

SENATE BILL NO. 415—COMMITTEE ON FINANCE

(ON BEHALF OF THE DEPARTMENT OF ADMINISTRATION)

MARCH 24, 2003

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Referred to Committee on Finance

SUMMARY—Removes certain restrictions on use of money in Estate Tax Account in Endowment Fund of University and Community College System of Nevada. (BDR 32-1264)

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 taxes on estates; removing certain restrictions on the use of money in the Estate Tax Account in the Endowment Fund of the University and Community College System of Nevada; requiring the Board of Regents of the University of Nevada to make certain transfers of money from the Account to the State General Fund; and providing other matters properly relating thereto.

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

- 1     **Section 1.** NRS 375A.705 is hereby amended to read as  
2 follows:  
3     375A.705 1. All money received by the Board of Regents of  
4 the University of Nevada pursuant to paragraph (b) of subsection 1  
5 of NRS 375A.700 must be accounted for separately in the  
6 Endowment Fund of the University and Community College System  
7 of Nevada.  
8     2. The money in the Estate Tax Account must be invested  
9 pursuant to the same investment policies as the other money in the



1 Endowment Fund is invested. All interest and income earned on the  
2 money in the Account must be credited to the Account.

3 3. ~~3. [The money in the Estate Tax Account must only be~~  
4 ~~expended as follows:~~

5 ~~—(a)] The Board of Regents of the University of Nevada may~~  
6 ~~[spend \$2,500,000 of the money in the Account each year.~~

7 ~~—(b) Until the principal in the Account is sufficient to yield~~  
8 ~~income of \$2,500,000 per year, all revenue deposited in the Account~~  
9 ~~in excess of the \$2,500,000 allocated pursuant to paragraph (a) must~~  
10 ~~remain in the Account.~~

11 ~~—(c) In addition to the amount allowed pursuant to paragraph (a),~~  
12 ~~the Board of Regents of the University of Nevada may spend any~~  
13 ~~money in the Account which is not part of the principal necessary to~~  
14 ~~yield income of \$2,500,000 per year.~~

15 ~~—(d) Any money expended pursuant to the provisions of~~  
16 ~~paragraph (a) or (c) must be approved] , upon approval~~ by the  
17 Legislature when in regular session or by the Interim Finance  
18 Committee when the Legislature is not in regular session ~~[ ]~~ ,  
19 *expend any money in the Estate Tax Account.*

20 **Sec. 2.** 1. The Board shall, on a monthly basis, transfer  
21 money from the Account to the State General Fund in an amount up  
22 to the level of expenditures approved in the final budget of the  
23 System for the applicable fiscal year. Except as otherwise provided  
24 in this subsection and subsection 2, the amount of money transferred  
25 each month must be:

26 (a) For Fiscal Year 2003-2004, \$3,819,713, until the total  
27 amount of money transferred for all 12 months in the fiscal year is  
28 \$45,836,551.

29 (b) For Fiscal Year 2004-2005, \$3,616,525, until the total  
30 amount of money transferred for all 12 months in the fiscal year is  
31 \$43,398,297.

32 A monthly transfer described in this section must not be made to the  
33 extent that making the transfer would result in a negative balance in  
34 the Account.

35 2. If the amount of money in the Account is not, for a given  
36 month, sufficient to allow the full amount of the transfer scheduled  
37 for that month, as described in subsection 1, any money that  
38 subsequently becomes available in the Account must first be applied  
39 to complete the full amount of the transfer scheduled for that month,  
40 as described in subsection 1.

41 3. If, at the end of Fiscal Year 2004-2005, the total amount  
42 transferred from the Account to the State General Fund pursuant to  
43 this section has not reached the total amount of \$89,234,848 that is  
44 scheduled to be transferred pursuant to subsection 1 during both  
45 Fiscal Year 2003-2004 and Fiscal Year 2004-2005 combined, the



1 Board shall continue to make transfers from the Account to the State  
2 General Fund in subsequent fiscal years until the total amount  
3 transferred equals \$89,234,848, subject to the continued availability  
4 of estate tax revenues.

5 4. As used in this section:

6 (a) "Account" means the Estate Tax Account in the Endowment  
7 Fund of the University and Community College System of Nevada.

8 (b) "Board" means the Board of Regents of the University of  
9 Nevada.

10 (c) "System" means the University and Community College  
11 System of Nevada.

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

