

SENATE BILL NO. 448—COMMITTEE ON JUDICIARY

MARCH 23, 2015

Referred to Committee on Government Affairs

SUMMARY—Revises provisions governing the deposit of certain public money in insured institutions. (BDR 31-1141)

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 money; authorizing a county treasurer to deposit county money in certain insured deposit accounts in insured banks, insured credit unions or insured savings and loan associations; providing for the redeposit of money under the control of the State Treasurer, county money, city money or money under the control of the treasurer of an incorporated city or other local government into insured deposit accounts in one or more other insured banks, insured credit unions or insured savings and loan associations under certain circumstances; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law authorizes a county treasurer to deposit county money in demand accounts and time accounts in insured banks, insured credit unions or insured savings and loan associations. Money deposited by a county treasurer that is not within the limits of insurance provided by an instrumentality of the United States must be secured by certain types of collateral. (NRS 356.120, 356.125, 356.133)

Section 1 of this bill authorizes a county treasurer to deposit county money in insured deposit accounts under certain circumstances. **Section 1** provides that if the amount of county money deposited in such an account exceeds the limits of insurance provided by an instrumentality of the United States, the insured bank, insured credit union or insured savings and loan association in which the county money is initially deposited is required to: (1) arrange for the redeposit of the amount of the county money that exceeds the limits of insurance provided by an instrumentality of the United States into insured deposit accounts in one or more other insured banks, insured credit unions or insured savings and loan associations;



and (2) ensure that the total amount of county money redeposited in an account is within the limits of insurance provided by an instrumentality of the United States.

Existing law authorizes the State Treasurer to deposit any money under his or her control that belongs to the State in any state or national bank, any insured credit union or any insured savings and loan association in this State or, with the approval of the State Board of Finance, any such entity outside of this State. (NRS 356.010) Existing law similarly authorizes a city treasurer to deposit city money in any insured bank, credit union or savings and loan association in the city or, with the unanimous consent of his or her bondsmen, any such entity in this State. (NRS 266.515) Existing law also authorizes any incorporated city or other local government to deposit any money under the control of its treasurer in any insured state or national bank, credit union or savings and loan association which has an office in this State. (NRS 268.025)

Sections 3, 6 and 7 of this bill authorize the State Treasurer, a city treasurer or an incorporated city or other local government to enter into an agreement with such an entity to: (1) redeposit any money that exceeds the limits of insurance provided by an instrumentality of the United States into one or more insured deposit accounts in one or more such entities; and (2) ensure that all money redeposited and any interest accrued on that money is within the limits of insurance provided by an instrumentality of the United States.

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

Section 1. Chapter 356 of NRS is hereby amended by adding thereto a new section to read as follows:

1. In addition to deposits authorized by NRS 356.120 and 356.125, a county treasurer may enter into an agreement to:

(a) If one or more insured banks, insured credit unions or insured savings and loan associations are located in the county, deposit county money in such insured banks, credit unions or savings and loan associations in insured deposit accounts.

(b) If no such bank, credit union or savings and loan associations exists in the county, deposit county money in any insured bank, insured credit union or insured savings and loan association in this State in insured deposit accounts.

2. If at any time the amount of county money deposited in an account pursuant to subsection 1 and any interest accrued on the money exceeds the limits of insurance provided by an instrumentality of the United States or pursuant to NRS 678.750, the bank, credit union or savings and loan association shall:

(a) Arrange for the redeposit of the amount of the county money that exceeds the limits of insurance provided by an instrumentality of the United States or pursuant to NRS 678.750 into one or more insured deposit accounts in one or more insured state or national banks, insured credit unions or insured savings and loan associations; and



(b) Ensure that the total amount of money redeposited in an account and any interest accrued on the money is within the limits of insurance provided by an instrumentality of the United States or pursuant to NRS 678.750.

3. The provisions of this section apply only to an account authorized pursuant to subsection 3 of NRS 356.005.

Sec. 2. NRS 356.005 is hereby amended to read as follows:

356.005 1. The State, a local government or an agency of either, if specifically authorized by statute or a state agency if approved by the State Board of Finance, may deposit public money in any insured state or national bank, in any insured credit union or in any insured savings and loan association.

2. Deposits made by the State in an insured credit union or savings and loan association which is a mutual association must be evidenced by an instrument which acknowledges that the State is not a member of the association by virtue of the deposit.

3. In addition to any public money deposited pursuant to subsection 1 and unless otherwise limited by law, a local government, a political subdivision or an agency of either is authorized to deposit public money in any state or national bank, credit union or savings and loan association if:

(a) The public money is initially deposited in an insured depository institution in this State as selected by the depositing governmental entity;

(b) The selected depository institution arranges for the redeposit of the public money into insured deposit accounts in one or more state or national banks, credit unions or savings and loan associations; and

(c) The full amount of the redeposited public money and any accrued interest is fully insured.

4. As used in this section, "depository institution" has the meaning ascribed to it in NRS 657.037.

Sec. 3. NRS 356.010 is hereby amended to read as follows:

356.010 1. All money under the control of the State Treasurer belonging to the State must be deposited in any state or national banks, any insured credit unions or in any insured savings and loan associations in this State or, if approved by the State Board of Finance, in any banks, insured credit unions or insured savings and loan associations outside of this State.

2. The State Treasurer may, with the approval of the State Board of Finance, enter into an agreement with a bank, insured credit union or insured savings and loan association to:

(a) Arrange for the redeposit of any money under the control of the State Treasurer that exceeds the limits of insurance provided by an instrumentality of the United States or pursuant to



NRS 678.750 into one or more insured deposit accounts in one or more insured state or national banks, credit unions or insured savings and loan associations; and

(b) Ensure that the total amount of money redeposited and any interest accrued on the money is within the limits of insurance provided by an instrumentality of the United States or pursuant to NRS 678.750.

3. The depository banks, credit unions or savings and loan associations may, if authorized by a contract negotiated with the State Treasurer, receive compensation for handling, collecting and paying all checks, drafts and other exchange. The compensation may be provided through the use of a compensating balance or a fixed-rate fee, or any combination thereof.

Sec. 4. NRS 356.140 is hereby amended to read as follows:

356.140 1. Demand accounts ~~and~~ *authorized by NRS 356.120*, time accounts ~~respectively~~ *authorized by NRS 356.120 and 356.125 and insured deposit accounts authorized by section 1 of this act* must be kept in the name of the county in such manner as the board of county commissioners may prescribe.

2. The balance in each such account, as certified to by the proper officer of the bank, credit union or savings and loan association in which the money is deposited, and by oath of the county treasurer, may be accounted for by the county as cash.

Sec. 5. NRS 356.190 is hereby amended to read as follows:

356.190 1. Where the county treasurer, in accordance with the terms and provisions of NRS 356.120 to 356.180, inclusive, *and section 1 of this act* has deposited and kept on deposit any public money in depositories so designated, he or she:

(a) Is not liable personally on or upon his or her official bond for any public money that may be lost by reason of the failure or insolvency of any such depository.

(b) Is chargeable with the safekeeping, management and disbursement of any bonds that may be deposited with the county treasurer as security for deposits of county money, and with interest thereon, and with the proceeds of any sale of such bonds.

2. The county treasurer may deposit for safekeeping with an insured bank, insured credit union, insured savings and loan association or trust company within or without this state any securities or bonds pledged with him or her, as county treasurer, as collateral or as security for any purpose, but the securities or bonds may only be so deposited by the county treasurer with the joint consent and approval, in writing, of the pledgor thereof and the board of county commissioners. Any bonds or securities so deposited must be deposited under a written deposit agreement between the pledgor and the county treasurer, to be held and



released only upon a written order of the county treasurer that has been approved by the board of county commissioners.

Sec. 6. NRS 266.515 is hereby amended to read as follows:

266.515 1. The treasurer, or the county treasurer when acting as ex officio city treasurer, shall keep all money belonging to the city separate from all other money held for any other purpose or fund and may, when one or more insured banks, credit unions or savings and loan associations are located in the city, deposit, with unanimous consent of his or her bondsmen, city money in such banks, credit unions or savings and loan associations in demand or time accounts. When no such banks, credit unions or savings and loan associations exist in the city, the treasurer or county treasurer may deposit, with the unanimous consent of his or her bondsmen, city money with any insured bank, credit union or savings and loan association in the State of Nevada in demand or time accounts.

2. *The treasurer or county treasurer may, with unanimous consent of his or her bondsmen, enter into an agreement with an insured bank, credit union or savings and loan association to:*

(a) *Arrange for the redeposit of any money belonging to the city that exceeds the limits of insurance provided by an instrumentality of the United States or pursuant to NRS 678.750 into one or more insured deposit accounts in one or more insured state or national banks, credit unions or savings and loan associations; and*

(b) *Ensure that the total amount of money redeposited and any interest accrued on that money is within the limits of insurance provided by an instrumentality of the United States or pursuant to NRS 678.750.*

3. The accounts must be kept in the name of the city in such manner as the governing board of the city may prescribe and under such terms and conditions for the protection of the money as the governing board may determine, not inconsistent with other laws of the State of Nevada regulating the deposit of public money.

~~3.1~~ 4. The balances in banks, credit unions or savings and loan associations, as certified to by the proper officer thereof, and by the oath of the city treasurer, may be counted as cash.

Sec. 7. NRS 268.025 is hereby amended to read as follows:

268.025 1. Any incorporated city or other local government may deposit any money under the control of its treasurer in any insured state or national bank, credit union or savings and loan association which has an office within the State of Nevada.

2. *Any incorporated city or other local government may enter into an agreement with an insured state or national bank, credit union or savings and loan association to:*



1 (a) *Arrange for the redeposit of any money under the control*
2 *of its treasurer that exceeds the limits of insurance provided by an*
3 *instrumentality of the United States or pursuant to NRS 678.750*
4 *into one or more insured deposit accounts in one or more insured*
5 *state or national banks, credit unions or savings and loan*
6 *associations; and*

7 (b) *Ensure that the total amount of money redeposited and any*
8 *interest accrued on that money is within the limits of insurance*
9 *provided by an instrumentality of the United States or pursuant to*
10 *NRS 678.750.*

11 **Sec. 8.** This act becomes effective on July 1, 2015.

