

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 from the State Distributive School Account in the State General Fund. (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 from the State Distributive School Account in the State General Fund; 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 from the State Distributive School Account in the State General
8 Fund are also excluded from 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 and reducing any



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

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

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

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

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

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

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

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

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

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

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

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



- 1 Labor for July preceding each biennium must be used in
2 determining the percentage of inflation or deflation.
- 3 5. The Chief may exceed the limit to the extent necessary to
4 meet situations in which there is a threat to life or property.
- 5 6. As used in this section ~~["unfunded"]~~ :
- 6 (a) *“Expenditure” does not include any expenditure from the*
7 *State Distributive School Account in the State General Fund.*
- 8 (b) *“Unfunded accrued liability”* means a liability with an
9 actuarially determined value which exceeds the value of the assets
10 in the fund from which payments are made to discharge the liability.
- 11 **Sec. 2.** This act becomes effective on July 1, 2011.

