

ASSEMBLY BILL NO. 75—COMMITTEE  
ON GOVERNMENT AFFAIRS

(ON BEHALF OF THE CLARK REGIONAL  
BEHAVIORAL HEALTH POLICY BOARD)

PREFILED NOVEMBER 20, 2024

Referred to Committee on Government Affairs

SUMMARY—Revises provisions governing grants made by the State. (BDR 31-433)

FISCAL NOTE: Effect on Local Government: No.  
Effect on the State: Yes.

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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 grants; declaring the policy of this State to make payments under a grant agreement within a certain period of time; imposing interest on amounts due under a written grant agreement which are not timely paid after the receipt of a proper invoice; requiring State entities that make grants to take certain actions upon receipt of an invoice; authorizing use of media other than original paper documents to process grant payments; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

This bill enacts requirements governing payments by State agencies to certain nonprofit organizations that receive grants from those agencies and are reimbursed by State agencies for services or other performance under a grant agreement. **Section 3** of this bill defines the term “grant” to establish the types of financial assistance to which these requirements apply. **Section 6** of this bill establishes that the requirements of this bill do not apply to the Judicial Branch or Legislative Branch of State Government, the Nevada System of Higher Education or any institution within the System, or certain grants that support the State Public Works Division of the Department of Administration in carrying out a program of capital improvements. **Section 10** of this bill excludes from the requirements of this bill payments under grants which are executed, renewed or extended before July 1, 2025.

**Section 7** of this bill declares that it is the policy of this State to complete all processing and authorizations required by law to make a payment, as set forth in



15 **section 4** of this bill, within 37 days after the later of the date on which the payment  
16 becomes due under the grant agreement or the date on which the State entity that  
17 made the grant receives a proper invoice, as defined in **section 5** of this bill.  
18 **Section 8** of this bill provides that, with certain exceptions, a State grant-making  
19 entity is liable for interest at a rate of 9 percent per annum on amounts which are  
20 due and payable under a written grant agreement and which the State grant-making  
21 entity has failed to submit for payment within 30 days after receipt of a proper  
22 invoice. **Section 8** provides that interest begins accruing on the 38th day after the  
23 date on which the State grant-making entity receives a proper invoice and requires  
24 interest to be paid from the operating budget of the State grant-making entity, not  
25 including funds appropriated to fund a grant.

26 **Section 9** of this bill requires a State grant-making entity to mark an invoice  
27 with the date the invoice was received and review the invoice as soon as practicable  
28 to determine whether the invoice is a proper invoice. **Section 9** authorizes a State  
29 grant-making entity to use media that produce tangible recordings of information to  
30 expedite payment, rather than requiring original paper documents, but requires a  
31 State grant-making entity to provide adequate safeguards and controls to ensure the  
32 integrity of the data and to prevent duplicate processing.

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

1 **Section 1.** Chapter 353 of NRS is hereby amended by adding  
2 thereto the provisions set forth as sections 2 to 9, inclusive, of this  
3 act.

4 **Sec. 2.** *As used in sections 2 to 9, inclusive, of this act, unless*  
5 *the context otherwise requires, the words and terms defined in*  
6 *sections 3, 4 and 5 of this act have the meanings ascribed to them*  
7 *in those sections.*

8 **Sec. 3. 1.** *“Grant” means a legal instrument of financial*  
9 *assistance between a State grant-making entity and a nonprofit*  
10 *organization exempt from taxation under section 501(c) of the*  
11 *Internal Revenue Code, 26 U.S.C. § 501(c), that is:*

12 *(a) Used to enter into a relationship the principal purpose of*  
13 *which is to transfer anything of value from the State grant-making*  
14 *entity to the grant recipient to carry out a public purpose*  
15 *authorized by law and not to acquire property or services for the*  
16 *direct benefit or use of the State grant-making entity;*

17 *(b) Used to provide for one or more payments in*  
18 *reimbursement for services or other performance under the*  
19 *agreement on a scheduled or other incremental basis; and*

20 *(c) Distinguished from a cooperative agreement in that it does*  
21 *not provide for substantial involvement between the State grant-*  
22 *making entity and the grant recipient in carrying out the activity*  
23 *contemplated by the award.*

24 **2.** *The term does not include an instrument that provides*  
25 *only:*



- 1 (a) *Direct government cash assistance to a person;*
- 2 (b) *A subsidy;*
- 3 (c) *A loan;*
- 4 (d) *A loan guarantee;*
- 5 (e) *Insurance; or*
- 6 (f) *State funding that is required annually and is calculated*
- 7 *through a formula set in statute.*

8 **Sec. 4.** *“Payment” includes all processing and authorization*  
9 *required by law from the State Board of Examiners, the Director*  
10 *of the Office of Finance and the State Controller.*

11 **Sec. 5.** *“Proper invoice” means a bill, a written document or*  
12 *an electronic transmission readable by the State grant-making*  
13 *entity, provided by a grant recipient, that:*

14 1. *Requests an amount that is due and payable by law under*  
15 *a written grant agreement; and*

16 2. *Includes:*

17 (a) *The federal employer identification number or social*  
18 *security number of the grant recipient;*

19 (b) *Sufficient information to identify the grant agreement; and*

20 (c) *Any additional documentation the grant agreement*  
21 *requires.*

22 **Sec. 6.** *The provisions of sections 2 to 9, inclusive, of this act*  
23 *do not apply to:*

24 1. *The Legislative Department or Judicial Department of*  
25 *State Government;*

26 2. *The Nevada System of Higher Education or any institution*  
27 *of the Nevada System of Higher Education; or*

28 3. *Grants funded from general obligation bond proceeds or*  
29 *from an appropriation made to the State Public Works Division of*  
30 *the Department of Administration to support the Division in*  
31 *carrying out a program of capital improvements.*

32 **Sec. 7.** *The Legislature declares that it is the policy of this*  
33 *State to make a payment under a grant agreement within 37 days*  
34 *after the later of:*

35 1. *The date on which the payment becomes due under the*  
36 *grant agreement; or*

37 2. *The date on which the State grant-making entity receives a*  
38 *proper invoice.*

39 **Sec. 8.** 1. *A State grant-making entity shall be liable for*  
40 *interest at a rate of 9 percent per annum on any amount:*

41 (a) *That is due and payable by law under a written grant*  
42 *agreement; and*

43 (b) *Which the State grant-making entity has failed, within 30*  
44 *days after receipt of a proper invoice, to submit for payment in the*  
45 *same manner as other claims against the State are paid.*



1       2. *Interest under this section shall accrue beginning on the*  
2 *38th day after the date on which the State grant-making entity*  
3 *receives a proper invoice.*

4       3. *A State grant-making entity is not liable for interest*  
5 *pursuant to this section:*

6       (a) *Unless the grant recipient submits an invoice for the*  
7 *interest within 30 days after receiving payment for the amount on*  
8 *which the interest accrued;*

9       (b) *If the State grant-making entity has initiated legal*  
10 *proceedings to dispute the amount owed to the grant recipient;*

11       (c) *Accruing more than 1 year after the 31st day after the State*  
12 *grant-making entity receives a proper invoice; or*

13       (d) *On an amount that represents unpaid interest.*

14       4. *Interest for which a State grant-making entity is liable*  
15 *pursuant to this section:*

16       (a) *Must be paid from the operating budget of the State grant-*  
17 *making entity; and*

18       (b) *May not be paid from funds appropriated to fund a grant.*

19       5. *For the purposes of determining the due date of a payment*  
20 *and the date on which interest begins to accrue, an invoice is*  
21 *deemed to be received:*

22       (a) *For invoices that are mailed, when a proper invoice is*  
23 *received by the State grant-making entity, as of the date the State*  
24 *grant-making entity annotates the invoice with the date and time*  
25 *of receipt; or*

26       (b) *For invoices that are transmitted electronically, on the date*  
27 *the transmission is received by the State grant-making entity or the*  
28 *next business day if the transmission is received after 5 p.m.*

29       **Sec. 9. 1.** *Upon receipt of an invoice, a State grant-making*  
30 *entity shall:*

31       (a) *Mark the invoice with the date the invoice was received;*  
32 *and*

33       (b) *Review the invoice as soon as practicable to determine*  
34 *whether the invoice is a proper invoice.*

35       2. *If the State grant-making entity determines that the*  
36 *invoice:*

37       (a) *Is a proper invoice, the State grant-making entity shall*  
38 *submit the invoice for payment in the same manner as other*  
39 *claims against the State are paid.*

40       (b) *Is not a proper invoice, within 2 business days after making*  
41 *such a determination, the State grant-making entity shall notify*  
42 *the grant recipient of all defects that prevent the invoice from*  
43 *being a proper invoice. It is the responsibility of the grant recipient*  
44 *to submit a corrected invoice.*

45       3. *A State grant-making entity:*



1     *(a) May use media that produce tangible recordings of*  
2     *information to expedite the payment process, rather than delaying*  
3     *the processes by requiring original paper documents; and*

4     *(b) Shall provide adequate safeguards and controls to ensure*  
5     *the integrity of the data and to prevent duplicate processing.*

6     4.     *Failure by a State grant-making entity to comply with the*  
7     *procedural requirements of this section does not constitute a late*  
8     *payment.*

9     **Sec. 10.**   The provisions of this act apply only to a grant, as  
10    defined in section 3 of this act, which is executed, renewed or  
11    extended on or after July 1, 2025.

12    **Sec. 11.**   This act becomes effective on July 1, 2025.







