

ASSEMBLY BILL NO. 203—ASSEMBLYMEN HARDY, BUCKLEY, GANSERT, SMITH, BOBZIEN; AIZLEY, ARBERRY, COBB, DENIS, DONDERO LOOP, GOEDHART, GOICOECHEA, GRADY, GUSTAVSON, HAMBRICK, KIRKPATRICK, MANENDO, MCARTHUR, OCEGUERA, OHRENSCHALL, PIERCE, SETTELMAYER, SPIEGEL, STEWART AND WOODBURY

FEBRUARY 19, 2009

JOINT SPONSORS: SENATORS HARDY, PARKS; CEGAVSKE AND LEE

Referred to Committee on Ways and Means

SUMMARY—Revises provisions relating to state financial administration. (BDR 31-129)

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; providing a procedure for the use of excess revenue remaining in the State General Fund at the close of a fiscal year; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

1 **Section 2** of this bill requires the Interim Finance Committee to determine at
2 the close of each fiscal year the amount by which the total actual revenue in the
3 State General Fund from all sources, excluding reversions, for that fiscal year
4 exceeds: (1) 107 percent of the total anticipated revenue from all sources to the
5 State General Fund projected by the Economic Forum, as adjusted by any
6 legislation enacted by the Legislature that affects state revenue for that fiscal year;
7 and (2) the total amount of all contingent appropriations enacted for that fiscal year
8 by the Legislature for which the contingencies were satisfied.
9 Any excess revenue so determined by the Interim Finance Committee for a
10 fiscal year is required, in order of priority, to be: (1) used to pay for certain
11 expenditures which were previously paid for by nonrecurring revenue; (2)
12 transferred to the Fund to Stabilize the Operation of the State Government (NRS
13 353.288); and (3) transferred to the Fund for Tax Accountability, a special revenue
14 fund created by **section 3** of this bill. **Section 3** restricts the use of the money in this



15 new fund to supplementing future revenue to allow the future reduction of the rate
16 or amount of a tax or fee.

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

1 **Section 1.** Chapter 353 of NRS is hereby amended by adding
2 thereto the provisions set forth as sections 2 and 3 of this act.

3 **Sec. 2. 1.** *After the close of each fiscal year, the Interim*
4 *Finance Committee shall determine the amount, if any, by which*
5 *the total actual revenue in the State General Fund from all*
6 *sources, excluding reversions to the State General Fund, exceeds:*

7 (a) *One hundred seven percent of the total anticipated revenue*
8 *from all sources to the State General Fund projected by the*
9 *Economic Forum pursuant to NRS 353.228, as adjusted by any*
10 *legislation enacted by the Legislature that affects state revenue for*
11 *that fiscal year; and*

12 (b) *The total amount of all contingent appropriations enacted*
13 *for that fiscal year by the Legislature for which the contingencies*
14 *were satisfied.*

15 2. *Any excess amount of revenue determined pursuant to*
16 *subsection 1 must, in the following order of priority, be:*

17 (a) *Used, in an amount estimated by the Interim Finance*
18 *Committee, to replace previously used nonrecurring revenue to*
19 *pay for expenditures that will occur in the next biennium for*
20 *which the corresponding expenditures in the current biennium*
21 *were paid or are to be paid from a source other than the State*
22 *General Fund, but for which the alternative source of revenue*
23 *likely will not be available or will not be received during the*
24 *biennium. This amount must be accounted for separately in the*
25 *State General Fund.*

26 (b) *Transferred to the Fund to Stabilize the Operation of the*
27 *State Government created by NRS 353.288, in such an amount*
28 *that does not cause the balance in the Fund to exceed the*
29 *limitation on that balance set forth in NRS 353.288.*

30 (c) *Transferred to the Fund for Tax Accountability created*
31 *pursuant to section 3 of this act.*

32 **Sec. 3. 1.** *The Fund for Tax Accountability is hereby*
33 *created as a special revenue fund.*

34 2. *Money from the Fund may be appropriated only for the*
35 *purpose of supplementing future revenue of this State to allow the*
36 *reduction of the rate or amount of a tax or fee.*

37 3. *The provisions of this section do not authorize a refund or*
38 *other return of any tax or fee paid to this State pursuant to any*
39 *statute or regulation in effect at the time the tax or fee was paid.*



* A B 2 0 3 *

1 **Sec. 4.** This act becomes effective on July 1, 2009.

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