

EMERGENCY REQUEST OF SPEAKER OF THE ASSEMBLY

ASSEMBLY BILL NO. 545—ASSEMBLYMAN FRIERSON

JUNE 2, 2019

Referred to Committee on Ways and Means

SUMMARY—Revises provisions governing money obtained from certain settlements and judgments. (BDR 31-1293)

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; creating the Civil Judgment and Settlement Account; requiring, with certain exceptions, that all money obtained by the Attorney General as a result of a civil action of this State be deposited in the State Treasury for credit to the Account; requiring that certain annual distributions of money to certain legal services organizations be made from the Account; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 **Section 2** of this bill requires all money obtained as awards, damages or civil
2 penalties for the State of Nevada and its agencies by the Attorney General as a
3 result of certain civil actions of this State to be deposited in the State Treasury for
4 credit to the Civil Judgment and Settlement Account, which is created by **section 3**
5 of this bill, with all attorney’s fees and costs credited to the Attorney General’s
6 Special Fund. **Section 2** provides an exception from this requirement for the
7 collection of certain civil penalties and other money obtained by the State for the
8 enforcement of certain provisions of existing law relating to crimes against older
9 persons and hazardous materials. **Section 3** requires money in the Account be used
10 to make certain annual distributions to certain legal services organizations in this
11 State and authorizes the use of any remaining money in the Account for allocation
12 by the Interim Finance Committee for certain emergency purposes. Existing law
13 requires similar money recovered by the Attorney General relating to unfair trade
14 practices be distributed as follows: (1) attorney’s fees and costs and 50 percent of
15 the money recovered to the Attorney General’s Special Fund; and (2) the remainder
16 to the State General Fund. (NRS 598A.260) **Section 4** of this bill redirects the



17 remainder from the State General Fund to the Civil Judgment and Settlement
18 Account created by **section 3**.

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.** *Except as otherwise provided in subsection 3, all*
4 *money obtained as awards, damages or civil penalties for the State*
5 *of Nevada and its agencies by the Attorney General as a result of a*
6 *civil action of this State, whether by final judgment, settlement or*
7 *otherwise, must be deposited in the State Treasury as follows:*

8 (a) *All attorney's fees and costs for credit to the Attorney*
9 *General's Special Fund.*

10 (b) *The balance of the recoveries for credit to the Civil*
11 *Judgement and Settlement Account created by section 3 of this*
12 *act.*

13 2. *Money deposited in the State Treasury for credit to the*
14 *Attorney General's Special Fund pursuant to subsection 1 must be*
15 *used for payment of the expenses of enforcing the laws of the*
16 *State. Those expenses which are in excess of the amount available*
17 *in the Fund must be paid out of the legislative appropriation for*
18 *the support of the Office of Attorney General.*

19 3. *The provisions of subsection 1 do not apply to any money*
20 *that is required to be deposited in an account specified in NRS*
21 *228.280, 459.765 or 598A.260.*

22 **Sec. 3. 1.** *The Civil Judgment and Settlement Account is*
23 *hereby created in the State General Fund.*

24 2. *The interest and income earned on the money in the*
25 *Account, after deducting any applicable charges, must be credited*
26 *to the Account.*

27 3. *The money in the Account must be distributed annually to*
28 *the following legal services organizations in the following*
29 *amounts:*

30 (a) *For the Legal Aid Center of Southern Nevada, \$1,500,000;*

31 (b) *For Nevada Legal Services, \$1,000,000; and*

32 (c) *For Washoe Legal Services, \$250,000.*

33 4. *The monetary amounts set forth in subsection 3 must be*
34 *adjusted each year. The amount to be distributed to each legal*
35 *services organization must be determined by multiplying the*
36 *amount distributed to the legal services organization in the*
37 *preceding fiscal year by one plus the sum of:*

38 (a) *The average percentage of change in the population of the*
39 *State over the 5 fiscal years immediately preceding the year in*



1 *which the distribution is made, as certified by the Governor*
2 *pursuant to section NRS 360.285; and*

3 *(b) The average percentage change in the Consumer Price*
4 *Index for all Urban Consumers, West Region (All Items), as*
5 *published by the United States Department of Labor, over the 5*
6 *calendar years immediately preceding the fiscal year in which the*
7 *allocation is made. If the Consumer Price Index for all Urban*
8 *Consumers, West Region (All Items) ceases to be published by the*
9 *Department of Labor, the published index that most closely*
10 *resembles that index, as determined by the Attorney General, must*
11 *be used.*

12 *5. If the Interim Finance Committee finds that a transfer*
13 *from the Account is necessary for such a purpose, the Interim*
14 *Finance Committee may make an allocation of an amount of*
15 *money in the Account:*

16 *(a) For emergency use to supplement regular legislative*
17 *appropriations which fail to cover unforeseen expenses;*

18 *(b) To meet expenses pursuant to the requirements of the law;*
19 *or*

20 *(c) As provided by specific statute.*

21 *6. If the money in the Account in any fiscal year is*
22 *insufficient to make the distributions required pursuant to*
23 *subsection 3, the entirety of the money in the Account for that*
24 *fiscal year must be divided pro rata among the legal services*
25 *organizations set forth in subsection 3.*

26 *7. The money in the Account must only be used for the*
27 *purposes set forth in subsections 3, 5 and 6 and is hereby*
28 *authorized for expenditure as a continuing appropriation for those*
29 *purposes.*

30 *8. Any money remaining in the Account at the end of a fiscal*
31 *year does not revert to the State General Fund, and the balance in*
32 *the Account must be carried forward to the next fiscal year.*

33 **Sec. 4.** NRS 598A.260 is hereby amended to read as follows:

34 598A.260 1. All money obtained as awards, damages or civil
35 penalties for the State of Nevada and its agencies by the Attorney
36 General as a result of enforcement of statutes pertaining to unfair
37 trade practices, whether by final judgment, settlement or otherwise,
38 must be deposited in the State Treasury as follows:

39 (a) All attorney's fees and costs and 50 percent of all recoveries
40 for credit to the Attorney General's Special Fund.

41 (b) The balance of the recoveries for credit to the ~~State General~~
42 ~~Fund.] Civil Judgment and Settlement Account created by section~~
43 ~~3 of this act.~~

44 2. Money deposited in the State Treasury for credit to the
45 Attorney General's Special Fund pursuant to subsection 1 must be



1 used for payment of the expenses of enforcing the statutes
2 pertaining to unfair trade practices and NRS 228.500 to 228.640,
3 inclusive. Those expenses which are in excess of the amount
4 available in the Fund must be paid out of the legislative
5 appropriation for the support of the Office of Attorney General.

6 3. On June 30 of each fiscal year, any amount in excess of
7 \$450,000 in the Attorney General's Special Fund of the money
8 collected pursuant to subsection 1 reverts to the State General Fund.

9 4. The balance of the money in the Attorney General's Special
10 Fund that is collected pursuant to subsection 1 must not exceed
11 \$500,000. If money deposited in the State Treasury for credit to the
12 Attorney General's Special Fund pursuant to subsection 1 would
13 cause that balance to exceed \$500,000 if credited to the Fund, the
14 amount of the deposit which would cause the balance to exceed
15 \$500,000 immediately reverts to the State General Fund.

16 **Sec. 5.** This act becomes effective upon passage and approval.

