

ASSEMBLY BILL NO. 542—COMMITTEE ON GOVERNMENT AFFAIRS

(ON BEHALF OF DEPARTMENT OF ADMINISTRATION—BUDGET DIVISION)

MARCH 22, 2001

Referred to Committee on Government Affairs

SUMMARY—Makes various changes relating to personal property of state. (BDR 27-528)

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.

AN ACT relating to state purchasing; requiring the state board of examiners to establish, by regulation, the original cost of certain personal property of the state; creating the surplus property administration account in the state purchasing 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 333.220 is hereby amended to read as follows:  
2     333.220 1. The chief shall:  
3     (a) Provide for classification of the personal property of the state in the  
4     possession of the using agencies.  
5     (b) Establish a process for identification of all such property.  
6     (c) Maintain records of ~~such~~ *that* property.  
7     (d) Except as otherwise provided in this paragraph, determine which  
8     items of ~~such~~ *that* property must be listed by each using agency pursuant  
9     to subsection 4. Any item which had an original cost of ~~at least \$500 or more~~ *not*  
10    *less than the amount established by regulation of the state board of*  
11    *examiners* and which has a useful life of more than 2 years must be  
12    included on the list.  
13    2. Each using agency shall submit to the purchasing division a list on  
14    or before the last day of each month of all personal property for which it is  
15    responsible which was lost, stolen, exchanged or deemed excess. The list  
16    must include all forfeited personal property which was received by the  
17    using agency and all personal property which was donated to the using  
18    agency within the previous month. The list must be prepared by the officer  
19    entrusted with custody of the property and be approved by the officer's



1 supervisor or the head of his department or agency. A monthly physical  
2 count is not required for the preparation of the list.

3 3. The chief may transfer any personal property or forfeited personal  
4 property in the possession of a using agency to another governmental  
5 agency within the state or to an entity that is eligible to acquire federal  
6 donable surplus property, if that property is not necessary for the use of the  
7 using agency.

8 4. The records of personal property of the state must be maintained at  
9 all times to show the officers entrusted with the custody thereof and  
10 transfers of ~~such~~ *that* property between those officers. Each using agency  
11 shall conduct an annual physical count of all personal property charged to  
12 it and reconcile the results of the annual physical count with the records of  
13 inventory maintained by the chief. The chief shall maintain the current  
14 records of inventory for each state agency.

15 5. The chief shall adopt regulations which:

16 (a) Prescribe the procedure by which personal property may be  
17 condemned and disposed of, if of no further use to the state.

18 (b) Provide that condemned property which the chief has not transferred  
19 to another governmental agency or entity that is eligible to acquire federal  
20 donable surplus property and which has an appraised value over \$1,000  
21 may be sold at a public auction. At least once within 15 days before the  
22 auction, the chief shall publish or cause to be published in a newspaper  
23 circulated in the area in which the sale is made a notice of the auction and a  
24 description of the property to be sold.

25 6. For the purposes of sale, the chief or his designated agent shall  
26 determine the value of personal property which is of no further use to the  
27 state. The chief may request the assistance of any department or officer  
28 having technical expertise regarding any such property to determine the  
29 value of the property.

30 7. The chief may elect to refurbish, in whole or in part, personal  
31 property which is of no further use to the state if the chief determines that  
32 refurbishment will increase the value of the property in an amount that  
33 exceeds the cost of the refurbishment. The purchasing division is entitled to  
34 reimbursement for the cost of refurbishment from the proceeds of the sale  
35 of the property.

36 **Sec. 2.** NRS 333.300 is hereby amended to read as follows:

37 333.300 1. Except as otherwise provided in NRS 333.375, the chief  
38 shall give reasonable notice, by advertising and by written notice ~~mailed~~  
39 *provided* to persons ~~to firms or corporations~~ in a position to furnish the  
40 classes of commodities involved, as shown by its records, of all proposed  
41 purchases of supplies, materials and equipment to be purchased in  
42 accordance with a schedule prepared in conformity with the provisions of  
43 NRS 333.250.

44 2. All such materials, supplies and equipment, except as otherwise  
45 provided in this section, ~~when~~ *if* the estimated cost thereof exceeds  
46 \$25,000, must be purchased by formal contract from the lowest responsible  
47 bidder after ~~due~~ notice inviting the submission of sealed proposals to the  
48 chief of the purchasing division at the date, hour and location set forth in  
49 the proposal, and at that date, hour and location the proposals must be



1 publicly opened. The purchasing division may reject any or all proposals,  
2 or may accept the proposal determined best for the interest of the state. The  
3 notice must be published as ~~outlined~~ *prescribed* in NRS 333.310.

4 3. In case of emergencies caused by acts of God or the national  
5 defense or other unforeseeable circumstances, the provisions for  
6 advertisements on competitive bids may be waived by the chief, but every  
7 effort must be made to secure the maximum competitive bidding under the  
8 circumstances. In no case may contracts be awarded until every possible  
9 effort has been made to secure at least three bona fide competitive bids.

10 4. In awarding contracts for the purchase of supplies, materials and  
11 equipment, ~~whenever~~ *if* two or more lowest bids are identical, the chief  
12 shall:

13 (a) If the lowest bids are by bidders resident in the State of Nevada,  
14 accept the proposal which, in his discretion, is in the best interests of this  
15 state.

16 (b) If the lowest bids are by bidders resident outside the State of  
17 Nevada:

18 (1) Accept the proposal of the bidder who will furnish goods or  
19 commodities produced or manufactured in this state; or

20 (2) Accept the proposal of the bidder who will furnish goods or  
21 commodities supplied by a dealer resident in the State of Nevada.

22 **Sec. 3.** NRS 333.490 is hereby amended to read as follows:

23 333.490 1. The chief shall secure, warehouse and distribute  
24 throughout the state federal donable surplus property to tax-supported or  
25 nonprofit schools and other health and educational institutions, to  
26 organizations for emergency management, to volunteer fire departments,  
27 and to such other institutions or activities as are eligible pursuant to federal  
28 law to acquire such property. The chief may make such certifications,  
29 develop and sign such plans of operation, take such action and enter into  
30 such contracts and undertakings for and in the name of the state as are  
31 authorized or required by federal law or regulations in connection with the  
32 receipt, warehousing and distribution of federal donable surplus property  
33 received by him. ~~He~~ *The chief* may adopt regulations, prescribe  
34 requirements ~~and~~ and take the necessary action to ~~assure~~ *ensure* maximum  
35 utilization by and benefit to eligible institutions and organizations from the  
36 federal donable surplus property. ~~He~~ *The chief* shall charge the schools  
37 and institutions receiving donable surplus property secured through the  
38 purchasing division, the charge to be a percentage of the cost of acquisition  
39 or of the fair value of the item requested *that is* sufficient to repay part or  
40 all of the cost of transportation and other costs incurred in acquisition of  
41 the property.

42 2. All money received by the chief pursuant to this section must be  
43 deposited in the state treasury for credit to the surplus property  
44 administration account, which is hereby created in the state ~~general~~  
45 *purchasing* fund. The interest and income earned on the money in the  
46 account must be credited to the account. All expenses for the distribution  
47 of federal surplus property must be paid from the account as other claims  
48 against the state are paid.



1     3. The chief may discontinue temporarily or terminate entirely the  
2 operation of purchasing and distributing donable surplus property at any  
3 time ~~when~~ *if* there is not a sufficient flow of property to make continued  
4 employment of personnel for this purpose beneficial to the state.

5     **Sec. 4.** On July 1, 2001, or as soon thereafter as is practicable, the  
6 state controller shall transfer the balance in the surplus property  
7 administration account in the state general fund to the surplus property  
8 administration account in the state purchasing fund.

9     **Sec. 5.** This act becomes effective on July 1, 2001.

