

Amendment No. 977

Senate Amendment to Senate Bill No. 473	(BDR 18-1128)
Proposed by: Senator Smith	
Amends: Summary: Yes Title: Yes Preamble: No Joint Sponsorship: No Digest: Yes	

ASSEMBLY ACTION		Initial and Date	SENATE ACTION		Initial and Date
Adopted	<input type="checkbox"/>	Lost <input type="checkbox"/>	Adopted	<input type="checkbox"/>	Lost <input type="checkbox"/>
Concurred In	<input type="checkbox"/>	Not <input type="checkbox"/>	Concurred In	<input type="checkbox"/>	Not <input type="checkbox"/>
Receded	<input type="checkbox"/>	Not <input type="checkbox"/>	Receded	<input type="checkbox"/>	Not <input type="checkbox"/>

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) *green bold italic underlining* is new language proposed in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill that is proposed to be retained in this amendment; and (6) *green bold underlining* is newly added transitory language.

JWP



Date: 6/3/2013

S.B. No. 473—Revises provisions relating to certain internal service funds.  
(BDR 18-1128)



SENATE BILL NO. 473—COMMITTEE ON FINANCE  
(ON BEHALF OF THE DEPARTMENT OF ADMINISTRATION)

MARCH 25, 2013

Referred to Committee on Government Affairs

SUMMARY—Revises provisions relating to ~~the certain internal service funds;~~ the State Administrative Manual. (BDR 18-1128)

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 ~~the state financial administration; requiring interest and income earned on the money in certain internal service funds to be credited to the funds; changing the name of the Department of Administration's Communications Fund to the Department of Administration's Mail Services Fund;~~ the State Government; revising provisions relating to the State Administrative Manual and the adoption of internal policies and procedures by the State Board of Examiners; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

Existing law ~~provides for the establishment of the Department of Administration's Operating Fund for Administrative Services, the Fund for Information Services, the Personnel Operating Fund, the Buildings and Grounds Operating Fund, the Fund for Insurance Premiums, the State Purchasing Fund, the Motor Pool Fund, the State Printing Fund and the Department of Administration's Communications Fund. (NRS 232.210, 242.211, 284.110, 231.101, 231.187, 232.120, 236.110, 244.090, 278.143) This bill requires interest and income earned on the money in each of these funds to be credited to the fund after deducting any applicable charges. Section 9 of this bill changes the name of the Department of Administration's Communications Fund to the Department of Administration's Mail Services Fund;~~ establishes a procedure for the adoption and review of regulations by state administrative agencies. (Chapter 233B of NRS) Exempted from the definition of a "regulation," and from that procedure, are internal policies and procedures of an agency which are used solely to train or provide guidance to employees of an agency and are not used as authority in a contested case to determine whether a person is in compliance with a federal or state statute or regulation. (NRS 233B.038) The Department of Administration currently publishes the State Administrative Manual, a compilation of policies adopted by the State Board of Examiners which govern the internal operation of agencies of the Executive Department of the State Government. Assembly Bill No. 16 of this session provides specific statutory authority and notice requirements for adopting, amending and repealing such policies. This bill amends Assembly Bill No. 16 to: (1) clarify that the State Board of Examiners is authorized to adopt internal policies as such policies are defined in existing law; and (2) provide that the special provisions of

Assembly Bill No. 16 prevail over the general provisions of the Nevada Administrative Procedure Act to the extent of any conflict between those provisions.

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

**Section 1.** ~~[NRS 232.219 is hereby amended to read as follows:~~

~~232.219 1. The Department of Administration's Operating Fund for Administrative Services is hereby created as an internal service fund.~~

~~2. The operating budget of each of the following entities must include an amount representing that entity's share of the operating costs of the central accounting function of the Department:~~

~~(a) State Public Works Division;~~

~~(b) Budget Division;~~

~~(c) Purchasing Division;~~

~~(d) Hearings Division;~~

~~(e) Risk Management Division;~~

~~(f) Division of Internal Audits;~~

~~(g) Division of Human Resource Management;~~

~~(h) Division of Enterprise Information Technology Services;~~

~~(i) Division of State Library and Archives; and~~

~~(j) If separately established, the Motor Pool Division.~~

~~3. All money received for the central accounting services of the Department must be deposited in the State Treasury for credit to the Operating Fund.~~

~~4. All expenses of the central accounting function of the Department must be paid from the Fund as other claims against the State are paid.~~

~~5. The interest and income earned on the money in the Fund must, after deducting any applicable charges, be credited to the Fund.] (Deleted by amendment.)~~

**Sec. 2.** ~~[NRS 242.211 is hereby amended to read as follows:~~

~~242.211 1. The Fund for Information Services is hereby created as an internal service fund. Money from the Fund must be paid out on claims as other claims against the State are paid. The claims must be made in accordance with budget allotments and are subject to postaudit examination and approval.~~

~~2. All operating, maintenance, rental, repair and replacement costs of equipment and all salaries of personnel assigned to the Division must be paid from the Fund.~~

~~3. Each agency using the services of the Division shall pay a fee for that use to the Fund, which must be set by the Administrator in an amount sufficient to reimburse the Division for the entire cost of providing those services, including overhead. Each using agency shall budget for those services. All fees, proceeds from the sale of equipment and any other money received by the Division must be deposited with the State Treasurer for credit to the Fund.~~

~~4. The interest and income earned on the money in the Fund must, after deducting any applicable charges, be credited to the Fund.] (Deleted by amendment.)~~

**Sec. 3.** ~~[NRS 284.110 is hereby amended to read as follows:~~

~~284.110 1. The Personnel Operating Fund is hereby created as an internal service fund.~~

~~2. The Division may accept on behalf of the State any grant or contribution, federal or otherwise, made to assist in meeting the costs of carrying out the~~

1 purposes of this chapter. All such grants and contributions must be deposited with  
2 the State Treasurer to the credit of the Personnel Operating Fund.

3 ~~2. All costs of administering the provisions of this chapter must be paid out of~~  
4 ~~the Personnel Operating Fund on claims in the same manner as other claims against~~  
5 ~~the State are paid.~~

6 ~~4. The interest and income earned on the money in the Personnel Operating~~  
7 ~~Fund must, after deducting any applicable charges, be credited to the Fund.]~~  
8 ~~(Deleted by amendment.)~~

9 Sec. 4. ~~[NRS 331.101 is hereby amended to read as follows:~~

10 ~~331.101 1. The Buildings and Grounds Operating Fund is hereby created as~~  
11 ~~an internal service fund.~~

12 ~~2. All costs of administering the provisions of NRS 331.010 to 331.145,~~  
13 ~~inclusive, must be paid out of the Buildings and Grounds Operating Fund as other~~  
14 ~~claims against the State are paid.~~

15 ~~3. The interest and income earned on the money in the Buildings and~~  
16 ~~Grounds Operating Fund must, after deducting any applicable charges, be~~  
17 ~~credited to the Fund.] (Deleted by amendment.)~~

18 Sec. 5. ~~[NRS 331.187 is hereby amended to read as follows:~~

19 ~~331.187 1. There is created in the State Treasury the Fund for Insurance~~  
20 ~~Premiums as an internal service fund to be maintained for use by the Risk~~  
21 ~~Management Division of the Department of Administration and the Attorney~~  
22 ~~General.~~

23 ~~2. Each state agency shall deposit in the Fund:~~

24 ~~(a) An amount equal to its insurance premium and other charges for potential~~  
25 ~~liability, self insured claims, other than self insured tort claims, and administrative~~  
26 ~~expenses, as determined by the Risk Management Division; and~~

27 ~~(b) An amount for self insured tort claims and expenses related to those claims,~~  
28 ~~as determined by the Attorney General.~~

29 ~~3. Each county shall deposit in the Fund an assessment for the employees of~~  
30 ~~the district court of that county, excluding district judges, unless the county enters~~  
31 ~~into a written agreement with the Attorney General to:~~

32 ~~(a) Hold the State of Nevada harmless and assume liability and costs of~~  
33 ~~defense for the employees of the district court;~~

34 ~~(b) Reimburse the State of Nevada for any liability and costs of defense that~~  
35 ~~the State of Nevada incurs for the employees of the district court; or~~

36 ~~(c) Include the employees of the district court under the county's own~~  
37 ~~insurance or other coverage.~~

38 ~~4. Expenditures from the Fund must be made by the Risk Management~~  
39 ~~Division or the Attorney General to an insurer for premiums of state agencies as~~  
40 ~~they become due or for deductibles, self insured property and tort claims or claims~~  
41 ~~pursuant to NRS 41.0349. If the money in the Fund is insufficient to pay a tort~~  
42 ~~claim, it must be paid from the Reserve for Statutory Contingency Account.~~

43 ~~5. The interest and income earned on the money in the Fund must, after~~  
44 ~~deducting any applicable charges, be credited to the Fund.~~

45 ~~6. As used in this section, "assessment" means an amount determined by the~~  
46 ~~Risk Management Division and the Attorney General to be equal to the share of a~~  
47 ~~county for:~~

48 ~~(a) Applicable insurance premiums;~~

49 ~~(b) Other charges for potential liability and tort claims; and~~

50 ~~(c) Expenses related to tort claims.] (Deleted by amendment.)~~

1       **Sec. 6.** ~~NRS 333.120 is hereby amended to read as follows:~~

2       ~~333.120 1. The State Purchasing Fund, in the sum of \$1,250,000 is hereby~~  
3 ~~created as an internal service fund for the use of the Administrator in purchasing~~  
4 ~~supplies, materials and equipment and services.~~

5       ~~2. Except as otherwise provided in subsection 2, the Administrator may~~  
6 ~~withdraw from the State Purchasing Fund an amount not to exceed \$150,000 per~~  
7 ~~year and is hereby authorized to expend that amount to pay the cost to the~~  
8 ~~Purchasing Division of providing methods for purchasing or leasing pursuant to this~~  
9 ~~chapter by the use of forms in electronic format through a computer system or~~  
10 ~~network or through the Internet, or its successor, if any.~~

11       ~~3. The Administrator shall not withdraw money pursuant to subsection 2 if~~  
12 ~~the withdrawal would reduce the balance of the State Purchasing Fund below~~  
13 ~~\$500,000.~~

14       ~~4. If the Administrator makes a withdrawal pursuant to subsection 2, the~~  
15 ~~maximum balance of the State Purchasing Fund is permanently reduced by the~~  
16 ~~amount of the withdrawal.~~

17       ~~5. The interest and income earned on the money in the State Purchasing~~  
18 ~~Fund must, after deducting any applicable charges, be credited to the Fund.]~~  
19 ~~(Deleted by amendment.)~~

20       **Sec. 7.** ~~NRS 336.110 is hereby amended to read as follows:~~

21       ~~336.110 1. The Motor Pool Fund is hereby created as an internal service~~  
22 ~~fund. No money in the Fund may revert to the State General Fund at any time.~~  
23 ~~Money from the Motor Pool Fund must be paid out on claims as other claims~~  
24 ~~against the State are paid. The claims must be made in accordance with budget and~~  
25 ~~quarterly work allotments and subject to postaudit examination and approval.~~

26       ~~2. All operating, maintenance and repair costs for vehicles assigned to the~~  
27 ~~State Motor Pool must be paid from the Motor Pool Fund and the accounting for~~  
28 ~~depreciation must be accomplished in that Fund.~~

29       ~~3. All agencies using vehicles of the State Motor Pool shall pay a fee for the~~  
30 ~~use and a proportionate share of operational costs in an amount determined by the~~  
31 ~~Executive Officer. The formula for spreading costs of operation may be adjusted~~  
32 ~~from time to time as may be necessary to replace worn vehicles, pay vehicle costs~~  
33 ~~and defray the costs of Motor Pool operation.~~

34       ~~4. All fees, including amounts on account of depreciation accrued, costs and~~  
35 ~~other money received by the State Motor Pool, including all proceeds from the sale~~  
36 ~~of vehicles, must be deposited with the State Treasurer for credit to the Fund.~~

37       ~~5. The interest and income earned on the money in the Motor Pool Fund~~  
38 ~~must, after deducting any applicable charges, be credited to the Fund.] (Deleted~~  
39 ~~by amendment.)~~

40       **Sec. 8.** ~~NRS 344.090 is hereby amended to read as follows:~~

41       ~~344.090 1. The State Printing Fund is created as an internal service fund.~~

42       ~~2. The State Printing Fund consists of the money appropriated to carry out the~~  
43 ~~provisions of this chapter and all money received in the State Printing Fund from~~  
44 ~~any source in payment of all printing, reproduction and binding done in the State~~  
45 ~~Printing Office.~~

46       ~~3. The interest and income earned on the money in the State Printing Fund~~  
47 ~~must, after deducting any applicable charges, be credited to the State Printing~~  
48 ~~Fund.] (Deleted by amendment.)~~

49       **Sec. 9.** ~~NRS 378.143 is hereby amended to read as follows:~~

50       ~~378.143 1. The Department of Administration's [Communications] Mail~~  
51 ~~Services Fund is hereby created as an internal service fund. The Fund is a~~  
52 ~~continuing fund, and its money may not revert to the State General Fund at any~~  
53 ~~time.~~

~~2. Claims against the Fund which are approved by the State Library and Archives Administrator must be paid as other claims against the State are paid.~~

~~3. Claims must be made in accordance with budget and quarterly work allotments and subject to postaudit examination and approval.~~

~~4. The interest and income earned on the money in the Fund must, after deducting any applicable charges, be credited to the Fund. (Deleted by amendment.)~~

**Sec. 10.** ~~NRS 378.146 is hereby amended to read as follows:~~

~~378.146 1. All revenue resulting from:~~

~~(a) Postage sold to state officers, departments and agencies; and~~

~~(b) Charges for proportionate costs of mail service operation;~~

~~must be deposited in the State Treasury for credit to the [Communications] Mail Services Fund created by NRS 378.142.~~

~~2. The formula for spreading costs of operation must be adjusted from time to time to preserve the Fund at not less than its initial level. (Deleted by amendment.)~~

**Sec. 10.3. Section 1 of Assembly Bill No. 16 of this session is hereby amended to read as follows:**

Section 1. Chapter 232 of NRS is hereby amended by adding thereto a new section to read as follows:

~~1. [The State Administrative Manual is hereby created.] The Director, or the Chief of the Budget Division of the Department if the Director does not serve as the Chief, shall compile and publish ~~in the State Administrative Manual any~~ an administrative manual consisting of the internal policies and procedures adopted or amended by the State Board of Examiners pursuant to ~~[NRS 353.040.]~~ section 2.3 of this act.~~

~~2. The Department shall cause a copy of the current version of the administrative manual compiled and published pursuant to subsection 1 to be posted on the primary Internet website maintained by the State Government. The copy must be accessible through a conspicuous link to the manual that appears on the main page of that website.~~

~~3. In addition to complying with the requirements of NRS 241.020, the Director or the Chief, as applicable, shall, not later than 30 days before presenting to the State Board of Examiners any policy or procedure for adoption, amendment or repeal, cause notice of the proposed action to be posted on the Internet website used by the State Board of Examiners to provide public notice of its meetings. The notice must:~~

~~(a) Be accessible through a conspicuous link that appears on the main page of that website;~~

~~(b) Include the full text of the policy or procedure proposed to be adopted, amended or repealed, clearly setting forth any language proposed for addition to or deletion from the policy or procedure;~~

~~(c) Solicit the submission of written comments by any interested person to the Director or the Chief, as applicable, for transmittal to the State Board of Examiners, concerning its proposed action and set forth the address for the submission of such comments and the deadline for submission applicable pursuant to subsection ~~3.4~~ 4; and~~

~~(d) Set forth the date on which the adoption, amendment or repeal of the policy or procedure becomes effective if action is taken as proposed.~~

~~4. Any written comments submitted to the Director or the Chief, as applicable, pursuant to subsection ~~3.4~~ 3 must be submitted not later than 5 working days before the meeting at which the proposed adoption,~~

*amendment or repeal is to be considered by the State Board of Examiners and must be entered into the record of the Board.*

**Sec. 10.5. Assembly Bill No. 16 of this session is hereby amended by adding thereto new sections to be designated as sections 2.1 and 2.3, immediately following section 2, to read as follows:**

**Sec. 2.1. NRS 233B.039 is hereby amended to read as follows:**

233B.039 1. The following agencies are entirely exempted from the requirements of this chapter:

(a) The Governor.

(b) Except as otherwise provided in NRS 209.221, the Department of Corrections.

(c) The Nevada System of Higher Education.

(d) The Office of the Military.

(e) The State Gaming Control Board.

(f) Except as otherwise provided in NRS 368A.140, the Nevada Gaming Commission.

(g) The Division of Welfare and Supportive Services of the Department of Health and Human Services.

(h) Except as otherwise provided in NRS 422.390, the Division of Health Care Financing and Policy of the Department of Health and Human Services.

(i) The State Board of Examiners acting pursuant to chapter 217 of NRS.

(j) Except as otherwise provided in NRS 533.365, the Office of the State Engineer.

(k) The Division of Industrial Relations of the Department of Business and Industry acting to enforce the provisions of NRS 618.375.

(l) The Administrator of the Division of Industrial Relations of the Department of Business and Industry in establishing and adjusting the schedule of fees and charges for accident benefits pursuant to subsection 2 of NRS 616C.260.

(m) The Board to Review Claims in adopting resolutions to carry out its duties pursuant to NRS 590.830.

(n) The Silver State Health Insurance Exchange.

2. Except as otherwise provided in subsection 5 and NRS 391.323, the Department of Education, the Board of the Public Employees' Benefits Program and the Commission on Professional Standards in Education are subject to the provisions of this chapter for the purpose of adopting regulations but not with respect to any contested case.

3. The special provisions of:

(a) Chapter 612 of NRS for the distribution of regulations by and the judicial review of decisions of the Employment Security Division of the Department of Employment, Training and Rehabilitation;

(b) Chapters 616A to 617, inclusive, of NRS for the determination of contested claims;

(c) Chapter 91 of NRS for the judicial review of decisions of the Administrator of the Securities Division of the Office of the Secretary of State; ~~and~~

(d) NRS 90.800 for the use of summary orders in contested cases. ~~and~~

**and**  
**(e) Section 1 of this act for the adoption, amendment and repeal of internal policies and procedures by the State Board of Examiners pursuant to section 2.3 of this act,**

↪ prevail over the general provisions of this chapter.

4. The provisions of NRS 233B.122, 233B.124, 233B.125 and 233B.126 do not apply to the Department of Health and Human Services in the adjudication of contested cases involving the issuance of letters of approval for health facilities and agencies.

5. The provisions of this chapter do not apply to:

(a) Any order for immediate action, including, but not limited to, quarantine and the treatment or cleansing of infected or infested animals, objects or premises, made under the authority of the State Board of Agriculture, the State Board of Health, or any other agency of this State in the discharge of a responsibility for the preservation of human or animal health or for insect or pest control;

(b) An extraordinary regulation of the State Board of Pharmacy adopted pursuant to NRS 453.2184;

(c) A regulation adopted by the State Board of Education pursuant to NRS 392.644 or 394.1694; or

(d) The judicial review of decisions of the Public Utilities Commission of Nevada.

6. The State Board of Parole Commissioners is subject to the provisions of this chapter for the purpose of adopting regulations but not with respect to any contested case.

Sec. 2.3. Chapter 353 of NRS is hereby amended by adding thereto a new section to read as follows:

1. The State Board of Examiners may adopt, amend and repeal internal policies and procedures, not inconsistent with applicable law, to train or provide guidance to employees of any agency, bureau, board, commission, department, division or any other unit of the Executive Department of the State Government except employees of:

(a) Any board which is exempt from the provisions of this chapter pursuant to NRS 353.005;

(b) The Board of Regents of the University of Nevada; or

(c) The Nevada System of Higher Education.

2. As used in this section, "internal policies and procedures" does not include any policy or procedure used as authority in a contested case to determine whether a person is in compliance with a federal or state statute or regulation.

Sec. 10.7. Section 2.5 of Assembly Bill No. 16 of this session is hereby repealed.

Sec. 11. This act becomes effective ~~on July 1, 2013.~~ upon passage and approval.

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### TEXT OF REPEALED SECTION

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#### **Section 2.5 of Assembly Bill No. 16 of this session:**

**Sec. 2.5.** NRS 353.040 is hereby amended to read as follows:

353.040 The State Board of Examiners shall have authority to establish ~~rules and regulations~~ *policies and procedures* for its government not inconsistent with law.