

ASSEMBLY BILL NO. 63—COMMITTEE
ON GOVERNMENT AFFAIRS

(ON BEHALF OF THE NEVADA LEAGUE OF
CITIES AND MUNICIPALITIES)

PREFILED NOVEMBER 18, 2020

Referred to Committee on Government Affairs

SUMMARY—Makes various changes relating to the financial
administration of local governments. (BDR 31-404)

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 local financial administration; authorizing a
local government to use money from a certain fund to
mitigate the effects of certain emergencies; and providing
other matters properly relating thereto.

Legislative Counsel's Digest:

- 1 Existing law authorizes the governing body of a local government to establish a
2 fund to stabilize the operation of the local government or mitigate the effects of a
3 natural disaster. (NRS 354.6115) This bill expands the use of such a fund to include
4 mitigating the effects of an emergency which is declared by the local government.

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

- 1 **Section 1.** NRS 354.6115 is hereby amended to read as
2 follows:
3 354.6115 1. The governing body of a local government may,
4 by resolution, establish a fund to stabilize the operation of the local
5 government and mitigate the effects of ***emergencies or*** natural
6 disasters.
7 2. The money in the fund must be used only:



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

(b) To pay expenses incurred by the local government to mitigate the effects of **an emergency or** a natural disaster.

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

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

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

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

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

(d) Expenses incurred by the local government for any overtime worked by an employee of the local government because of the **emergency or** natural disaster or any other extraordinary expenses incurred by the local government because of the **emergency or** natural disaster; and

(e) The payment of any grant match the local government must provide to obtain a grant from a federal agency for an eligible project to repair damage caused by the **emergency or** natural disaster within the jurisdiction of the local government.

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

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

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



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

8. As used in this section:

(a) *“Emergency” means a sudden, unexpected occurrence that involves clear and imminent danger and requires immediate action to prevent or mitigate loss of life or damage to health, property or essential public services. The term does not include a natural disaster.*

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

~~(b)~~ (c) “Natural disaster” means a fire, flood, earthquake, drought or any other ~~occurrence~~ *act of nature* that:

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

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

