

ASSEMBLY BILL NO. 334—ASSEMBLYWOMAN PIERCE

MARCH 21, 2011

Referred to Committee on Government Affairs

SUMMARY—Exempts from the limitation on the total proposed budgetary expenditures for a biennium any expenditures for the purpose of satisfying an unfunded federal mandate. (BDR 31-1009)

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; exempting from the limitation on the proposed expenditures of the Executive Department of the State Government any expenditures for the purpose of satisfying an unfunded federal mandate; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Under existing law, the Chief of the Budget Division of the Department of
2 Administration prepares a proposed budget for the Executive Department of the
3 State Government. (NRS 353.185) The proposed total expenditures in this proposed
4 budget, excluding proposed expenditures for construction and expenditures that
5 reduce any unfunded accrued liability of the State Retirees’ Health and Welfare
6 Benefits Fund, cannot exceed a certain amount. (NRS 353.213) This bill provides
7 that expenditures to satisfy any unfunded federal mandate are also excluded from
8 the limitation on proposed total expenditures.

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

1 **Section 1.** NRS 353.213 is hereby amended to read as follows:
2 353.213 1. In preparing the proposed budget for the
3 Executive Department of the State Government for each biennium,
4 the Chief shall not exceed the limit upon total proposed
5 expenditures for purposes other than construction , *satisfying an*



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1 *unfunded federal mandate* and reducing any unfunded accrued
2 liability of the State Retirees' Health and Welfare Benefits Fund
3 created by NRS 287.0436 from the State General Fund calculated
4 pursuant to this section. The base for each biennium is the total
5 expenditure, for the purposes limited, from the State General Fund
6 appropriated and authorized by the Legislature for the biennium
7 beginning on July 1, 1975.

8 2. The limit for each biennium is calculated as follows:

9 (a) The amount of expenditure constituting the base is
10 multiplied by the percentage of change in population for the current
11 biennium from the population on July 1, 1974, and this product is
12 added to or subtracted from the amount of expenditure constituting
13 the base.

14 (b) The amount calculated pursuant to paragraph (a) is
15 multiplied by the percentage of inflation or deflation, and this
16 product is added to or subtracted from the amount calculated
17 pursuant to paragraph (a).

18 (c) Subject to the limitations of this paragraph:

19 (1) If the amount resulting from the calculations pursuant to
20 paragraphs (a) and (b) represents a net increase over the base
21 biennium, the Chief may increase the proposed expenditure
22 accordingly.

23 (2) If the amount represents a net decrease, the Chief shall
24 decrease the proposed expenditure accordingly.

25 (3) If the amount is the same as in the base biennium, that
26 amount is the limit of permissible proposed expenditure.

27 3. The proposed budget for each fiscal year of the biennium
28 must provide for a reserve of:

29 (a) Not less than 5 percent or more than 10 percent of the total
30 of all proposed appropriations from the State General Fund for the
31 operation of all departments, institutions and agencies of the State
32 Government and authorized expenditures from the State General
33 Fund for the regulation of gaming for that fiscal year; and

34 (b) Commencing with the proposed budget for the period that
35 begins on July 1, 2011, and ends on June 30, 2013, 1 percent of
36 the total anticipated revenue for each of the 2 fiscal years of the
37 biennium for which the budget is proposed, as projected by the
38 Economic Forum for each of those fiscal years pursuant to
39 paragraph (d) of subsection 1 of NRS 353.228 and as adjusted by
40 any changes or adjustments to state revenue that are recommended
41 in the proposed budget for those fiscal years.

42 4. The revised estimate of population for the State issued by
43 the United States Department of Commerce as of July 1, 1974, must
44 be used, and the Governor shall certify the percentage of increase or
45 decrease in population for each succeeding biennium. The



1 Consumer Price Index published by the United States Department of
2 Labor for July preceding each biennium must be used in
3 determining the percentage of inflation or deflation.

4 5. The Chief may exceed the limit to the extent necessary to
5 meet situations in which there is a threat to life or property.

6 6. As used in this section ~~[, “unfunded”]~~ :

7 (a) *“Unfunded accrued liability”* means a liability with an
8 actuarially determined value which exceeds the value of the assets
9 in the fund from which payments are made to discharge the liability.

10 (b) *“Unfunded federal mandate” means any expenditure:*

11 (1) *Made for the purpose of satisfying the requirements of a*
12 *federal law or regulation enacted on or after July 1, 1974; and*

13 (2) *For which money was not provided by the Federal*
14 *Government in an amount necessary to cover the cost of satisfying*
15 *the requirements of the federal law or regulation.*

16 **Sec. 2.** This act becomes effective on July 1, 2011.

