

MINUTES

ASSEMBLY
GOVERNMENT AFFAIRS COMMITTEE
February 1, 1977
8:00 am

Members Present: Chairman Murphy
Mr. May
Mr. Craddock
Mr. Jeffrey
Mr. Mann
Mr. Moody
Mr. Robinson
Mrs. Westall
Mr. Rhoads

Guests Present: Nadean Reed, Treasurer's Office
Carol Mengel, State Controller's Office
Earl T. Oliver, LCB, Audit
John R. Crossley, LCB, Audit
Robert Bruce, State Controller's Office
Daniel J. Demers, Assemblyman
Wilson T. McGowan, State Controller
Frederick C. Gale, Director of Archives
Frank Daykin, Legislative Counsel

The meeting was called to order by Mr. Murphy at 8:04 am. The purpose of this meeting was to discuss Assembly Bills 31, 67, 117, 135.

ASSEMBLY BILL 31

Chairman Murphy explained that this bill encourages and regulates use of solar energy.

Assemblyman Demers testified before the committee. He explained that A. B. 31 is a result of the interim study on public utilities and the Public Service Commission. One of the items the study committee was charged with was to look into alternate sources for energy. He added that other states are mandating solar energy projects and that there are a few projects in the state of Nevada which are using solar energy but these are funded by private sources.

ASSEMBLY BILL 67

Assemblyman Demers spoke to the committee on this bill which revises the state accounting procedure. A copy of his statement is attached herewith as Exhibit 1.

Mr. John Crossley of the Audit Division of the Legislative Counsel Bureau testified before the committee. A copy of his testimony is

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attached herewith as Exhibit 2 with attachments.

Mr. Mann asked if after passage of this bill, would it be necessary for the legislature to go through the entire set of NRS to revise sections affected by this change.

Mr. Crossley introduced Mr. Frank Daykin to the committee and Mr. Daykin explained that there is no imperative need to go through and revise every part of the NRS. He added that the sections in this bill which pertain to administrative categorization can't change the NRS; but, that those sections which are not categorized now could be under this legislation.

Mr. Robinson asked how long this process would take, he was told by Mr. Crossley that the Controller's office already has started the categorization. Once it has been completed there will still be a lot of work to be done but in five years the entire procedure will be up to date.

Mr. Wilson McGowan, State Controller, told the committee that he had no disagreement with the bill.

ASSEMBLY BILL 117

Mr. Frederick Gale, Director of the State Archives, explained the bill to the committee. The additions to this bill will permit the Archives to assign artifacts to the State Museum, in the past the Archives has been permitted to turn over nongovernment records to the Historical Society but over the last decade or so they have received artifacts which should be put into the State Museum. He said that the most controversial part of the bill is found on page two section four. This spells out what is and what is not a public document. If this part of this bill is approved by the Legislature, it could set a precedent across the country. It is not in depth but it does say that official correspondence of offices of state, county and municipal governments and their employees shall become public documents. If a Governor or a Mayor wishes to write a personal note, he may do so when he gets out of office, but as it is written, anything he does in his official capacity becomes public property. There is a provision for confidentiality of records of for example the inmates, the Supreme Court, which can only be viewed with permission by the depositing agency head. The government department may reclaim its deposit whenever it desires as it is the property of the depositing agency under this bill.

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Assemblyman Murphy asked Mr. Gale is there anything that would prohibit us from changing the law to allow the Archives to designate the Nevada Museum and other galleries in the state as a temporary storage place of certain art pieces?

Mr. Gale said that the reason he put in Section 1 Subsection 4 was because there had been no position when he took the office and it had been covered by his own decision. He had no objection to an amendment that would give the Archives an option to turn over artifacts to private galleries as well. Mr. Gale stated that he preferred to put the accessibility to the public of these records up to the depositing agency or person, as in the case of former Senators and Governors. But if the Legislature wanted to put a time limit upon this controlled access it was fine with him. He told the committee that Senator Laxalt had deposited records with him and stated no time limit, the records will remain confidential until he changes his directives. Former Governor Grant Sawyer deposited all of his records and put an eight year moratorium on his speeches. He added that there was a restriction on the records of the Legislature. Permission from Art Palmer of the Legislative Counsel Bureau is necessary before access is allowed.

Members of the committee expressed their disagreement with the necessity of permission to view public records. Mrs. Westall said that she felt that this is a major issue and the people should not have to ask permission to get into public records.

It was agreed that the original records should have restrictions on them as far as the way they are handled in order to preserve them, but the information that is in those records should be available to the public.

Mr. May brought up the matter of how specific is this definition of public records. Mr. Gale told him that this bill was to bring the subject out into the open for discussion and resolution.

It was agreed that this subject needed further consideration. Chairman Murphy appointed a subcommittee of Mrs. Westall and himself to study the matter further with Mr. Gale. He announced that another meeting would be scheduled to discuss this bill and its possible repercussions.

ASSEMBLY BILL 135

Nadean Reed of the Treasurer's Office asked the committee why the Treasurer's office was to be responsible for keeping records of dormant accounts. She said that the Treasurer's office is the State Bank and the Controller's Office is the accounting office and therefore the Controller's Office should be the office involved.

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Assemblyman Robinson entered a memorandum from Donald A. Rhodes, Chief Deputy Research Director, on the subject of Escheats, into the record. It is attached herewith as Exhibit 3.

COMMITTEE ACTION

ASSEMBLY 67 Mr. May motioned for a DO PASS recommendation, seconded by Mr. Mann, passed unanimously.

There being no further business, the meeting was adjourned at 9:21.

Respectfully submitted,

Kim Morgan
Kim Morgan, Committee Secretary

TESTIMONY OF ASSEMBLYMAN DEMERS

January 31, 1977

Mr. Chairman and members of the Committee:

AB 67 provides the statutory framework for the State of Nevada to account and report its financial transactions in an organized system of state governmental funds.

The bill creates the State General Fund.

The bill further establishes fund categories for summary reporting of the State financial condition by the State Controller as follows:

- General Fund
- Special Revenue Funds
- Capital Project Construction Funds
- Intragovernmental Service Funds
- Enterprise Funds
- Trust and Agency Funds
- Debt Service Funds

It also provides for reporting of the General Long Term Debt and General Fixed Assets.

The basic system provided in this legislation will allow the State of Nevada to prepare an annual financial report in accordance with the principles of governmental accounting advocated by the Municipal Finance Officers Association and other governmental accounting authorities.

The provisions and revisions contained in AB 67 are the end product of two years of study by the Audit Division and officials in the Executive Branch.

There are several other bills before the Legislature which compliment this bill and are necessary to properly classify existing funds. With AB 67 we will have enacted the general state accounting and reporting policy which will give Nevada State Government a foundation upon which to build towards the proper presentation of its financial condition and the results of its operations.

In our Biennial Report dated December 31, 1974, in the section entitled "Future Projects, Reports and Studies", we said we would prepare a catalog of the State's Funds. That Biennial Report was presented to the Legislature in January 1975. Immediately thereafter, we set out to accomplish just that. We reviewed the State Constitution, the NRS, the Controller's Listing of Funds, the bills enacted during the 1975 session, etc. We identified 294 funds and categorized them as follows:

Active Statutory Funds in Controller's System

Statutory Funds not active in Controller's System

Active Funds Administratively created in Controller's System as set forth in Controller's listing of Funds (Excludes 400 series - Capitol Project Funds)

New Funds created by 1975 Legislature not yet established in Controller's System

Statutory Revolving Funds

Revolving Funds created Administratively in Controller's System

We prepared a special report for the Legislature entitled "Identification of State Funds as of May 1975." We distributed it in October 1975.

As a result of our work in developing that report, we identified certain problems:

1. NRS 353.293 states that only the Legislature can create funds. We identified in our study that over 100 funds had been administratively created.
2. The MFOA, the AICPA, college courses, etc., all basically agree on the fund structure that a governmental entity should have in which to account for the financial transactions. One that fits Nevada was not in the statutes, as is the case in many other states.
3. NRS 218.820 provides that the Legislative Auditor can request only statements itemizing receipts and disbursements rather than the generally accepted financial statements which include a balance sheet, operating statements, change in Fund balance, etc.
4. Many State agencies do their accounting outside the Controller's centralized system. However, the results of their operations were not being included in the Controller's annual report. Accordingly, the complete financial picture of the State was not being reported in any one report.
5. The present Fiscal and Accounting Procedures Law includes both budgetary and accounting requirements.

We felt that to upgrade the accounting and reporting requirements of the State legislation would be required to cure the problems we identified in our study.

Accordingly, we contacted other states to obtain information on how they had proceeded to accomplish such a project. We obtained copies of their statutes to draw from. We put together a rough draft of our plan. We met with the Controller's Office several times in as much as they would have to be the agency to carry out the purpose of the legislation. We also met with various other State agencies, such as the Budget Office, University, Fish & Game, and Retirement. They had suggestions which we also incorporated into the draft. Many of the agencies responded, with letters, concurring that the proposed legislation would provide for better accounting and reporting of the State's financial operations.

In October 1976 we issued our second report on the subject. It was entitled "Identification of State Funds, Report No. 2". That report spoke to just the Administratively Created Funds. We pointed out that through the efforts of the Budget Office and the Controller's Office there had been a reduction of Administratively Created Funds from 108 to 66.

Our October 1976 report also included a draft of our proposed legislation to amend the Fiscal and Accounting Procedures Act. At this time, we would like to go through the bill and explain the various changes and what their affect will be.

The first 8 sections on page 1 set forth definitions.

Section 9 - This section addresses one of the problems we identified earlier. That is the categorization of the State's financial activities. Section 10 defines what type of activity will be accounted for in the categories set forth in Section 9. An example, #3, Capital Project Construction Funds. We now have Capital Construction Projects being accounted for in special funds and in the General Fund. By virtue of this act, Capital Construction Projects will have to be reflected in this section of the Controller's reports. For those agencies that process their financial transactions through the Controller's Office, the Controller will have to account for them in this category. If an agency does not account for its financial transactions through the Controller's Office, that agency will have to establish, in their own set of records, a Capital Construction Fund if they embark on a capital construction project. It follows that the same ground rules will have to be followed in the other categories.

Section 11 - (Lines 3 through 7, page 3) Address another problem. That is of the State Controller's Annual Report covering all of the State's financial activities. This section, as it reads, does not mandate that the Controllers shall immediately report all of the State's activities. This section provides that when he requests it, these other agencies shall furnish the required data. We envision that it will take 3 to 5 years to where all of the financial activities of the State of Nevada are included in that one document.

Section 12 - (Number 9, starting on line 48 on page 3.) This provides that the Budget Office shall respond to requests for Budget information.

Section 8 - This section removes the duplication between section 1a and 2 of 353.195.

Section 14 - (Page 4, lines 40-43) This section transfers a function from the Fiscal and Accounting Procedures Law to the Budget Office Law. This was done at their request.

Section 15 - This section changes the title of the "Fiscal and Accounting Procedures Law" to the "State Accounting Procedures Law".

Section 16 - This section retains the right of the Legislature to create funds.

Section 20 - (Page 7) In this section we have amended 218.820 to provide that in lieu of a statement of cash receipts and disbursements, each agency, when requested by us, shall furnish the appropriate financial statements required by the bill. (Section 11)

The rest of the bill sets forth examples of how the statutes will identify the categorization of a fund, such as:

Section 22, page 7, line 33-34, Printing Plant Fund

Section 24, page 8, line 39-40, Fish and Game Fund

AB 67 establishes the framework for the accounting system. It follows that some of the statutes will have to be amended to relate to this bill. It could take 2 to 3 sessions to bring the NRS in line with this bill. We have requested some of these changes in this session. Many of those bills are currently before your committee. For example, AB 83, which you approved last week related to this bill. It was on the Military Department. AB 65, which was on Gaming, makes an account of the Confidential Fund. AB 51, which was approved by your Committee 2 weeks ago, relating to the Public Works Board Construction Funds. AB 66, which relates to Gift Funds in the Indian Commission and Equal Rights. AB 80, abolishes inactive Funds in Education, Agriculture and the Department of Administration. All of these bills are necessary in and of themselves, but AB 67 provides the foundation for good accounting and reporting for the State's financial transactions.



STATE OF NEVADA
OFFICE OF
STATE CONTROLLER
CARSON CITY, NEVADA 89701

WILSON MCGOWAN
State Controller

August 13, 1976

Mr. Earl T. Oliver, CPA
Legislative Auditor
Legislative Counsel Bureau
Capitol Complex
Carson City, Nevada 89710

Dear Earl:

We have reviewed the proposed legislation entitled "State Accounting Procedures Law" as prepared by your office.

We feel that this proposed legislation will assist our office in establishing uniform accounting practices and financial reporting.

Sincerely,

A handwritten signature in cursive script that reads "Robert E. Bruce".

Robert E. Bruce
General Manager

REB:trl

cc: John R. Crossley, CPA

UNIVERSITY
OF
NEVADA
SYSTEM

University of Nevada • University of Nevada • Desert Research Institute • Community College Division
Reno Las Vegas

NEIL D. HUMPHREY
Chancellor

July 22, 1976

Mr. Earl T. Oliver, C.P.A.
Legislative Auditor
Legislative Counsel Bureau
Carson City, Nevada 89710

Dear Earl:

Thank you for delivering to me copies of the proposed State Accounting Procedures Law. We submitted the draft to each University of Nevada System division business office and carefully reviewed it in this office. We have no changes to recommend in this proposed legislation and appreciate the opportunity to comment on the material at this early stage.

Cordially,



Neil D. Humphrey
Chancellor

NDH:jh



Nevada
Department
Of Fish
And Game

GLEN K. GRIFFITH
DIRECTOR

MIKE O'CALLAGHAN
GOVERNOR

1100 VALLEY ROAD

P.O. BOX 10678

RENO, NEVADA 89510

TELEPHONE (702) ~~XXXX-XXXX~~ 784-6214

August 4, 1976

Mr. Earl T. Oliver, Legislative Auditor
Legislative Counsel Bureau
Audit Division
Legislative Building - Room 243
Carson City, Nevada 89710

Dear Earl:

We have reviewed the Legislative Counsel Bureau's proposal for statute changes concerning state accounting procedures. We agree with the recommended changes in the State Accounting Procedures Law.

We also concur that the required financial statements for each fund or group of accounts should be uniform and we foresee no difficulties in complying. We, presently, follow the format for financial statements for a Special Revenue Fund as recommended in the publication, "Governmental Accounting, Auditing and Financial Reporting."

There might be an added burden created for those agencies who do not at present prepare their own statements but rely totally on the FMIRS reports. We have one nebulous area under NRS 501.358, Fish and Game Reserve Fund. It does not fit into your definition of "fund" as it is used only to collect the interest received by the Department on its investments; it is accounted for internally and is not now a part of the FMIRS system.

Sincerely,


Glen K. Griffith
Director

STATE OF NEVADA
LEGISLATIVE COUNSEL BUREAU

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CAPITOL COMPLEX
CARSON CITY, NEVADA 89710



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February 13, 1976

LCO 29 (Revised)

State departments' financial statements requested by Legislative Auditor

Mr. John R. Crossley
Chief Deputy Legislative Auditor
Audit Division
Legislative Counsel Bureau
Legislative Building
401 South Carson Street
Carson City, Nevada 89710

Dear John:

You have requested an opinion from the Legislative Counsel regarding financial statements for state departments which are requested by the Legislative Auditor during a postaudit. You are concerned with the type of information required to be included, the responsibility for preparation and the powers of the Legislative Auditor in regards to financial statements for a state department.

A legislative declaration concerning postauditing of state departments is set forth in NRS 218.767.

218.767 - 1. The intent of NRS 218.770 to 218.-890, inclusive, is to provide for the impartial postauditing of each agency of the state government for the purpose of furnishing the legislature with factual information necessary to the discharge of its constitutional duties and by which it may exercise its valid powers.

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2. The legislature finds that:

(a) Adequate information is not readily available for each session through which the members of the legislature can determine the needs of the various agencies and departments of the state government, and the postauditing of each agency will furnish necessary information.

(b) The legislative session is not adequate time in which to audit each agency and the size and scope of government activity has grown to such an extent in recent years that auditing is a continuing process.

3. It is not the intent of the postaudit functions and duties of the legislative auditor authorized and imposed by law, nor shall it be so construed, to infringe upon nor deprive the executive or judicial branches of state government of any rights, powers or duties vested in or imposed upon them by the constitution of the State of Nevada.

Included within the provisions of NRS 218.770 to 218.890, inclusive, is a section which permits the Legislative Auditor to request financial statements from state departments. NRS 218.820 provides that:

218.820 Upon the request of the legislative auditor, every elective state officer in the state, every board or commission provided for by the laws of the state, every head of each and every department in the state, and every employee or agent thereof, acting by, for or on account of any such office, board, commission or officer receiving, paying or otherwise controlling any public funds in the State of Nevada, in whole or in part, whether the same may be funds provided by the State of Nevada, funds received from the Federal Government of the United States or any branch, bureau or agency thereof, or funds received from private or other source, shall submit to the legislative auditor a complete financial statement

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of each and every receipt of funds received by the office, officer, board, commission, person or agent, and of every expenditure of such receipts or any portion thereof for the period designated by the legislative auditor.

The latter section does not mandate definite action by the Legislative Auditor but, rather, authorizes him to request certain financial statements. After a request is made, the person upon whom the request has been made is then required to submit the financial statements.

In your inquiry you refer to the Fiscal and Accounting Procedures Law, NRS 353.291 to 353.319, inclusive, and specifically to subsection 1 of NRS 353.293 which provides that generally accepted accounting principles and fiscal procedures shall be applied except when in conflict with constitutional and statutory provisions.

You have also drawn attention to the fact that authoritative publications of the Committee on Governmental Accounting and Auditing of the American Institute of Certified Public Accountants and the National Committee on Governmental Accounting of the Municipal Officers Association have established 13 principles pertaining to generally accepted accounting principles for governmental entities. Principle 13 provides that financial statements indicating the current condition of budgetary and proprietary accounts should be prepared periodically to control financial operations. The financial statements mentioned in this principle include a balance sheet, a statement analyzing changes in fund balances or retained earnings and an operating statement.

It must be noted that the statement of policy contained in NRS 353.293, providing for generally accepted accounting principles and fiscal procedures, is applicable only if there is not a conflict with constitutional or statutory provisions. NRS 218.820 requires a complete financial

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statement of each and every receipt of funds received by the office, officer, board, commission, person or agent, and of every expenditure of such receipts or portion thereof. This requirement appears to be narrower than that contained in NRS 353.293, especially when NRS 353.293 is further modified by the proposition that financial statements issued under generally accepted accounting principles and fiscal procedures should include a balance sheet, a statement analyzing changes in fund balances or retained earnings and an operating statement.

~~It would appear that the provisions of NRS 218.820 and 353.293 are in conflict and, as such, the Legislative Auditor can only request financial statements containing the type of information set forth in NRS 218.820.~~

The State Controller is responsible for implementing the Fiscal and Accounting Procedures Law. That office also maintains records of the various funds and is required by NRS 227.150, 227.170 and 227.180 to:

227.150 * * *

4. Keep fair, clear, distinct and separate accounts of all the revenues and incomes of the state, and also all the expenditures, disbursements and investments thereof, showing the particulars of every expenditure, disbursement and investment.

227.170 * * *

3. Keep a record of all appropriations and authorizations in a book provided for that purpose, in which book he shall enter the nature of the appropriation or authorization, referring to the statute authorizing the same, the amount appropriated or authorized, amounts credited by law, accounting debits and credits, the amounts paid therefrom each month, showing assets and expenses, and posting them to proper ledger accounts, with a yearly total of all payments and the balance remaining, and the amount, if any, reverting.

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227.180 * * *

1. Keep accounts with the funds heretofore created and such other funds as may hereafter be created, or as he may deem advantageous to keep.
2. Credit the funds with the amount of money received, and shall charge them with the amount of warrants drawn.

The State Controller is required, pursuant to NRS 227.110, to issue an annual report concerning the state's finances and may also be required by a statute creating a specific fund to issue additional reports. For example, the State Controller must prepare quarterly a complete financial report of the state permanent school fund. NRS 387.013.

NRS 218.820 provides that the Legislative Auditor may request financial statements from:

218.820 * * * every elective state officer in the state, every board or commission provided for by the laws of the state, every head of each and every department in the state, and every employee or agent thereof, acting by, for or on account of such office, board, commission or officer receiving, paying or otherwise controlling any public funds in the State of Nevada * * *.

Thus, if a particular state department maintains its own records and accounts, the Legislative Auditor could request financial statements directly from such state department. The Legislative Auditor could, however, request that the State Controller furnish the financial statements of such state department. Such a request would be consistent with NRS 218.-820 because the State Controller has a duty, under NRS 227.150, 227.170 and 227.180, to maintain records of the revenues and incomes and of the expenditures and disbursements of the state and to maintain accounts of the various funds. The State Controller is a proper source from whom the Legislative Auditor could request financial statements. Where a particular state department does not maintain its own records and accounts, the State Controller would be the only source.

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Regardless of whether the State Controller or a state department submits the financial statements to the Legislative Auditor, the information required to be submitted is only that information required pursuant to NRS 218.820, as previously discussed.

The Legislative Auditor may determine that financial statements should include a balance sheet, a statement analyzing changes in fund balances or retained earnings and an operating statement in order to provide for a uniform, adequate and efficient system of records and accounting. The Legislative Auditor may also determine that the responsibility of preparing a state department's financial statements should be provided for by statute.

The Legislative Auditor has certain powers and duties prescribed in NRS 218.770 which includes, among others, the following provisions:

218.770 * * *

3. To recommend such changes in the accounting system or systems and record or records of the state departments as in his opinion will augment or provide a uniform, adequate and efficient system of records and accounting.

* * *

5. To determine whether all revenues or accounts due have been collected or properly accounted for and whether expenditures have been made in conformance with law and good business practice.

* * *

9. To determine whether the accounting reports and statements issued by the agency under examination are an accurate reflection of the operations and financial condition.

* * *

13. To make recommendations to the legislative commission for the enactment or amendment of statutes based upon the results of the performance of his postaudit duties.

Mr. John R. Crossley
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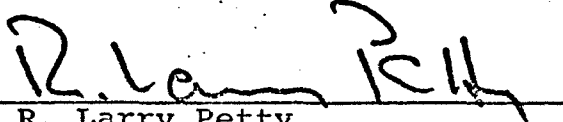
The Legislative Auditor has a duty, when performing a post-audit, to determine whether all revenues and accounts are in conformance with law and good business practice and whether accounting reports and statements are an accurate reflection of the operational and financial condition of an agency or department. Subsections 5 and 9 of NRS 218.770. In the discharge of this duty the Legislative Auditor may recommend such changes in the accounting systems and records which will provide for a uniform, adequate and efficient system of accounts and records. Subsection 3 of NRS 218.770.

The Legislative Auditor may also recommend statutory changes based upon the results of postaudits. Subsection 13 of NRS 218.770. To alleviate any confusion which might exist under present statutory provisions, the Legislative Auditor should recommend amendments to NRS for consideration by the legislature at its next session. Any of the following alternate suggestions would provide for clarification of financial statements:

1. Amend the Fiscal and Accounting Procedures Law, NRS 353.-291 to 353.319, inclusive, to provide for the type of information required to be included in financial statements and to designate who is responsible for preparing the financial statements.
2. Amend chapter 227 of NRS, relating to the State Controller, to provide for the type of information required to be included and to specifically designate the State Controller as the person responsible for preparing the financial statements.
3. Amend NRS 218.820 to provide that financial statements include a balance sheet, a statement analyzing changes in fund balances or retained earnings and an operating statement and to designate a specific office or officer as responsible for preparing the financial statements.

Very truly yours,

FRANK W. DAYKIN
Legislative Counsel

By 
R. Larry Petty
Deputy Legislative Counsel

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January 31, 1977

EXHIBIT 3

M E M O R A N D U M

TO: Assemblyman Robert E. Robinson
FROM: Donald A. Rhodes, *Don* Chief Deputy Research Director
SUBJECT: Escheats

Existing law contains escheat provisions for estates (NRS 154.010), escrow accounts (NRS 645A.180), corporate dividends (NRS 78.292), certain motor carrier refunds (NRS 706.711), certain public utility refunds (NRS 704.550), certain funds from receivership proceedings (NRS 32.020), and certain unclaimed wages collected by the labor commissioner (NRS 607.170). Under NRS 673.339, a savings and loan association is permitted to transfer specified unclaimed accounts to a dormant accounts fund. If the association is placed in liquidation, the savings account so credited, upon order of the savings and loan commissioner, escheats to the state.

Section 3 of article 11 of the state constitution and NRS 154.010 require that all estates that may escheat to the state are required to be vested in the state for educational purposes. Nevada Revised Statutes section 32.020 (wages collected by the labor commissioner) and NRS 645A.180 (escrow accounts) provide for the escheat of certain funds to the general fund.

Section 154.020 sets forth the procedures for the escheat of estates.

1. Whenever the attorney general shall be informed, or shall have reason to believe, that any real or personal estate has become escheatable to this state for the reasons specified in NRS 154.010, or that any such estate has, for any other reason, become escheatable, he shall file an information

in behalf of the state in the district court of the county where such estate, or any part thereof, is situated.

2. The information shall set forth:

- (a) A description of the estate.
- (b) The name of the person last lawfully seised.
- (c) The name of the terre-tenant and persons claiming the estate, if known.
- (d) The facts and circumstances in consequence of which the estate is claimed to have become escheated.

3. The information shall allege that by reason thereof the State of Nevada has by law right to such estate.

Nevada Revised Statutes 154.060 specifies procedures by which persons may appear and plead to the proceedings involving an escheat to the state. It says:

1. All persons and bodies politic or corporate, named in the information as terre-tenants or claimants to the estate, may appear and plead to the proceedings, and may traverse or deny the facts stated in the information (the title of the state to the estate therein mentioned) at any time on or before the return day of the citation.

2. Any other person claiming an interest in the estate may appear and be made a defendant, and plead as stated in subsection 1 by motion for that purpose made in open court within the time allowed for pleading.

3. If any persons shall appear and plead as stated in subsections 1 and 2, denying the title set up by the state, or traverse any material fact set forth in the information, or issue or issues of fact to be made up, the matter shall proceed as other civil actions on issues of fact.

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4. A survey may be ordered, as in other civil actions, when the boundary is called into question.

Section 673.339 (dormant accounts in savings associations) allows a shareholder whose savings account has been transferred, by the savings association to a dormant account, to claim the amount of his account at any time after the transfer. A.B. 135 deletes this provision.

I could find no provisions in the NRS relating to the escheat of dormant bank accounts.

X
I called the banking commissioners in California, Arizona, Utah, Idaho and Oregon and all these gentlemen stated that their respective state laws contained provisions for escheat of dormant bank accounts to the state. Copies of the applicable laws from these states are attached.

I also spoke to the deputy attorney general, William E. Isaef, who handles Nevada's escheat proceedings. He stated that he has submitted a bill draft request for an omnibus "custodial" measure. Mr. Isaef says his measure is patterned after the "Uniform Disposition of Unclaimed Property Act" (enclosed) which has been adopted in several states. The uniform act covers escheat provisions for a broad range of unclaimed property, both financial and otherwise. Mr. Isaef also says he would be happy to discuss his measure with any interested legislator. His phone number is 885-4170.

DAR/jd
Encl.

GOVERNMENT AFFAIRS COMMITTEE

GUEST REGISTER

DATE: Jan 27, 1977

NAME, ADDRESS & PHONE NO.	REPRESENTING	TESTIFYING ON BILL NO.
John Crosskey	LCB - Audit	AB 83 AD 65
46. FLOYD L. EDSALL	N.M.D	AB 83
Tom Moore	Clark Co	
John Stratton	Carson City	A.B 65
FRANKLIN L COONLEY	N M D	AB 83

GOVERNMENT AFFAIRS COMMITTEE

DATE: Jan 27

	PRESENT	EXCUSED	ABSENT
CHAIRMAN MURPHY	✓		
VICE CHAIRMAN MAY	✓		
ASSEMBLYMAN CRADDOCK	✓		
ASSEMBLYMAN JEFFREY	✓		
ASSEMBLYMAN MANN	✓		
ASSEMBLYMAN MOODY			✓
ASSEMBLYMAN ROBINSON	✓		
ASSEMBLYMAN WESTALL	✓		
ASSEMBLYMAN RHOADS	✓		

GOVERNMENT AFFAIRS COMMITTEE

DATE: Feb 1

	PRESENT	EXCUSED	ABSENT
CHAIRMAN MURPHY	✓		
VICE CHAIRMAN MAY	✓		
ASSEMBLYMAN CRADDOCK	✓		
ASSEMBLYMAN JEFFREY	✓		
ASSEMBLYMAN MANN	✓		
ASSEMBLYMAN MOODY	✓		
ASSEMBLYMAN ROBINSON	✓		
ASSEMBLYMAN WESTALL	✓		
ASSEMBLYMAN RHOADS	✓		

GOVERNMENT AFFAIRS COMMITTEE

GUEST REGISTER

DATE: 2-1-77

NAME, ADDRESS & PHONE NO.	REPRESENTING	TESTIFYING ON BILL NO.
Nadean Reed 5200	Treasurers	AB 135
Carol Mengel 4330	State Controller	AB 67
Earl Oliver	LCB - Audit	AB 67
John K. Cross	LCB Audit	AB 67
Robert Bruce	State Controller Office	AB 67
James Plummer	Assemblyman	AB 31 & 67
T. J. Moore	Clark Co	