

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 certain internal service funds. (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 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; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

1 Existing law provides for the establishment of the Department of
2 Administration's Operating Fund for Administrative Services, the Fund for
3 Information Services, the Personnel Operating Fund, the Buildings and Grounds
4 Operating Fund, the Fund for Insurance Premiums, the State Purchasing Fund, the
5 Motor Pool Fund, the State Printing Fund and the Department of Administration's
6 Communications Fund. (NRS 232.219, 242.211, 284.110, 331.101, 331.187,
7 333.120, 336.110, 344.090, 378.143) This bill requires interest and income earned
8 on the money in each of these funds to be credited to the fund after deducting any
9 applicable charges. **Section 9** of this bill changes the name of the Department of
10 Administration's Communications Fund to the Department of Administration's
11 Mail Services Fund.



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

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

2 232.219 1. The Department of Administration's Operating
3 Fund for Administrative Services is hereby created as an internal
4 service fund.

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

8 (a) State Public Works Division;

9 (b) Budget Division;

10 (c) Purchasing Division;

11 (d) Hearings Division;

12 (e) Risk Management Division;

13 (f) Division of Internal Audits;

14 (g) Division of Human Resource Management;

15 (h) Division of Enterprise Information Technology Services;

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

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

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

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

24 ***5. The interest and income earned on the money in the Fund***
25 ***must, after deducting any applicable charges, be credited to the***
26 ***Fund.***

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

28 242.211 1. The Fund for Information Services is hereby
29 created as an internal service fund. Money from the Fund must be
30 paid out on claims as other claims against the State are paid. The
31 claims must be made in accordance with budget allotments and are
32 subject to postaudit examination and approval.

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

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



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1 ***4. The interest and income earned on the money in the Fund***
2 ***must, after deducting any applicable charges, be credited to the***
3 ***Fund.***

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

5 284.110 1. The Personnel Operating Fund is hereby created
6 as an internal service fund.

7 2. The Division may accept on behalf of the State any grant or
8 contribution, federal or otherwise, made to assist in meeting the
9 costs of carrying out the purposes of this chapter. All such grants
10 and contributions must be deposited with the State Treasurer to the
11 credit of the Personnel Operating Fund.

12 3. All costs of administering the provisions of this chapter must
13 be paid out of the Personnel Operating Fund on claims in the same
14 manner as other claims against the State are paid.

15 ***4. The interest and income earned on the money in the***
16 ***Personnel Operating Fund must, after deducting any applicable***
17 ***charges, be credited to the Fund.***

18 **Sec. 4.** NRS 331.101 is hereby amended to read as follows:

19 331.101 1. The Buildings and Grounds Operating Fund is
20 hereby created as an internal service fund.

21 2. All costs of administering the provisions of NRS 331.010 to
22 331.145, inclusive, must be paid out of the Buildings and Grounds
23 Operating Fund as other claims against the State are paid.

24 ***3. The interest and income earned on the money in the***
25 ***Buildings and Grounds Operating Fund must, after deducting any***
26 ***applicable charges, be credited to the Fund.***

27 **Sec. 5.** NRS 331.187 is hereby amended to read as follows:

28 331.187 1. There is created in the State Treasury the Fund for
29 Insurance Premiums as an internal service fund to be maintained for
30 use by the Risk Management Division of the Department of
31 Administration and the Attorney General.

32 2. Each state agency shall deposit in the Fund:

33 (a) An amount equal to its insurance premium and other charges
34 for potential liability, self-insured claims, other than self-insured tort
35 claims, and administrative expenses, as determined by the Risk
36 Management Division; and

37 (b) An amount for self-insured tort claims and expenses related
38 to those claims, as determined by the Attorney General.

39 3. Each county shall deposit in the Fund an assessment for the
40 employees of the district court of that county, excluding district
41 judges, unless the county enters into a written agreement with the
42 Attorney General to:

43 (a) Hold the State of Nevada harmless and assume liability and
44 costs of defense for the employees of the district court;



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

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

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

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

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

(a) Applicable insurance premiums;

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

(c) Expenses related to tort claims.

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

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

2. Except as otherwise provided in subsection 3, the Administrator may withdraw from the State Purchasing Fund an amount not to exceed \$150,000 per year and is hereby authorized to expend that amount to pay the cost to the Purchasing Division of providing methods for purchasing or leasing pursuant to this chapter by the use of forms in electronic format through a computer system or network or through the Internet, or its successor, if any.

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

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

5. *The interest and income earned on the money in the State Purchasing Fund must, after deducting any applicable charges, be credited to the Fund.*

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

336.110 1. The Motor Pool Fund is hereby created as an internal service fund. No money in the Fund may revert to the State



1 General Fund at any time. Money from the Motor Pool Fund must
2 be paid out on claims as other claims against the State are paid. The
3 claims must be made in accordance with budget and quarterly work
4 allotments and subject to postaudit examination and approval.

5 2. All operating, maintenance and repair costs for vehicles
6 assigned to the State Motor Pool must be paid from the Motor Pool
7 Fund and the accounting for depreciation must be accomplished in
8 that Fund.

9 3. All agencies using vehicles of the State Motor Pool shall pay
10 a fee for the use and a proportionate share of operational costs in an
11 amount determined by the Executive Officer. The formula for
12 spreading costs of operation may be adjusted from time to time as
13 may be necessary to replace worn vehicles, pay vehicle costs and
14 defray the costs of Motor Pool operation.

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

19 *5. The interest and income earned on the money in the Motor*
20 *Pool Fund must, after deducting any applicable charges, be*
21 *credited to the Fund.*

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

23 344.090 1. The State Printing Fund is created as an internal
24 service fund.

25 2. The State Printing Fund consists of the money appropriated
26 to carry out the provisions of this chapter and all money received in
27 the State Printing Fund from any source in payment of all printing,
28 reproduction and binding done in the State Printing Office.

29 *3. The interest and income earned on the money in the State*
30 *Printing Fund must, after deducting any applicable charges, be*
31 *credited to the State Printing Fund.*

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

33 378.143 1. The Department of Administration's
34 ~~Communications~~ *Mail Services* Fund is hereby created as an
35 internal service fund. The Fund is a continuing fund, and its money
36 may not revert to the State General Fund at any time.

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

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

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



- 1 **Sec. 10.** NRS 378.146 is hereby amended to read as follows:
2 378.146 1. All revenue resulting from:
3 (a) Postage sold to state officers, departments and agencies; and
4 (b) Charges for proportionate costs of mail service operation,
5 ↪ must be deposited in the State Treasury for credit to the
6 ~~Communications~~ *Mail Services* Fund created by NRS 378.143.
7 2. The formula for spreading costs of operation must be
8 adjusted from time to time to preserve the Fund at not less than its
9 initial level.
10 **Sec. 11.** This act becomes effective on July 1, 2013.

