

SENATE BILL NO. 490—COMMITTEE ON FINANCE

(ON BEHALF OF THE DEPARTMENT OF ADMINISTRATION)

MARCH 23, 2015

Referred to Committee on Government Affairs

SUMMARY—Revises provisions governing transfers to and from the Account to Stabilize the Operation of the State Government. (BDR 31-1213)

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; revising provisions governing transfers to and from the Account to Stabilize the Operation of the State Government; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 The Account to Stabilize the Operation of the State Government, also known as
2 the Rainy Day Fund, is an account into which surplus state revenues are deposited
3 to be used in case of fiscal emergencies. Under existing law, the State Controller is
4 required to transfer from the State General Fund to the Account to Stabilize the
5 Operation of the State Government at the beginning of each fiscal year that begins
6 on or after July 1, 2015, one percent of the total anticipated revenue projected for
7 that fiscal year by the Economic Forum in May of odd-numbered years, as adjusted
8 by any legislation enacted by the Legislature that affects state revenue for that fiscal
9 year. (NRS 353.288) **Section 1** of this bill delays the commencement of those
10 transfers until July 1, 2016. **Section 2** of this bill transfers the current balance in the
11 Rainy Day Fund to the State General Fund.

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

1 **Section 1.** NRS 353.288 is hereby amended to read as follows:
2 353.288 1. The Account to Stabilize the Operation of the
3 State Government is hereby created in the State General Fund.
4 Except as otherwise provided in subsections 3 and 4, each year after



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the close of the previous fiscal year and before the issuance of the State Controller's annual report, the State Controller shall transfer from the State General Fund to the Account to Stabilize the Operation of the State Government:

(a) Forty percent of the unrestricted balance of the State General Fund, as of the close of the previous fiscal year, which remains after subtracting an amount equal to 7 percent of all appropriations made from the State General Fund during that previous fiscal year for the operation of all departments, institutions and agencies of State Government and for the funding of schools; and

(b) Commencing with the fiscal year that begins on July 1, ~~2015,~~ 2016, 1 percent of the total anticipated revenue for the fiscal year in which the transfer will be made, as projected by the Economic Forum for that fiscal year pursuant to paragraph (e) of subsection 1 of NRS 353.228 and as adjusted by any legislation enacted by the Legislature that affects state revenue for that fiscal year.

2. Money transferred pursuant to subsection 1 to the Account to Stabilize the Operation of the State Government is a continuing appropriation solely for the purpose of authorizing the expenditure of the transferred money for the purposes set forth in this section.

3. The balance in the Account to Stabilize the Operation of the State Government must not exceed 20 percent of the total of all appropriations from the State General Fund for the operation of all departments, institutions and agencies of the State Government and for the funding of schools and authorized expenditures from the State General Fund for the regulation of gaming for the fiscal year in which that revenue will be transferred to the Account to Stabilize the Operation of the State Government.

4. Except as otherwise provided in this subsection and NRS 353.2735, beginning with the fiscal year that begins on July 1, 2003, the State Controller shall, at the end of each quarter of a fiscal year, transfer from the State General Fund to the Disaster Relief Account created pursuant to NRS 353.2735 an amount equal to not more than 10 percent of the aggregate balance in the Account to Stabilize the Operation of the State Government during the previous quarter. The State Controller shall not transfer more than \$500,000 for any quarter pursuant to this subsection.

5. The Chief of the Budget Division of the Department of Administration may submit a request to the State Board of Examiners to transfer money from the Account to Stabilize the Operation of the State Government to the State General Fund:

(a) If the total actual revenue of the State falls short by 5 percent or more of the total anticipated revenue for the biennium in which



the transfer will be made, as determined by the Legislature, or the Interim Finance Committee if the Legislature is not in session; or

(b) If the Legislature, or the Interim Finance Committee if the Legislature is not in session, and the Governor declare that a fiscal emergency exists.

6. The State Board of Examiners shall consider a request made pursuant to subsection 5 and shall, if it finds that a transfer should be made, recommend the amount of the transfer to the Interim Finance Committee for its independent evaluation and action. The Interim Finance Committee is not bound to follow the recommendation of the State Board of Examiners.

7. If the Interim Finance Committee finds that a transfer recommended by the State Board of Examiners should and may lawfully be made, the Committee shall by resolution establish the amount and direct the State Controller to transfer that amount to the State General Fund. The State Controller shall thereupon make the transfer.

8. In addition to the manner of allocation authorized pursuant to subsections 5, 6 and 7, the money in the Account to Stabilize the Operation of the State Government may be allocated directly by the Legislature to be used for any other purpose.

Sec. 2. The State Controller shall transfer from the Account to Stabilize the Operation of the State Government created by NRS 353.288 to the State General Fund the sum of \$28,061,106 for unrestricted State General Fund use.

Sec. 3. This act becomes effective upon passage and approval.

