

ASSEMBLY BILL NO. 44—COMMITTEE ON WAYS AND MEANS

(ON BEHALF OF THE CITY OF LAS VEGAS)

PREFILED DECEMBER 6, 2008

Referred to Committee on Government Affairs

SUMMARY—Revises provisions relating to funds to stabilize the operation of local government. (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; revising the conditions under which a local government may use the money in a fund that it has established to stabilize the operation of the local government; increasing the maximum balance that a local government may keep in the fund; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

1 **Section 2** of this bill expands the purposes for which a local government that
2 has established a fund to stabilize the operation of the local government may use
3 the money in that fund to include mitigation of the effects of disasters and
4 mitigation of the effects of acts of terrorism. **Section 2** also increases from 10
5 percent to 15 percent the proportion that the balance in the fund may bear in
6 relation to the expenditures from the general fund of the local government for the
7 previous fiscal year. (NRS 354.6115)

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

1 **Section 1.** NRS 353.2755 is hereby amended to read as
2 follows:
3 353.2755 1. A state agency or local government may submit
4 a request to the State Board of Examiners for a grant or loan from
5 the Account as provided in NRS 353.2705 to 353.2771, inclusive, if:



(a) The agency or local government finds that, because of a disaster, it is unable to pay for an expense or grant match specified in NRS 353.274, 353.2745 or 353.2751 from money appropriated or otherwise available to the agency or local government;

(b) The request has been approved by the chief administrative officer of the state agency or the governing body of the local government; and

(c) If the requester is an incorporated city, the city has requested financial assistance from the county and was denied all or a portion of the requested assistance.

2. A request for a grant or loan submitted pursuant to subsection 1 must be made within 60 days after the disaster and must include:

(a) A statement setting forth the amount of money requested by the state agency or local government. ~~{}~~

(b) An assessment of the need of the state agency or local government for the money requested. ~~{}~~

(c) If the request is submitted by a local government that has established a fund pursuant to NRS 354.6115, ~~{to mitigate the effects of a natural disaster,}~~ a statement of the amount of money that is available in that fund, if any, for the payment of expenses incurred by the local government as a result of a disaster. ~~{}~~ *As used in this paragraph, "disaster" has the meaning ascribed to it in NRS 354.6115.*

(d) A determination of the type, value and amount of resources the state agency or local government may be required to provide as a condition for the receipt of a grant or loan from the Account. ~~{}~~

(e) A written report of damages prepared by the Division and the written determination made by the Division that the event constitutes a disaster pursuant to NRS 353.2753. ~~{}~~ ~~and~~

(f) If the requester is an incorporated city, all documents which relate to a request for assistance submitted to the board of county commissioners of the county in which the city is located.

➔ Any additional documentation relating to the request that is requested by the State Board of Examiners must be submitted within 6 months after the disaster unless the State Board of Examiners and the Interim Finance Committee grant an extension.

3. Upon the receipt of a complete request for a grant or loan submitted pursuant to subsection 1, the State Board of Examiners:

(a) Shall consider the request; and

(b) May require any additional information that it determines is necessary to make a recommendation.

4. If the State Board of Examiners finds that a grant or loan is appropriate, it shall include in its recommendation to the Interim Finance Committee the proposed amount of the grant or loan. If the



1 State Board of Examiners recommends a grant, it shall include a
2 recommendation regarding whether or not the state agency or local
3 government requires an advance to avoid severe financial hardship.
4 If the State Board of Examiners recommends a loan for a local
5 government, it shall include the information required pursuant to
6 subsection 1 of NRS 353.2765. If the State Board of Examiners
7 finds that a grant or loan is not appropriate, it shall include in its
8 recommendation the reason for its determination.

9 5. The provisions of this section do not prohibit a state agency
10 or local government from submitting more than one request for a
11 grant or loan from the Account.

12 ~~[6. As used in this section, the term "natural disaster" has the~~
13 ~~meaning ascribed to it in NRS 354.6115.]~~

14 **Sec. 2.** NRS 354.6115 is hereby amended to read as follows:

15 354.6115 1. The governing body of a local government may,
16 by resolution, establish a fund ~~{to}~~ :

17 (a) To stabilize the operation of the local government ~~{and}~~ ;

18 (b) To mitigate the effects of ~~{natural disasters.}~~ disasters;

19 (c) To mitigate the effects of acts of terrorism; and

20 (d) To perform any combination of the activities described in
21 paragraphs (a), (b) and (c).

22 2. The money in the fund must be used only:

23 (a) If , *by reason of an economic event that could not be*
24 *anticipated*, the total actual revenue of the local government falls
25 short of the total anticipated revenue in the general fund for the
26 fiscal year in which the local government uses that money ~~{}~~, *such*
27 *that the resulting general fund balance falls below 10 percent of*
28 *the anticipated expenditures*; or

29 (b) To pay expenses incurred by the local government to
30 mitigate the effects of a ~~{natural disaster.}~~ *disaster or an act of*
31 *terrorism.*

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

35 3. The money in the fund may not be used ~~{to pay expenses~~
36 ~~incurred to mitigate the effects of a natural disaster}~~ until the
37 governing body of the local government issues a formal declaration
38 that a ~~{natural disaster}~~ *condition described in subsection 2* exists.
39 The governing body shall not make such a declaration unless a
40 ~~{natural disaster}~~ *condition described in subsection 2* is occurring
41 or has occurred.

42 4. Upon the issuance of ~~{such}~~ a declaration ~~{}~~ *pursuant to*
43 *subsection 3 as to the occurrence of a disaster or an act of*
44 *terrorism*, 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 ~~{natural-disaster;}~~ **disaster or act of terrorism:**

(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 ~~{natural-disaster;}~~ **disaster or act of terrorism;**

(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 ~~{natural-disaster;}~~ **disaster or act of terrorism;**

(d) Expenses incurred by the local government for any overtime worked by an employee of the local government because of the ~~{natural}~~ disaster **or act of terrorism** or any other extraordinary expenses incurred by the local government because of the ~~{natural-disaster;}~~ **disaster or act of terrorism;** and

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

~~{4.}~~ **5.** The balance in the fund must not exceed ~~{10}~~ **15** percent of the expenditures from the general fund for the previous fiscal year, excluding any federal ~~{funds}~~ **money** expended by the local government.

~~{5.}~~ **6.** The annual budget and audit report of the local government prepared pursuant to NRS 354.624 must specifically identify the fund.

~~{6.}~~ **7.** The audit report prepared for the fund must include a statement by the auditor **as to** whether the local government has complied with the provisions of this section.

~~{7.}~~ **8.** Any transfer of money from a fund established pursuant to this section, **which transfer is made for a purpose described in paragraph (b) of subsection 2,** must be completed within 90 days after the end of the fiscal year in which the ~~{natural}~~ disaster **or act of terrorism** for which the fund was established occurs.

~~{8.}~~ **9.** As used in this section:

(a) ~~{“Grant-match”}~~ **“Act of terrorism”** has the meaning ascribed to it in NRS ~~{353.2725.}~~ **202.4415.**

(b) ~~{“Natural-disaster”}~~ **“Disaster”** means, **without limitation,** a fire, flood, earthquake, drought, **explosion, civil disturbance** or any other **threatened** occurrence that:



(1) Results in , *or may result 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~~ *or* welfare of persons residing within the jurisdiction of the local government.

(c) "Grant match" has the meaning ascribed to it in NRS 353.2725.

Sec. 3. NRS 354.6117 is hereby amended to read as follows:

354.6117 1. Except as otherwise provided in subsection 2, the total amount of money which may be transferred in a fiscal year from the general fund of a local government to ~~the funds~~ :

(a) The fund established pursuant to NRS 354.6113 ~~and 354.6115~~ must not exceed 10 percent of the total amount of the budgeted expenditures of the general fund ~~it~~ ; *and*

(b) The fund established pursuant to NRS 354.6115 must not exceed 15 percent of the total amount of the budgeted expenditures of the general fund,

➡ *plus any money transferred from the general fund, other than the money transferred to those funds, for that fiscal year.*

2. Any money that a local government, pursuant to NRS 354.6116, deposits in or transfers to one or more of the funds established by the local government pursuant to NRS 354.6113 or 354.6115:

(a) Is not subject to the limitation on the amount of money that a local government may transfer to those funds pursuant to subsection 1.

(b) Must not be included in the determination of the total amount of money transferred to those funds for the purposes of the limitation set forth in subsection 1.

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

