 1** of this bill increases that monetary threshold at
8 which such a request is required to be considered by the Interim Finance
9 Committee to an amount more than \$50,000 if the revision will increase by 10
10 percent or \$110,000, whichever is less, the expenditure level approved by the
11 Legislature for any of the allotments within the work program. **Section 1** also
12 exempts from the requirement of obtaining such approval: (1) a request to balance
13 forward money or expenditure authority remaining from a previous fiscal year that
14 does not change the purpose for which the money or expenditure authority was
15 previously approved; and (2) by eliminating the requirement to obtain approval for
16 certain decreases, a request to deaugment expenditure authority.



17 **Section 2** of this bill increases the maximum amount of governmental grants
18 that a state agency may accept from \$100,000 to \$225,000 and the maximum
19 amount of gifts, including grants from nongovernmental sources, that a state agency
20 may accept from \$10,000 to \$25,000, without obtaining the approval of the Interim
21 Finance Committee.

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

1 **Section 1.** NRS 353.220 is hereby amended to read as follows:
2 353.220 1. The head of any department, institution or agency
3 of the Executive Department of the State Government, whenever he
4 or she deems it necessary because of changed conditions, may
5 request the revision of the work program of his or her department,
6 institution or agency at any time during the fiscal year, and submit
7 the revised program to the Governor through the Chief with a
8 request for revision of the allotments for the remainder of that fiscal
9 year.

10 2. Every request for revision must be submitted to the Chief on
11 the form and with supporting information as the Chief prescribes.

12 3. Before encumbering any appropriated or authorized money,
13 every request for revision must be approved or disapproved in
14 writing by the Governor or the Chief, if the Governor has by written
15 instrument delegated this authority to the Chief.

16 4. ~~{Whenever}~~ *Except as otherwise provided in subsection 5,*
17 *whenever* a request for the revision of a work program of a
18 department, institution or agency in an amount more than ~~{ \$20,000 }~~
19 *\$50,000* would, when considered with all other changes in
20 allotments for that work program made pursuant to NRS 353.215
21 and subsections 1, 2 and 3 of this section, increase ~~{or decrease}~~ by
22 10 percent or ~~{ \$50,000, }~~ *\$110,000*, whichever is less, the
23 expenditure level approved by the Legislature for any of the
24 allotments within the work program, the request must be approved
25 as provided in subsection ~~{5}~~ *6* before any appropriated or
26 authorized money may be encumbered for the revision.

27 5. *The provisions of subsection 4 do not apply to a request to*
28 *carry forward an allotment remaining from a previous fiscal year*
29 *that does not change the purpose for which the allotment was*
30 *previously approved. This subsection must be construed to*
31 *authorize a transfer of money appropriated by the Legislature*
32 *from one fiscal year to another fiscal year without the approval of*
33 *the Interim Finance Committee if approval of the transfer by the*
34 *Interim Finance Committee is otherwise required by specific*
35 *statute.*



6. If a request for the revision of a work program requires additional approval as provided in subsection 4 and:

(a) Is necessary because of an emergency as defined in NRS 353.263 or for the protection of life or property, the Governor shall take reasonable and proper action to approve it and shall report the action, and his or her reasons for determining that immediate action was necessary, to the Interim Finance Committee at its first meeting after the action is taken. Action by the Governor pursuant to this paragraph constitutes approval of the revision, and other provisions of this chapter requiring approval before encumbering money for the revision do not apply.

(b) The Governor determines that the revision is necessary and requires expeditious action, he or she may certify that the request requires expeditious action by the Interim Finance Committee. Whenever the Governor so certifies, the Interim Finance Committee has 15 days after the request is submitted to its Secretary within which to consider the revision. Any request for revision which is not considered within the 15-day period shall be deemed approved.

(c) Does not qualify pursuant to paragraph (a) or (b), it must be submitted to the Interim Finance Committee. The Interim Finance Committee has 45 days after the request is submitted to its Secretary within which to consider the revision. Any request which is not considered within the 45-day period shall be deemed approved.

~~16.1~~ 7. The Secretary shall place each request submitted pursuant to paragraph (b) or (c) of subsection ~~15.1~~ 6 on the agenda of the next meeting of the Interim Finance Committee.

~~17.1~~ 8. In acting upon a proposed revision of a work program, the Interim Finance Committee shall consider, among other things:

(a) The need for the proposed revision; and

(b) The intent of the Legislature in approving the budget for the present biennium and originally enacting the statutes which the work program is designed to effectuate.

Sec. 2. NRS 353.335 is hereby amended to read as follows:

353.335 1. Except as otherwise provided in subsections 5 and 6, a state agency may accept any gift or grant of property or services from any source only if it is included in an act of the Legislature authorizing expenditures of nonappropriated money or, when it is not so included, if it is approved as provided in subsection 2.

2. If:

(a) Any proposed gift or grant is necessary because of an emergency as defined in NRS 353.263 or for the protection or preservation of life or property, the Governor shall take reasonable and proper action to accept it and shall report the action and his or her reasons for determining that immediate action was necessary to the Interim Finance Committee at its first meeting after the action is



1 taken. Action by the Governor pursuant to this paragraph constitutes
2 acceptance of the gift or grant, and other provisions of this chapter
3 requiring approval before acceptance do not apply.

4 (b) The Governor determines that any proposed gift or grant
5 would be forfeited if the State failed to accept it before the
6 expiration of the period prescribed in paragraph (c), the Governor
7 may declare that the proposed acceptance requires expeditious
8 action by the Interim Finance Committee. Whenever the Governor
9 so declares, the Interim Finance Committee has 15 days after the
10 proposal is submitted to its Secretary within which to approve or
11 deny the acceptance. Any proposed acceptance which is not
12 considered within the 15-day period shall be deemed approved.

13 (c) The proposed acceptance of any gift or grant does not qualify
14 pursuant to paragraph (a) or (b), it must be submitted to the Interim
15 Finance Committee. The Interim Finance Committee has 45 days
16 after the proposal is submitted to its Secretary within which to
17 consider acceptance. Any proposed acceptance which is not
18 considered within the 45-day period shall be deemed approved.

19 3. The Secretary shall place each request submitted to the
20 Secretary pursuant to paragraph (b) or (c) of subsection 2 on the
21 agenda of the next meeting of the Interim Finance Committee.

22 4. In acting upon a proposed gift or grant, the Interim Finance
23 Committee shall consider, among other things:

24 (a) The need for the facility or service to be provided or
25 improved;

26 (b) Any present or future commitment required of the State;

27 (c) The extent of the program proposed; and

28 (d) The condition of the national economy, and any related fiscal
29 or monetary policies.

30 5. A state agency may accept:

31 (a) Gifts, including grants from nongovernmental sources, not
32 exceeding ~~[\$10,000]~~ \$25,000 each in value; and

33 (b) Governmental grants not exceeding ~~[\$100,000]~~ \$225,000
34 each in value,

35 ➤ if the gifts or grants are used for purposes which do not involve
36 the hiring of new employees and if the agency has the specific
37 approval of the Governor or, if the Governor delegates this power of
38 approval to the Chief of the Budget Division of the Department of
39 Administration, the specific approval of the Chief.

40 6. This section does not apply to:

41 (a) The Nevada System of Higher Education;

42 (b) The Department of Health and Human Services while acting
43 as the state health planning and development agency pursuant to
44 paragraph (d) of subsection 2 of NRS 439A.081 or for donations,
45 gifts or grants to be disbursed pursuant to NRS 433.395; or



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- 1 (c) Artifacts donated to the Department of Cultural Affairs.
2 **Sec. 3.** This act becomes effective on July 1, 2011.

