

AB 357 Conceptual Amendment

Section 2: 1. Rename Consumer Protection Legal Fund to Consumer Protection Legal Account.
Section 2(2): Strike.

The purpose of these changes is to keep this account in state accounting system.

Section 3. 1. Upon transfer pursuant to Section 4, the Attorney General shall allocate the money transferred to the Consumer Protection Legal Account as follows:

- a. Fifty percent to the Office of the Attorney General or the Consumer's Advocate to be used for consumer protection and efforts to prevent fraud, including, without limitation, education, investigation, enforcement and litigation.
 - i. Before making any other use of money allocated pursuant to this paragraph, the Consumer Advocate shall pay for necessary staff pursuant to NRS 228.330, thereafter, the Office of the Attorney General or the Consumer's Advocate, as applicable, shall use such money to pay for necessary staff to carry out such consumer protection and efforts to prevent fraud.
 - ii. The Office of the Attorney General or the Consumer's Advocate, as applicable, may use such money to pay for additional uses related to consumer protection, only if the Account has an excess of 120 days of operating costs for necessary staff to carry out consumer protection and efforts to prevent fraud.
 - iii. If there is insufficient money allocated pursuant to this paragraph to pay for necessary staff to carry out such consumer protection and efforts to prevent fraud, the Attorney General may submit a request to the Interim Finance Committee for an allocation from the Contingency Account pursuant to NRS 353.266, to cover such costs.

The purpose of these changes is to prevent a shortfall in funding. First, in subsection 1, remove the January 1 and July 1 dates as transfers may occur more frequently to ensure available funding. Subsection (1)(a)(i) requires the AG's Office to first use available funding to pay for necessary staff. Subsection (1)(a)(ii) allows the AG's Office to use excess settlement funds for other consumer protection needs, such as public education, only if the account has funding for at least 120 operating expenses. This requires the AG's Office to maintain an internal reserve without necessitating an additional account. Subsection (1)(a)(iii) maintains the AG's Office's ability to request funding from IFC, but it is no way guaranteed to receive that request.

Section 3, paragraph 1(b)

- (b) Fifty percent to the following legal aid organizations in the following percentages:

(1) Seventy percent to the organization operating the program for legal services for the indigent in Clark County that receives the fees charged pursuant to [NRS 19.031](#) to be used to provide legal services in that county;

(2) Nineteen percent to the organization operating the program for legal services for the indigent in the rural communities that receives fees charged pursuant to NRS 19.031 to be used to provide legal services in those counties;

(3) Eleven percent to the organization operating the program for legal services for the indigent in Washoe County that receives the fees charged pursuant to NRS 19.031 to be used to provide legal services in that county.

Section 4(1): Rename Consumer Protection Administrative Fund to Consumer Protection Administrative Account.

The purpose of this change is to keep this account in state accounting system, but as a non-executive budget account.

Section 4(3): On June 30 and December 31 of each year, and at the discretion of the Consumer Advocate, any amount in excess of \$500,000 in the Account reverts to the Consumer Protection Legal Account created by section 2 of this act.

The purpose of this change is to allow distributions more frequently and as needed on an emergency basis to prevent a shortfall in the Legal Account.

Section 7: This act becomes effective July 1, 2021. Funding that would have been distributed to the Attorney General's Office under section 3(a) shall be held in reserve for use in next biennium, beginning July 1, 2023.

The purpose of this change is to hold this funding for now as all these positions are currently funded through this biennium and our budgets are now closed. We can then make all necessary adjustments in our next budget request and have this funding to start off the next biennium. Distributions to legal services organizations can still occur this biennium.