

SENATE BILL NO. 296—SENATOR MCGINNESS

MARCH 21, 2011

Referred to Committee on Government Affairs

SUMMARY—Creates the Pooled Fiscal Emergency Fund to assist in providing financial stability for certain counties. (BDR 31-1078)

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; creating the Pooled Fiscal Emergency Fund and the County Fiscal Emergency Board; authorizing certain counties to deposit money in the Fund and to apply to the Board for financial assistance from the Fund during a fiscal emergency; providing for the administration of the Fund by the State Treasurer; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

1 **Section 3** of this bill creates the Pooled Fiscal Emergency Fund as a trust fund
2 to be administered by the State Treasurer, and authorizes any county whose
3 population is less than 100,000 (currently counties other than Clark and Washoe
4 Counties) to deposit money in the Fund. **Section 4** of this bill creates the County
5 Fiscal Emergency Board and requires the board of county commissioners of each
6 county who participates in the Fund to appoint one member to the Board. **Section 5**
7 of this bill allows any county who participates in the Fund to apply to the Board for
8 a grant or loan from the Fund to assist the county during a fiscal emergency, allows
9 the Board to authorize that financial assistance under terms the Board determines to
10 be appropriate, and requires the State Treasurer to make the grant or loan in
11 accordance with those terms.



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

Section 1. Chapter 354 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 5, inclusive, of this act.

Sec. 2. *As used in sections 2 to 5, inclusive, of this act, unless the context otherwise requires:*

1. *“Board” means the County Fiscal Emergency Board created by section 4 of this act.*

2. *“Fund” means the Pooled Fiscal Emergency Fund created by section 3 of this act.*

3. *“Participating county” means a county that deposits money in the Fund.*

Sec. 3. 1. *The Pooled Fiscal Emergency Fund is hereby created as a trust fund to be administered by the State Treasurer.*

2. *Any county whose population is less than 100,000 may deposit its money with the State Treasurer for credit to the Fund for the purposes of section 5 of this act.*

3. *The State Treasurer may invest the money of the Fund:*

(a) *In securities which have been authorized as investments for a county by any provision of NRS or any special law; and*

(b) *In time certificates of deposit in the manner provided by NRS 356.015.*

4. *All interest and income received on money of the Fund must be deposited for credit to the Fund.*

5. *At the end of each calendar quarter, the State Treasurer shall report to the Board the amount of money available in the Fund to carry out the provisions of section 5 of this act.*

6. *The State Treasurer may assess reasonable charges against the Fund for reimbursement of the expenses which he or she incurs in administering the Fund. The amount of the assessments must be transferred to an account within the State General Fund for use of the State Treasurer in carrying out the provisions of this section and section 5 of this act. Except as otherwise provided in section 5 of this act, no other money may be withdrawn from the Fund.*

Sec. 4. 1. *The County Fiscal Emergency Board is hereby created, consisting of as many members as there are participating counties. The board of county commissioners of each participating county shall appoint one member to the Board.*

2. *Each member of the Board must be appointed for a term of 2 years. A member may be reappointed for additional terms of 2 years in the same manner as the original appointment. Each*



1 *vacancy occurring in the membership of the Board must be filled*
2 *in the same manner as the original appointment.*

3 3. *Each member of the Board serves without compensation*
4 *but is entitled to the same travel expenses and subsistence*
5 *allowances as county officers while engaged in the business of the*
6 *Board.*

7 4. *A majority of the members of the Board constitutes a*
8 *quorum for the transaction of business, and a majority vote of a*
9 *quorum present at any meeting is required to take action with*
10 *respect to any matter.*

11 5. *The Board shall:*

12 (a) *Meet at least twice annually and at such times and places*
13 *specified by a call of the Chair or by a majority of the members of*
14 *the Board;*

15 (b) *At its first meeting and annually thereafter, elect a Chair*
16 *and Vice Chair from among its members; and*

17 (c) *Adopt rules for its own management and government.*

18 **Sec. 5. 1.** *Any participating county may apply to the Board*
19 *for financial assistance from the Fund to assist the county during*
20 *a fiscal emergency.*

21 2. *Upon the receipt of an application pursuant to subsection 1*
22 *and a determination by the Board that the applicant is*
23 *experiencing a fiscal emergency, the Board may authorize a grant*
24 *or loan of money from the Fund to the applicant in such an*
25 *amount and upon such terms and conditions as the Board*
26 *determines to be appropriate and which are not prohibited by law.*

27 3. *If the Board authorizes a grant or loan to an applicant*
28 *pursuant to subsection 2 and the applicant agrees to the terms and*
29 *conditions thereof, the Board shall notify the State Treasurer and*
30 *the Department of Taxation of the authorization, including the*
31 *amount, terms and conditions thereof, and the State Treasurer*
32 *shall make the grant or loan, to the extent that sufficient money is*
33 *available in the Fund for that purpose, in accordance with that*
34 *authorization.*

35 **Sec. 6.** *This act becomes effective on July 1, 2011.*

