

SENATE BILL NO. 44—COMMITTEE ON GOVERNMENT AFFAIRS

(ON BEHALF OF THE DIVISION OF
EMERGENCY MANAGEMENT)

PREFILED DECEMBER 20, 2012

Referred to Committee on Government Affairs

SUMMARY—Revises provisions relating to allocations from the
Disaster Relief Account. (BDR 31-341)

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 public financial administration; enlarging the purposes for which a grant or loan may be made from the Disaster Relief Account; revising the process for requesting a grant or loan from the Account and for reviewing such a request; enlarging the purposes for which a local government may use money in a fund to mitigate the effects of a natural disaster; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law establishes a process by which a state agency or a local government may apply to the State Board of Examiners and the Interim Finance Committee for a grant or loan from the Disaster Relief Account, and also specifies the purposes for which that money may be used. (NRS 353.2705-353.2771) Money granted or loaned to a local government from the Account may be used, among other purposes, to pay a portion of any "grant match" the local government must provide to obtain a grant from a federal disaster assistance agency. (NRS 353.2715, 353.2725, 353.2745, 353.2751) **Sections 1, 2, 5 and 6** of this bill remove the limitation that the federal agency making such a grant must be a disaster assistance agency, with the result that money granted or loaned from the Account may be used to match a grant from any federal agency. **Section 10** of this bill makes a similar change with respect to the use of money from a fund established by a local government to mitigate the effects of a natural disaster. (NRS 354.6115)

Sections 4 and 5 of this bill otherwise enlarge the purposes for which money granted from the Account may be used, to authorize use of the money for a project to prevent or reduce the likelihood of damage or injury resulting from a similar disaster in the future.



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The remaining provisions of this bill revise the process for submitting and reviewing a request for a grant or loan from the Account. **Section 9** of this bill requires a state agency or a local government to give notice of its intention to request a grant or loan to the Division of Emergency Management of the Department of Public Safety, which forwards that notice to the State Board of Examiners and the Fiscal Analysis Division of the Legislative Counsel Bureau. **Section 9** enlarges the time within which the request must thereafter be submitted, and requires that it be submitted initially to the Division of Emergency Management and the Department of Taxation for review and comment. The request and the reports of each agency are transmitted to the State Board of Examiners and the Fiscal Analysis Division. The State Board of Examiners then considers the request and the reports and makes a recommendation to the Interim Finance Committee as provided under existing law. (NRS 353.2755, 353.276)

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

Section 1. NRS 353.2715 is hereby amended to read as follows:

353.2715 “Eligible project” means a project that:

1. Is related to a disaster; and
2. Is proposed, coordinated or conducted by a public or nonprofit private entity that has been designated and approved as qualifying and eligible to receive federal grant money for the disaster from a federal ~~{disaster assistance}~~ agency.

Sec. 2. NRS 353.2725 is hereby amended to read as follows:

353.2725 “Grant match” means the share of a grant provided by a federal ~~{disaster assistance}~~ agency that must be matched by a state or local government.

Sec. 3. NRS 353.2735 is hereby amended to read as follows:

353.2735 1. The Disaster Relief Account is hereby created in the State General Fund. The Interim Finance Committee shall administer the Disaster Relief Account.

2. The Division may accept grants, gifts or donations for deposit in the Disaster Relief Account. Except as otherwise provided in subsection 3, money received from:

(a) A direct legislative appropriation to the Disaster Relief Account;

(b) A transfer from the State General Fund in an amount equal to not more than 10 percent of the aggregate balance in the Account to Stabilize the Operation of the State Government made pursuant to NRS 353.288; and

(c) A grant, gift or donation to the Disaster Relief Account, must be deposited in the Disaster Relief Account. Except as otherwise provided in NRS 414.135, the interest and income earned on the money in the Disaster Relief Account must, after deducting any applicable charges, be credited to the Disaster Relief Account.



3. If, at the end of each quarter of a fiscal year, the balance in the Disaster Relief Account exceeds 0.75 percent of the total amount of all appropriations from the State General Fund for the operation of all departments, institutions and agencies of State Government and authorized expenditures from the State General Fund for the regulation of gaming for that fiscal year, the State Controller shall not, until the balance in the Disaster Relief Account is 0.75 percent or less of that amount, transfer any money in the Account to Stabilize the Operation of the State Government from the State General Fund to the Disaster Relief Account pursuant to the provisions of NRS 353.288.

4. Money in the Disaster Relief Account may be used for any purpose authorized by the Legislature or distributed through grants and loans to state agencies and local governments as provided in NRS 353.2705 to 353.2771, inclusive. Except as otherwise provided in NRS 353.276, such grants will be disbursed on the basis of reimbursement of costs authorized pursuant to NRS 353.274 and 353.2745.

5. If ~~[the Governor declares a disaster,]~~ the State Board of Examiners *receives a notice submitted to and forwarded by the Division pursuant to subsections 1 and 2 of NRS 353.2755, the State Board of Examiners* shall estimate:

(a) The money in the Disaster Relief Account that is available for grants and loans for the disaster *that is the subject of the notice* pursuant to the provisions of NRS 353.2705 to 353.2771, inclusive; and

(b) The anticipated amount of those grants and loans for the disaster.

➔ Except as otherwise provided in this subsection, if the anticipated amount determined pursuant to paragraph (b) exceeds the available money in the Disaster Relief Account for such grants and loans, all grants and loans from the Disaster Relief Account for the disaster must be reduced in the same proportion that the anticipated amount of the grants and loans exceeds the money in the Disaster Relief Account that is available for grants and loans for the disaster. If the reduction of a grant or loan from the Disaster Relief Account would result in a reduction in the amount of money that may be received by a state agency or local government from the Federal Government, the reduction in the grant or loan must not be made.

Sec. 4. NRS 353.274 is hereby amended to read as follows:

353.274 Money in the Account may be distributed as a grant to a state agency because of a disaster for the payment of expenses incurred by the state agency for:

1. The repair or replacement of public roads, public streets, bridges, water control facilities, public buildings, public utilities,



1 recreational facilities and parks owned by the State and damaged by
2 the disaster;

3 2. Any emergency measures undertaken to save lives, protect
4 public health and safety or protect public property, including,
5 without limitation, an emergency measure undertaken in response to
6 a crisis involving violence on school property, at a school activity or
7 on a school bus, in the jurisdiction in which the disaster occurred;

8 3. The removal of debris from publicly or privately owned land
9 and waterways undertaken because of the disaster; ~~land~~

10 4. The administration of a disaster assistance program ~~+~~; and

11 5. *Any project to prevent or reduce the likelihood of damage*
12 *to property or injury to persons resulting from a similar disaster in*
13 *the future.*

14 **Sec. 5.** NRS 353.2745 is hereby amended to read as follows:

15 353.2745 Money in the Account may be distributed as a grant
16 to a local government because of a disaster for:

17 1. The payment of not more than 50 percent of the expenses
18 incurred by the local government for:

19 (a) The repair or replacement of public roads, public streets,
20 bridges, water control facilities, public buildings, public utilities,
21 recreational facilities and parks owned by the local government and
22 damaged by the disaster; ~~land~~

23 (b) Any emergency measures undertaken to save lives, protect
24 public health and safety or protect public property, including,
25 without limitation, an emergency measure undertaken in response to
26 a crisis involving violence on school property, at a school activity or
27 on a school bus, in the jurisdiction in which the disaster occurred;

28 (c) *The removal of debris from publicly or privately owned*
29 *land and waterways undertaken because of the disaster; and*

30 (d) *Any project to prevent or reduce the likelihood of damage*
31 *to property or injury to persons resulting from a similar disaster in*
32 *the future; and*

33 2. The payment of not more than 50 percent of any grant match
34 the local government must provide to obtain a grant from a federal
35 ~~disaster assistance~~ agency for an eligible project to repair damage
36 caused by the disaster within the jurisdiction of the local
37 government.

38 **Sec. 6.** NRS 353.2751 is hereby amended to read as follows:

39 353.2751 Money in the Account may be distributed as a loan to
40 a local government because of a disaster for:

41 1. The payment of expenses incurred by the local government
42 for:

43 (a) The repair or replacement of public roads, public streets,
44 bridges, water control facilities, public buildings, public utilities,



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1 recreational facilities and parks owned by the local government and
2 damaged by the disaster;

3 (b) Any overtime worked by an employee of the local
4 government because of the disaster or any other extraordinary
5 expenses incurred by the local government because of the disaster;
6 and

7 (c) Any projects to reduce or prevent the possibility of damage
8 to persons or property from similar disasters in the future; and

9 2. The payment of not more than 50 percent of any grant match
10 the local government must provide to obtain a grant from a federal
11 ~~{disaster assistance}~~ agency for an eligible project to repair damage
12 caused by the disaster within the jurisdiction of the local
13 government. Before a loan may be distributed to a local government
14 pursuant to this subsection:

15 (a) The Interim Finance Committee must make a determination
16 that the local government is currently unable to meet its financial
17 obligations; and

18 (b) The local government must execute a loan agreement in
19 which the local government agrees to:

20 (1) Use the money only for the purpose of paying the grant
21 match; and

22 (2) Repay the entire amount of the loan, without any interest
23 or other charges, to the Account not later than 10 years after the date
24 on which the agreement is executed.

25 **Sec. 7.** NRS 353.2753 is hereby amended to read as follows:

26 353.2753 1. A state agency or local government may request
27 the Division to ~~{conduct a preliminary}~~ *provide technical assistance*
28 *to the state agency or local government by conducting an*
29 assessment of the damages related to an event for which the state
30 agency or local government seeks a grant or loan from the Account.

31 2. Upon receipt of such a request, the Division shall
32 ~~{investigate}~~ :

33 (a) *Notify the State Board of Examiners of the request;*

34 (b) *Investigate* the event or cause the event to be investigated to
35 make ~~{a preliminary}~~ *an* assessment of the damages related to the
36 event ; and ~~{shall make}~~

37 (c) *Make* or cause to be made a written report of the damages .
38 ~~{related to the event.}~~

39 3. As soon as practicable after completion of the investigation
40 and preparation of the report of damages, the Division shall:

41 (a) Determine whether the event constitutes a disaster for which
42 the state agency or local government may seek a grant or loan from
43 the Account; and



(b) Submit the report prepared pursuant to this section and its written determination regarding whether the event constitutes a disaster to the state agency or local government.

4. The Division shall prescribe by regulation the information that must be included in a report of damages, including, without limitation, a description of the damage caused by the event, an estimate of the costs to repair such damage and a specification of whether the purpose of the project is for repair or replacement, emergency response or mitigation.

Sec. 8. NRS 353.2754 is hereby amended to read as follows:

353.2754 A local government may request a grant or loan from the Account if:

1. Pursuant to NRS 414.090, the governing body of the local government determines that an event which has occurred constitutes a disaster; and

2. After the Division conducts ~~la preliminary~~ *an* assessment of the damages pursuant to NRS 353.2753, the Division determines that an event has occurred that constitutes a disaster.

Sec. 9. NRS 353.2755 is hereby amended to read as follows:

353.2755 1. ~~IA~~ *Not later than 60 days after the Governor, in the case of a notice by a state agency, or the governing body of a local government determines that an event constitutes a disaster, a state agency or local government may submit to the Division a request to the State Board of Examiners for* *written notice of the state agency's or local government's intention to request a grant or loan from the Account as provided in NRS 353.2705 to 353.2771, inclusive, if:*

(a) The agency or local government finds that, because of a disaster, it is unable to pay for an expense or grant match specified in NRS 353.274, 353.2745 or 353.2751 from money appropriated or otherwise available to the agency or local government;

(b) The request has been approved by the chief administrative officer of the state agency or the governing body of the local government; and

(c) If the requester is an incorporated city, the city has requested financial assistance from the county and was denied all or a portion of the requested assistance.

2. *Not later than 10 working days after it receives a notice from a state agency or local government pursuant to subsection 1, the Division shall forward a copy of the notice to the State Board of Examiners and the Fiscal Analysis Division of the Legislative Counsel Bureau.*

3. A request *by a state agency or local government* for a grant or loan ~~submitted pursuant to subsection 1 must be made within 60 days after the disaster and must~~ *from the Account:*



1 (a) *Must be submitted to the Division and the Department of*
2 *Taxation not later than 18 months after the Governor, in the case*
3 *of a request by a state agency, or the governing body of the local*
4 *government determines that an event constitutes a disaster, unless*
5 *the Chief of the Division grants an extension of time; and*

6 (b) *Must include:*

7 ~~[(a)]~~ (1) A statement *specifying whether the request is for a*
8 *grant or loan and* setting forth the amount of money requested by
9 the state agency or local government;

10 ~~[(b)]~~ (2) An assessment of the need of the state agency or local
11 government for the money requested;

12 ~~[(c)]~~ (3) If the request is submitted by a local government that
13 has established a fund pursuant to NRS 354.6115 to mitigate the
14 effects of a natural disaster, a statement of the amount of money that
15 is available in that fund, if any, for the payment of expenses
16 incurred by the local government as a result of a disaster;

17 ~~[(d)]~~ (4) A determination of the type, value and amount of
18 resources the state agency or local government may be required to
19 provide as a condition for the receipt of a grant or loan from the
20 Account;

21 ~~[(e)]~~ (5) A written report of damages prepared by the Division
22 and the written determination made by the Division that the event
23 constitutes a disaster pursuant to NRS 353.2753; and

24 ~~[(f)]~~ (6) If the requester is an incorporated city, all documents
25 which relate to a request for assistance submitted to the board of
26 county commissioners of the county in which the city is located.

27 ➤ Any additional documentation relating to the request that is
28 requested by the ~~{State Board of Examiners}~~ *Division or the*
29 *Department of Taxation* must be submitted *to the Division or the*
30 *Department, as the case may be,* within ~~{6 months after the disaster}~~
31 *10 working days after the date of the Division's or the*
32 *Department's request* unless the ~~{State Board of Examiners and the~~
33 ~~Interim Finance Committee grant}~~ *Chief of the Division or the*
34 *Executive Director of the Department, as applicable, or his or her*
35 *designee, grants* an extension.

36 ~~{3. Upon the receipt of a complete request for a grant or loan~~
37 ~~submitted pursuant to subsection 1, the}~~

38 4. *Not later than 60 days after the Division receives a request*
39 *for a grant or loan and receives any additional information*
40 *requested by the Division, the Division shall:*

41 (a) *Except as otherwise provided in this subsection, review the*
42 *request to determine whether it contains the information necessary*
43 *for the State Board of Examiners and the Interim Finance*
44 *Committee to act upon the request and otherwise complies with the*
45 *requirements of NRS 353.2705 to 353.2771, inclusive;*



1 (b) Prepare a written report of the determination required by
2 paragraph (a);

3 (c) Submit a copy of the request and its report to the State
4 Board of Examiners and to the Fiscal Analysis Division of the
5 Legislative Counsel Bureau; and

6 (d) Provide a copy of its report to the state agency or local
7 government, as applicable, and the Department of Taxation.

8 ➔ The Division shall coordinate its review of the request with the
9 Department of Taxation to ensure, to the extent practicable, that
10 the Division's review does not duplicate the review conducted by
11 the Department pursuant to subsection 5.

12 5. Not later than 60 days after the Department of Taxation
13 receives a request for a grant or loan and receives any additional
14 information requested by the Department, the Department shall:

15 (a) Review any financial information submitted in support of
16 the request which the Department believes to be relevant,
17 including, without limitation:

18 (1) The report of damages prepared by the Division
19 pursuant to NRS 353.2753;

20 (2) Information relating to the expenses for which the grant
21 or loan is requested;

22 (3) If the requester is a local government and is requesting
23 a loan, information relating to the current ability of the local
24 government to meet its financial obligations; and

25 (4) If the requester is a local government and is requesting
26 a grant or loan for the payment of any grant match described in
27 NRS 353.2745 or 353.2751, information relating to the grant or
28 grant match;

29 (b) Prepare a written report of its findings;

30 (c) Submit a copy of its report to the State Board of Examiners
31 and to the Fiscal Analysis Division of the Legislative Counsel
32 Bureau; and

33 (d) Provide a copy of the report to the state agency or local
34 government, as applicable, and the Division.

35 6. Upon its receipt of a request for a grant or loan submitted
36 pursuant to this section and the reports of the Division and the
37 Department of Taxation relating to the request, the State Board of
38 Examiners:

39 (a) Shall consider the request ~~H~~ and the reports; and

40 (b) May require any additional information that it determines is
41 necessary to make a recommendation.

42 ~~H~~ 7. If the State Board of Examiners finds that a grant or
43 loan is appropriate, it shall include in its recommendation to the
44 Interim Finance Committee the proposed amount of the grant or
45 loan. If the State Board of Examiners recommends a grant, it shall



1 include a recommendation regarding whether or not the state agency
2 or local government requires an advance to avoid severe financial
3 hardship. If the State Board of Examiners recommends a loan for a
4 local government, it shall include the information required pursuant
5 to subsection 1 of NRS 353.2765. If the State Board of Examiners
6 finds that a grant or loan is not appropriate, it shall include in its
7 recommendation the reason for its determination.

8 ~~15.1~~ 8. The provisions of this section do not prohibit a state
9 agency or local government from submitting more than one request
10 for a grant or loan from the Account.

11 ~~16.1~~ 9. As used in this section, the term "natural disaster" has
12 the meaning ascribed to it in NRS 354.6115.

13 **Sec. 10.** NRS 354.6115 is hereby amended to read as follows:

14 354.6115 1. The governing body of a local government may,
15 by resolution, establish a fund to stabilize the operation of the local
16 government and mitigate the effects of natural disasters.

17 2. The money in the fund must be used only:

18 (a) If the total actual revenue of the local government falls short
19 of the total anticipated revenue in the general fund for the fiscal year
20 in which the local government uses that money; or

21 (b) To pay expenses incurred by the local government to
22 mitigate the effects of a natural disaster.

23 ➤ The money in the fund at the end of the fiscal year may not revert
24 to any other fund or be a surplus for any purpose other than a
25 purpose specified in this subsection.

26 3. The money in the fund may not be used to pay expenses
27 incurred to mitigate the effects of a natural disaster until the
28 governing body of the local government issues a formal declaration
29 that a natural disaster exists. The governing body shall not make
30 such a declaration unless a natural disaster is occurring or has
31 occurred. Upon the issuance of such a declaration, the money in the
32 fund may be used for the payment of the following expenses
33 incurred by the local government as a result of the natural disaster:

34 (a) The repair or replacement of roads, streets, bridges, water
35 control facilities, public buildings, public utilities, recreational
36 facilities and parks owned by the local government and damaged by
37 the natural disaster;

38 (b) Any emergency measures undertaken to save lives, protect
39 public health and safety or protect property within the jurisdiction of
40 the local government;

41 (c) The removal of debris from publicly or privately owned land
42 and waterways within the jurisdiction of the local government that
43 was undertaken because of the natural disaster;

44 (d) Expenses incurred by the local government for any overtime
45 worked by an employee of the local government because of the



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1 natural disaster or any other extraordinary expenses incurred by the
2 local government because of the natural disaster; and

3 (e) The payment of any grant match the local government must
4 provide to obtain a grant from a federal ~~disaster assistance~~ agency
5 for an eligible project to repair damage caused by the natural
6 disaster within the jurisdiction of the local government.

7 4. The balance in the fund must not exceed 10 percent of the
8 expenditures from the general fund for the previous fiscal year,
9 excluding any federal funds expended by the local government.

10 5. The annual budget and audit report of the local government
11 prepared pursuant to NRS 354.624 must specifically identify the
12 fund.

13 6. The audit report prepared for the fund must include a
14 statement by the auditor whether the local government has complied
15 with the provisions of this section.

16 7. Any transfer of money from a fund established pursuant to
17 this section must be completed within 90 days after the end of the
18 fiscal year in which the natural disaster for which the fund was
19 established occurs.

20 8. As used in this section:

21 (a) “Grant match” has the meaning ascribed to it in
22 NRS 353.2725.

23 (b) “Natural disaster” means a fire, flood, earthquake, drought or
24 any other occurrence that:

25 (1) Results in widespread or severe damage to property or
26 injury to or the death of persons within the jurisdiction of the local
27 government; and

28 (2) As determined by the governing body of the local
29 government, requires immediate action to protect the health, safety
30 and welfare of persons residing within the jurisdiction of the local
31 government.

32 **Sec. 11.** This act becomes effective on July 1, 2013.

