

SENATE BILL NO. 81—COMMITTEE ON GOVERNMENT AFFAIRS

(ON BEHALF OF THE STATE CONTROLLER)

PREFILED DECEMBER 15, 2010

Referred to Committee on Government Affairs

SUMMARY—Makes various changes relating to state financial administration. (BDR 31-396)

FISCAL NOTE: Effect on Local Government: No.  
Effect on the State: Yes.

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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 the statutes of limitation for the State Controller to take action regarding the collection of certain debts owed to state agencies; providing for the electronic payment of certain payments; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

- 1 Existing law sets forth statutes of limitation for when the State Controller may  
2 take certain action to collect debts owed to the State. (NRS 353C.140, 353C.170,  
3 353C.180, 353C.210) **Sections 4-7** of this bill amend those statutes of limitation.  
4 **Section 8** of this bill requires the State Controller to pay accounts payable  
5 electronically unless doing so would cause undue hardship to the payee.

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.** NRS 353C.140 is hereby amended to read as follows:  
5 353C.140 If a person has not paid a debt that the person owes  
6 to an agency, the Attorney General, upon the request of the State  
7 Controller:



1 1. Except as otherwise provided in this section, shall bring an  
2 action in a court of competent jurisdiction; or

3 2. If the action is a small claim subject to chapter 73 of NRS,  
4 may bring an action in a court of competent jurisdiction,  
5 ➡ on behalf of this state to collect the debt, plus any applicable  
6 penalties and interest. The action must be brought not later than 4  
7 years after the date on which the debt became due or within ~~5~~ 4  
8 years after the date on which a certificate of liability was last  
9 recorded pursuant to NRS 353C.180, as appropriate.

10 **Sec. 5.** NRS 353C.170 is hereby amended to read as follows:

11 353C.170 1. An abstract of the judgment entered pursuant to  
12 NRS 353C.160, or a copy thereof, may be recorded in the office of  
13 the county recorder of any county.

14 2. From the time of its recodation, the judgment becomes a  
15 lien upon all real and personal property situated in the county that is  
16 owned by the judgment debtor, or which the debtor may afterward  
17 acquire, until the lien expires. The lien has the force, effect and  
18 priority of a judgment lien and continues for ~~5~~ 4 years after the  
19 date of the judgment so entered by the court clerk unless sooner  
20 released or otherwise discharged.

21 3. Within ~~5~~ 4 years after the date of the recording of the  
22 judgment or within ~~5~~ 4 years after the date of the last extension of  
23 the lien pursuant to this subsection, the lien may be extended by  
24 recording an affidavit of renewal in the office of the county  
25 recorder. From the date of recording, the lien is extended for ~~5~~ 4  
26 years to all real and personal property situated in the county that is  
27 owned by the judgment debtor or acquired by the judgment debtor  
28 afterwards, unless the lien is sooner released or otherwise  
29 discharged.

30 **Sec. 6.** NRS 353C.180 is hereby amended to read as follows:

31 353C.180 1. In addition to any other remedy provided for in  
32 this chapter, the State Controller may, within 4 years after the date  
33 that a debt becomes due, record a certificate of liability in the office  
34 of a county recorder which states:

35 (a) The amount of the debt, together with any interest or  
36 penalties due thereon;

37 (b) The name and address of the debtor, as the name and address  
38 of the debtor appear on the records of the State Controller;

39 (c) That the State Controller has complied with all procedures  
40 required by law for determining the amount of the debt; and

41 (d) That the State Controller has notified the debtor in  
42 accordance with subsection 2.

43 2. The State Controller shall, not less than 15 days before  
44 the date on which he or she intends to file the certificate, notify the  
45 debtor of the State Controller's intention to file the certificate. The



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notification must be sent by certified mail to the last known address of the debtor and must include the name of the agency to which the debt is owed, the amount sought to be recovered and the date on which the certificate will be filed with the county recorder.

3. From the time of the recording of the certificate, the amount of the debt, including interest which accrues on the debt after the recording of the certificate, constitutes a lien upon all real and personal property situated in the county in which the certificate was recorded that is owned by the debtor or acquired by the debtor afterwards and before the lien expires. The lien has the force, effect and priority of a judgment lien on all real and personal property situated in the county in which the certificate was recorded and continues for ~~5~~ 4 years after the date of recording unless sooner released or otherwise discharged.

4. Within ~~5~~ 4 years after the date of the recording of the certificate or within ~~5~~ 4 years after the date of the last extension of the lien pursuant to this subsection, the lien may be extended by recording a new certificate in the office of the county recorder. From the date of recording, the lien is extended for ~~5~~ 4 years to all real and personal property situated in the county that is owned by the debtor or acquired by the debtor afterwards, unless the lien is sooner released or otherwise discharged.

**Sec. 7.** NRS 353C.210 is hereby amended to read as follows:

353C.210 1. Notwithstanding any specific statute to the contrary, the State Controller may, in addition to any other remedy provided for in this chapter, give notice of the amount of a debt owed to this State and a demand to transmit to any person, including, without limitation, any officer, agency or political subdivision of this state, who has in his or her possession or under his or her control any credits or other personal property belonging to the debtor or who owes any debts to the debtor that remain unpaid. The notice and demand to transmit must be delivered personally or by certified or registered mail:

(a) Not later than 4 years after the debt became due; or

(b) Not later than ~~6~~ 4 years after the last recording of an abstract of judgment pursuant to NRS 353C.170 or a certificate of liability pursuant to NRS 353C.180.

2. If such notice is given to an officer or agency of this state, the notice must be delivered before the State Controller may file a claim pursuant to NRS 353C.190 on behalf of the debtor.

3. An agency that receives a notice and demand to transmit pursuant to this section may satisfy any debt owed to it by the debtor before it honors the notice and demand to transmit. If the agency is holding a bond or other property of the debtor as security for debts owed or that may become due and owing by the debtor, the



1 agency is not required to transmit the amount of the bond or other  
2 property unless the agency determines that holding the bond or other  
3 property of the debtor as security is no longer required.

4 4. Except as otherwise provided by specific statute, a person  
5 who receives a demand to transmit pursuant to this section shall not  
6 thereafter transfer or otherwise dispose of the credits or other  
7 personal property of, or debts owed to, the person who is the subject  
8 of the demand to transmit without the consent of the State  
9 Controller.

10 5. Except as otherwise provided by specific statute, a person  
11 who receives a demand to transmit pursuant to this section shall,  
12 within 10 days thereafter, inform the State Controller of, and  
13 transmit to the State Controller within the time and in the manner  
14 requested by the State Controller, all credits or other personal  
15 property in his or her possession or control that belong to, and all  
16 debts that he or she owes to, the person who is the subject of the  
17 demand to transmit. Except as otherwise provided in subsection 6,  
18 no further notice is required to be served on such persons.

19 6. Except as otherwise provided by specific statute, if the  
20 property of the debtor consists of a series of payments owed to the  
21 debtor, the person who owes or controls the payments shall transmit  
22 the payments to the State Controller until otherwise notified by the  
23 State Controller. If the debt of the debtor is not paid within 1 year  
24 after the date on which the State Controller issued the original  
25 demand to transmit, the State Controller shall:

26 (a) Issue another demand to transmit to the person responsible  
27 for making the payments that informs the person to continue  
28 transmitting payments to the State Controller; or

29 (b) Notify the person that his or her duty to transmit the  
30 payments to the State Controller has ceased.

31 7. If the notice and demand to transmit is intended to prevent  
32 the transfer or other disposition of a deposit in a bank or other  
33 depository institution, or of any other credit or personal property in  
34 the possession or under the control of the bank or depository  
35 institution, the notice must be delivered or mailed to any branch or  
36 office of the bank or depository institution at which the deposit is  
37 carried or the credit or personal property is held.

38 8. If any person to whom the State Controller delivers a notice  
39 and demand to transmit transfers or otherwise disposes of any  
40 property or debts required by this chapter to be transmitted to the  
41 State Controller, the person is, to the extent of the value of the  
42 property or the amount of the debts so transferred or disposed of,  
43 liable to the State Controller for any portion of the debt that the  
44 State Controller is unable to collect from the debtor solely by reason  
45 of the transfer or other disposition of the property or debt.



9. A debtor who owes a debt to an agency for which the State Controller delivers a notice and demand to transmit concerning the debtor pursuant to this section is entitled to an administrative hearing before that agency to challenge the collection of the debt pursuant to the demand to transmit. Each agency may adopt such regulations as are necessary to provide an administrative hearing for the purposes of this subsection.

**Sec. 8.** Chapter 227 of NRS is hereby amended by adding thereto a new section to read as follows:

*1. Except as otherwise provided in subsection 2, the State Controller shall pay an account payable electronically.*

*2. Upon application of a payee or the payee's representative, the State Controller may waive the requirements of subsection 1 if the State Controller determines that the electronic payment of an account payable would cause the payee to suffer undue hardship or extreme inconvenience.*

*3. The State Controller may adopt such regulations as are necessary or advisable to carry out the provisions of this section.*

**Sec. 9.** NRS 227.200 is hereby amended to read as follows:

227.200 The State Controller shall:

1. Draw a warrant in favor of any person or governmental payee certified by an agency of state government to receive money from the treasury and deliver or mail the warrant to the State Treasurer who shall sign the warrant and:

(a) ~~[Deliver or mail the countersigned warrant,]~~ *Except as otherwise provided in section 8 of this act, if it is for payment of an account payable, [directly to] electronically pay the payee or the payee's representative;*

(b) If it is for payment of an employee:

(1) Deliver or mail the warrant to the employee or to the appropriate state agency for distribution; or

(2) Deposit the warrant to the credit of the employee by direct deposit at a bank or credit union in which the employee has an account, if the employee has authorized the direct deposit; or

(c) Deposit the warrant to the credit of the payee through a funds transfer.

2. Keep a warrant register, in which the State Controller shall enter all warrants drawn by him or her. The arrangement of this book must be such as to show the bill and warrant number, the amount, out of which fund the warrants are payable, and a distribution of the warrants under the various appropriations.

3. Credit the State Treasurer with all warrants paid.

**Sec. 10.** (Deleted by amendment.)



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1     **Sec. 11.** NRS 333.450 is hereby amended to read as follows:  
2     333.450 1. ~~[AHH]~~ *Except as otherwise provided in section 8*  
3 *of this act*, claims for supplies, materials, equipment and services  
4 purchased pursuant to the provisions of this chapter must, when  
5 approved by the Chief, be paid in the same manner as other claims  
6 against the State are required to be paid.  
7     2. The Chief shall annually assess each using agency a fee for  
8 the procurement and inventory services provided by the Purchasing  
9 Division to the using agency. The fee must be based on the using  
10 agency's use of the procurement and inventory services of the  
11 Purchasing Division during preceding years. The Chief shall adjust  
12 the formula for calculating the fee each biennium.  
13     3. If an agency is not a using agency, the Chief shall assess a  
14 fee of not more than the cost to the Division to process the order for  
15 the agency.  
16     4. The Chief may adopt regulations to carry out the provisions  
17 of this section.  
18     **Sec. 12.** This act becomes effective upon passage and  
19 approval.

