

**UNSOLICITED**  
**EXECUTIVE AGENCY**  
**FISCAL NOTE**

AGENCY'S ESTIMATES

Date Prepared: May 29, 2017

Agency Submitting: Office of the State Treasurer

Items of Revenue or Expense, or Both	Fiscal Year 2016-17	Fiscal Year 2017-18	Fiscal Year 2018-19	Effect on Future Biennia
Total	0	0	0	0

Explanation

(Use Additional Sheets of Attachments, if required)

The State Treasurer's Office has just become aware of SB 249 and is submitting this Unsolicited Fiscal Note in reference to Section 1. 1. of the bill.

SB 249 (BDR 34-62) Section 1. 1.

10 The interest and income earned on the sum of the money in the  
11 Account and any unexpended appropriations made to the Account  
12 from the State General Fund must be credited to the Account.

Legislation authorizing interest to be paid to a budget account on an appropriation will reduce the total interest distribution to the state general fund, BA 9050 GL 3290, from interest income received by Treasurer's investments and will not increase the overall interest earned by the state from Treasurer's investments. An appropriation to a budget account on July 1 is not money in the bank but is an authorization to expend funds based on anticipated revenue received during the fiscal year, i.e. taxes, fees, etc. An appropriation is defined as a legal authorization granted by the Nevada State Legislature to make expenditures and to incur obligations for specific purposes; it does not represent money in a budget account or money in the bank. Therefore, no actual money is available to be invested. In situations where interest is granted to appropriations, the General Fund will thereby lose those interest earnings, resulting in all agencies which receive interest distributions from the General Fund being adversely affected. At this time we cannot determine the fiscal impact as we do not know the amount of this appropriation. Additionally there are other bills with the same language that we have submitted fiscal notes on and we do not know the total amount of appropriations that will require interest earnings on appropriations if approved.

Name Budd Milazzo

Title Sr. Deputy Treasurer

SB 249 (BDR 34-62)

Example BA 2615 School Remediation Trust Fund is funded 100% by an appropriation and as per NRS 385.379 this appropriation receives interest on that appropriation. On July 1, 2016 an appropriation of \$187,331,674 was made to this budget account. On July 1, 2016 the fund balance of Fund 101 General Fund was \$535,474,914, which is the money in the bank. As of September 30, 2016 the average daily balance, which is how interest distribution is calculated, of BA 2615 was \$192,319,595, which included the FY16 balance forward. The average daily balance of Fund 101 for interest distribution purposes was \$128,580,038, AFTER deducting the \$192,319,595 for BA 2615.