

SENATE BILL NO. 434—COMMITTEE ON FINANCE

(ON BEHALF OF THE DIVISION OF BUDGET AND PLANNING)

MARCH 28, 2011

Referred to Committee on Finance

SUMMARY—Makes various changes regarding funding and autonomy of Nevada System of Higher Education. (BDR 31-1175)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.
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 the Nevada System of Higher Education; revising provisions governing the retention of certain appropriations to the System; revising provisions related to capital improvements constructed by or on behalf of the System; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Section 5 of this bill provides that the portion of any appropriations of money made to the Nevada System of Higher Education from the State General Fund that are not expended during a fiscal year will be retained by the System instead of being returned to the State General Fund.

Existing law authorizes the State Public Works Board, upon the request of the head of a state agency, to delegate to the state agency the Board's authority to manage public works projects. (NRS 341.119) **Section 9.5** of this bill requires the Board, upon the request of the Board of Regents of the University of Nevada, to delegate that authority to the Nevada System of Higher Education with regard to specific works designated by the Board of Regents of the University of Nevada.

Section 17 of this bill requires the State Controller and the State Treasurer, when specific projects are authorized by the Legislature, to transfer money in the Capital Construction Fund for Higher Education and the Special Capital Construction Fund for Higher Education to the Board of Regents for the construction of capital improvement projects for the System.



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

1 **Section 1.** (Deleted by amendment.)

2 **Sec. 2.** (Deleted by amendment.)

3 **Sec. 3.** (Deleted by amendment.)

4 **Sec. 4.** (Deleted by amendment.)

5 **Sec. 5.** NRS 353.253 is hereby amended to read as follows:

6 353.253 1. Every agency, department and institution of the
7 State of Nevada shall deposit all money received from the Federal
8 Government, the counties or other sources, in the State Treasury as
9 provided in NRS 353.250 unless otherwise provided by law. These
10 deposits must be made to work program accounts directly or to other
11 budget accounts.

12 2. Except for the balance in any proprietary fund and
13 appropriated or authorized reserves, any balance remaining at the
14 end of a fiscal year in a budget account of an agency, department or
15 institution of the State of Nevada, whether or not authorized for
16 expenditure under a work program, reverts to the source of funding
17 supporting the agency, department or institution. If that source of
18 funding is federal money or a source of revenue the use of which is
19 restricted by statute, then the balance may be authorized for
20 expenditure under a work program for the subsequent fiscal year in
21 accordance with the provisions of this chapter.

22 3. No provision of this chapter may be construed to authorize
23 or direct the transfer, expenditure or reversion of any money
24 received from the Federal Government contrary to the conditions
25 upon which that money was received or to any federal law or
26 regulation respecting the accountability therefor.

27 4. ~~[This]~~ *Except as otherwise provided in subsection 5, this*
28 section does not apply to the Board of Regents of the University of
29 Nevada and the Nevada State Museum.

30 5. *Any sums appropriated to the Nevada System of Higher*
31 *Education do not lapse to the State General Fund at the end of*
32 *any fiscal year.*

33 **Sec. 6.** (Deleted by amendment.)

34 **Sec. 7.** (Deleted by amendment.)

35 **Sec. 8.** (Deleted by amendment.)

36 **Sec. 9.** (Deleted by amendment.)

37 **Sec. 9.5.** NRS 341.119 is hereby amended to read as follows:

38 341.119 1. Upon the request of the head of a state agency, the
39 Board may delegate to that agency any of the authority granted the
40 Board pursuant to NRS 341.141 to 341.148, inclusive.

41 2. *Upon the request of the Board of Regents of the University*
42 *of Nevada, the State Public Works Board shall delegate to the*



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Nevada System of Higher Education any of the authority granted to the State Public Works Board pursuant to NRS 341.141 to 341.148, inclusive, regarding specific buildings, facilities, improvements and structures designated by the Board of Regents to be constructed by or on behalf of the Nevada System of Higher Education. The Board of Regents shall provide the Manager with such information regarding those specific buildings, facilities, improvements and structures as the Manager determines to be necessary to carry out the provisions of paragraph (g) of subsection 8 of NRS 341.100.

3. This section does not limit any of the authority of the Legislature when the Legislature is in regular or special session or the Interim Finance Committee when the Legislature is not in regular or special session to consult with the Board concerning a construction project or to approve the advance planning of a project.

Sec. 10. NRS 341.141 is hereby amended to read as follows:

341.141 1. The Board shall furnish engineering and architectural services to the Nevada System of Higher Education and all other state departments, boards or commissions charged with the construction of any building constructed on state property or for which the money is appropriated by the Legislature, except:

(a) Buildings used in maintaining highways;

(b) Improvements, other than nonresidential buildings with more than 1,000 square feet in floor area, made:

(1) In state parks by the State Department of Conservation and Natural Resources; or

(2) By the Department of Wildlife; ~~land~~

(c) Buildings on property controlled by other state agencies if the Board has delegated its authority in accordance with *subsection 1 of NRS 341.119* ~~and~~; and

(d) Buildings, facilities, improvements and structures regarding which the Board has delegated its authority to the Nevada System of Higher Education in accordance with subsection 2 of NRS 341.119.

➔ The Board of Regents of the University of Nevada and all other state departments, boards or commissions shall use those services.

2. The services must consist of:

(a) Preliminary planning;

(b) Designing;

(c) Estimating of costs; and

(d) Preparation of detailed plans and specifications.

Sec. 11. (Deleted by amendment.)

Sec. 12. (Deleted by amendment.)

Sec. 13. (Deleted by amendment.)

Sec. 14. (Deleted by amendment.)



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Sec. 15. (Deleted by amendment.)

Sec. 16. (Deleted by amendment.)

Sec. 17. NRS 463.385 is hereby amended to read as follows:

463.385 1. In addition to any other license fees and taxes imposed by this chapter, there is hereby imposed upon each slot machine operated in this State an annual excise tax of \$250. If a slot machine is replaced by another, the replacement is not considered a different slot machine for the purpose of imposing this tax.

2. The Commission shall:

(a) Collect the tax annually on or before June 30, as a condition precedent to the issuance of a state gaming license to operate any slot machine for the ensuing fiscal year beginning July 1, from a licensee whose operation is continuing.

(b) Collect the tax in advance from a licensee who begins operation or puts additional slot machines into play during the fiscal year, prorated monthly after July 31.

(c) Include the proceeds of the tax in its reports of state gaming taxes collected.

3. Any other person, including, without limitation, an operator of an inter-casino linked system, who is authorized to receive a share of the revenue from any slot machine that is operated on the premises of a licensee is liable to the licensee for that person's proportionate share of the license fees paid by the licensee pursuant to this section and shall remit or credit the full proportionate share to the licensee on or before the dates set forth in subsection 2. A licensee is not liable to any other person authorized to receive a share of the licensee's revenue from any slot machine that is operated on the premises of a licensee for that person's proportionate share of the license fees to be remitted or credited to the licensee by that person pursuant to this section.

4. The Commission shall pay over the tax as collected to the State Treasurer to be deposited to the credit of the State Distributive School Account in the State General Fund, and the Capital Construction Fund for Higher Education and the Special Capital Construction Fund for Higher Education, which are hereby created in the State Treasury as special revenue funds, in the amounts and to be expended only for the purposes specified in this section, or for any other purpose authorized by the Legislature.

5. During each fiscal year, the State Treasurer shall deposit the tax paid over to him or her by the Commission as follows:

(a) The first \$5,000,000 of the tax in the Capital Construction Fund for Higher Education;

(b) Twenty percent of the tax in the Special Capital Construction Fund for Higher Education; and



(c) The remainder of the tax in the State Distributive School Account in the State General Fund.

6. There is hereby appropriated from the balance in the Special Capital Construction Fund for Higher Education on July 31 of each year the amount necessary to pay the principal and interest due in that fiscal year on the bonds issued pursuant to section 5 of chapter 679, Statutes of Nevada 1979, as amended by chapter 585, Statutes of Nevada 1981, at page 1251, the bonds authorized to be issued by section 2 of chapter 643, Statutes of Nevada 1987, at page 1503, the bonds authorized to be issued by section 2 of chapter 614, Statutes of Nevada 1989, at page 1377, the bonds authorized to be issued by section 2 of chapter 718, Statutes of Nevada 1991, at page 2382, and the bonds authorized to be issued by section 2 of chapter 629, Statutes of Nevada 1997, at page 3106. If in any year the balance in that fund is not sufficient for this purpose, the remainder necessary is hereby appropriated on July 31 from the Capital Construction Fund for Higher Education. The balance remaining unappropriated in the Capital Construction Fund for Higher Education on August 1 of each year and all amounts received thereafter during the fiscal year must be transferred to the State General Fund for the support of higher education. If bonds described in this subsection are refunded and if the amount required to pay the principal of and interest on the refunding bonds in any fiscal year during the term of the bonds is less than the amount that would have been required in the same fiscal year to pay the principal of and the interest on the original bonds if they had not been refunded, there is appropriated to the Nevada System of Higher Education an amount sufficient to pay the principal of and interest on the original bonds, as if they had not been refunded. The amount required to pay the principal of and interest on the refunding bonds must be used for that purpose from the amount appropriated. The amount equal to the saving realized in that fiscal year from the refunding must be used by the Nevada System of Higher Education to defray, in whole or in part, the expenses of operation and maintenance of the facilities acquired in part with the proceeds of the original bonds.

7. After the requirements of subsection 6 have been met for each fiscal year, when specific projects are authorized by the Legislature, money in the Capital Construction Fund for Higher Education and the Special Capital Construction Fund for Higher Education must be transferred by the State Controller and the State Treasurer to the ~~{State Public Works Board}~~ *Board of Regents of the University of Nevada* for the construction of capital improvement projects for the Nevada System of Higher Education, including, but not limited to, capital improvement projects for the community colleges of the Nevada System of Higher Education. As



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1 used in this subsection, "construction" includes, but is not limited
2 to, planning, designing, acquiring and developing a site,
3 construction, reconstruction, furnishing, equipping, replacing,
4 repairing, rehabilitating, expanding and remodeling. Any money
5 remaining in either Fund at the end of a fiscal year does not revert to
6 the State General Fund but remains in those Funds for authorized
7 expenditure.

8 8. The money deposited in the State Distributive School
9 Account in the State General Fund under this section must be
10 apportioned as provided in NRS 387.030 among the several school
11 districts and charter schools of the State at the times and in the
12 manner provided by law.

13 9. The Board of Regents of the University of Nevada may use
14 any money in the Capital Construction Fund for Higher Education
15 and the Special Capital Construction Fund for Higher Education for
16 the payment of interest and amortization of principal on bonds and
17 other securities, whether issued before, on or after July 1, 1979, to
18 defray in whole or in part the costs of any capital project authorized
19 by the Legislature.

20 **Sec. 18.** (Deleted by amendment.)

21 **Sec. 19.** (Deleted by amendment.)

22 **Sec. 20.** This act becomes effective on July 1, 2011.

