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SENATE BILL NO. 490—COMMITTEE ON FINANCE  
(ON BEHALF OF THE DEPARTMENT OF ADMINISTRATION)

MARCH 23, 2015

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Referred to Committee on Government Affairs

SUMMARY—Revises provisions governing transfers to and from the Account to Stabilize the Operation of the State Government. (BDR 31-1213)

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.

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AN ACT relating to state financial administration; revising provisions governing transfers to and from the Account to Stabilize the Operation of the State Government; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

1 The Account to Stabilize the Operation of the State Government, also known as  
2 the Rainy Day Fund, is an account into which surplus state revenues are deposited  
3 to be used in case of fiscal emergencies. Under existing law, the State Controller is  
4 required to transfer from the State General Fund to the Account to Stabilize the  
5 Operation of the State Government at the beginning of each fiscal year that begins  
6 on or after July 1, 2015, one percent of the total anticipated revenue projected for  
7 that fiscal year by the Economic Forum in May of odd-numbered years, as adjusted  
8 by any legislation enacted by the Legislature that affects state revenue for that fiscal  
9 year. (NRS 353.288) **Section 1** of this bill delays the commencement of those  
10 transfers until July 1, 2016. **Section 2** of this bill transfers the current balance in the  
11 Rainy Day Fund to the State General Fund.

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

1 **Section 1.** NRS 353.288 is hereby amended to read as follows:  
2 353.288 1. The Account to Stabilize the Operation of the  
3 State Government is hereby created in the State General Fund.  
4 Except as otherwise provided in subsections 3 and 4, each year after



1 the close of the previous fiscal year and before the issuance of the  
2 State Controller's annual report, the State Controller shall transfer  
3 from the State General Fund to the Account to Stabilize the  
4 Operation of the State Government:

5 (a) Forty percent of the unrestricted balance of the State General  
6 Fund, as of the close of the previous fiscal year, which remains after  
7 subtracting an amount equal to 7 percent of all appropriations made  
8 from the State General Fund during that previous fiscal year for the  
9 operation of all departments, institutions and agencies of State  
10 Government and for the funding of schools; and

11 (b) Commencing with the fiscal year that begins on July 1,  
12 ~~2015,~~ 2016, 1 percent of the total anticipated revenue for the fiscal  
13 year in which the transfer will be made, as projected by the  
14 Economic Forum for that fiscal year pursuant to paragraph (e) of  
15 subsection 1 of NRS 353.228 and as adjusted by any legislation  
16 enacted by the Legislature that affects state revenue for that fiscal  
17 year.

18 2. Money transferred pursuant to subsection 1 to the Account  
19 to Stabilize the Operation of the State Government is a continuing  
20 appropriation solely for the purpose of authorizing the expenditure  
21 of the transferred money for the purposes set forth in this section.

22 3. The balance in the Account to Stabilize the Operation of the  
23 State Government must not exceed 20 percent of the total of all  
24 appropriations from the State General Fund for the operation of all  
25 departments, institutions and agencies of the State Government and  
26 for the funding of schools and authorized expenditures from the  
27 State General Fund for the regulation of gaming for the fiscal year  
28 in which that revenue will be transferred to the Account to Stabilize  
29 the Operation of the State Government.

30 4. Except as otherwise provided in this subsection and NRS  
31 353.2735, beginning with the fiscal year that begins on July 1, 2003,  
32 the State Controller shall, at the end of each quarter of a fiscal year,  
33 transfer from the State General Fund to the Disaster Relief Account  
34 created pursuant to NRS 353.2735 an amount equal to not more than  
35 10 percent of the aggregate balance in the Account to Stabilize the  
36 Operation of the State Government during the previous quarter. The  
37 State Controller shall not transfer more than \$500,000 for any  
38 quarter pursuant to this subsection.

39 5. The Chief of the Budget Division of the Department of  
40 Administration may submit a request to the State Board of  
41 Examiners to transfer money from the Account to Stabilize the  
42 Operation of the State Government to the State General Fund:

43 (a) If the total actual revenue of the State falls short by 5 percent  
44 or more of the total anticipated revenue for the biennium in which



1 the transfer will be made, as determined by the Legislature, or the  
2 Interim Finance Committee if the Legislature is not in session; or

3 (b) If the Legislature, or the Interim Finance Committee if the  
4 Legislature is not in session, and the Governor declare that a fiscal  
5 emergency exists.

6 6. The State Board of Examiners shall consider a request made  
7 pursuant to subsection 5 and shall, if it finds that a transfer should  
8 be made, recommend the amount of the transfer to the Interim  
9 Finance Committee for its independent evaluation and action. The  
10 Interim Finance Committee is not bound to follow the  
11 recommendation of the State Board of Examiners.

12 7. If the Interim Finance Committee finds that a transfer  
13 recommended by the State Board of Examiners should and may  
14 lawfully be made, the Committee shall by resolution establish the  
15 amount and direct the State Controller to transfer that amount to  
16 the State General Fund. The State Controller shall thereupon make  
17 the transfer.

18 8. In addition to the manner of allocation authorized pursuant  
19 to subsections 5, 6 and 7, the money in the Account to Stabilize the  
20 Operation of the State Government may be allocated directly by the  
21 Legislature to be used for any other purpose.

22 **Sec. 2.** The State Controller shall transfer from the Account to  
23 Stabilize the Operation of the State Government created by NRS  
24 353.288 to the State General Fund the sum of \$28,061,106 for  
25 unrestricted State General Fund use.

26 **Sec. 3.** This act becomes effective upon passage and approval.



