

SENATE BILL NO. 142—SENATORS LANGE; AND DONATE

FEBRUARY 23, 2021

Referred to Committee on Government Affairs

SUMMARY—Revises provisions related to local governments.
(BDR S-607)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.
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 local governments; repealing provisions that prohibit the budgeted ending fund balance of a school district from being subject to certain negotiations under certain circumstances; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 During the 2019 Legislative Session, the provisions of Senate Bill No. 543
2 (S.B. 543) were enacted, which included provisions, effective July 1, 2021, that: (1)
3 prohibited the budgeted ending fund balance of a school district of not more than
4 16.6 percent of the total budgeted expenditures for a county school district fund
5 from being subject to negotiations with an employee organization or from being
6 considered by a fact finder or arbitrator in determining the financial ability of the
7 local government to pay compensation or monetary benefits; and (2) generally
8 required any amount of an ending fund balance in excess of 16.6 percent of the
9 total actual expenditures be transferred to the Education Stabilization Account.
10 (Sections 3 and 58 of Chapter 624, Statutes of Nevada 2019, at pages 4197 and
11 4240) This bill repeals the provisions that exempt from collective bargaining a
12 budgeted ending fund balance of a school district of not more than 16.6 percent of
13 the total budgeted expenditures for a county school district fund before those
14 provisions become effective on July 1, 2021.

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

1 **Section 1.** Section 58 of chapter 624, Statutes of Nevada 2019,
2 at page 4240, is hereby repealed.

3 **Sec. 2.** This act becomes effective upon passage and approval.



TEXT OF REPEALED SECTION

Section 58 of chapter 624, Statutes of Nevada 2019:

Sec. 58. NRS 354.6241 is hereby amended to read as follows:

354.6241 1. The statement required by paragraph (a) of subsection 5 of NRS 354.624 must indicate for each fund set forth in that paragraph:

(a) Whether the fund is being used in accordance with the provisions of this chapter.

(b) Whether the fund is being administered in accordance with generally accepted accounting procedures.

(c) Whether the reserve in the fund is limited to an amount that is reasonable and necessary to carry out the purposes of the fund.

(d) The sources of revenues available for the fund during the fiscal year, including transfers from any other funds.

(e) The statutory and regulatory requirements applicable to the fund.

(f) The balance and retained earnings of the fund.

2. Except as otherwise provided in subsection 3 and NRS 354.59891 and 354.613, to the extent that the reserve in any fund set forth in paragraph (a) of subsection 5 of NRS 354.624 exceeds the amount that is reasonable and necessary to carry out the purposes for which the fund was created, the reserve may be expended by the local government pursuant to the provisions of chapter 288 of NRS.

3. For any local government other than a school district, for the purposes of chapter 288 of NRS, a budgeted ending fund balance of not more than 25 percent of the total budgeted expenditures, less capital outlay, for a general fund:

(a) Is not subject to negotiations with an employee organization; and

(b) Must not be considered by a fact finder or arbitrator in determining the financial ability of the local government to pay compensation or monetary benefits.

4. For a school district, for the purposes of chapter 288 of NRS, a budgeted ending fund balance of not more than 16.6 percent of the total budgeted expenditures for a county school district fund:



(a) Is not subject to negotiations with an employee organization; and

(b) Must not be considered by a fact finder or arbitrator in determining the financial ability of the local government to pay compensation or monetary benefits.

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