

ASSEMBLY BILL NO. 556—COMMITTEE ON GOVERNMENT AFFAIRS

(ON BEHALF OF DEPARTMENT OF ADMINISTRATION—BUDGET DIVISION)

MARCH 26, 2001

Referred to Concurrent Committees on Government Affairs
and Ways and Means

SUMMARY—Revises certain provisions governing authority of state board of examiners and requirements for certain agreements for interlocal cooperation between public agencies. (BDR 31-565)

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 the administration of public agencies; expanding the authority of the state board of examiners to make certain emergency expenditures, to waive certain requirements regarding contracts for the services of independent contractors and to authorize its clerk to take certain actions on its behalf; requiring the clerk to make periodic reports of his determinations regarding certain of those actions; requiring certain agreements for interlocal cooperation between public agencies to be in writing; 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 353.057 is hereby amended to read as follows:
2 353.057 1. The state board of examiners may authorize ~~the~~
3 ~~establishment of~~ ***its clerk, under such circumstances as it deems***
4 ***appropriate, to authorize a state agency to establish*** a petty cash account
5 ~~{not to exceed \$250 by any state agency}~~ ***of not more than \$250*** out of the
6 agency's budgeted resources.
7 2. If a petty cash account is authorized for any state agency ~~the state~~
8 ~~board of examiners~~ ***pursuant to this section, the clerk*** shall:
9 (a) Define the purposes for which the petty cash account may be used;
10 and
11 (b) Provide that replenishment claims must be paid from the agency's
12 budgeted resources and processed as other claims against the state are paid.
13 **Sec. 2.** NRS 353.097 is hereby amended to read as follows:
14 353.097 1. As used in this section, "stale claim" means a claim
15 which is presented by a state agency to the state board of examiners after



1 the date on which it is provided by law that money appropriated to that
2 state agency for the previous fiscal year reverts to the fund from which
3 appropriated.

4 2. There is hereby created a stale claims account in the state general
5 fund. Money for the account must be provided by direct legislative
6 appropriation.

7 3. Upon the approval of a stale claim ~~by the state board of examiners,~~
8 *as provided in this section*, the claim must be paid from the stale claims
9 account. Payments of stale claims for a state agency must not exceed the
10 amount of money reverted to the fund from which appropriated by the state
11 agency for the fiscal year in which the obligations represented by the stale
12 claims were incurred.

13 4. *A stale claim must be approved for payment from the stale claims*
14 *account by the state board of examiners, except that the state board of*
15 *examiners may authorize its clerk, under such circumstances as it deems*
16 *appropriate, to approve stale claims on behalf of the board. A state*
17 *agency that is aggrieved by a determination of the clerk to deny all or any*
18 *part of a stale claim may appeal that determination to the state board of*
19 *examiners.*

20 5. A stale claim may be approved and paid at any time, despite the age
21 of the claim, if payable from available federal grants or from a permanent
22 fund in the state treasury other than the state general fund.

23 **Sec. 3.** NRS 353.110 is hereby amended to read as follows:

24 353.110 1. Whenever an amount has been paid into a county treasury
25 for taxes which exceeds the amount required by law to be paid for the
26 applicable tax year, and all or part of the amount so paid has been
27 deposited in the state treasury, a claim for refund of that portion of the
28 overpayment which has been deposited in the state treasury may be made
29 only to the state board of examiners.

30 2. Whenever an overpayment of a license fee, tax or other charge has
31 been made to any state agency or officer, except under the circumstances
32 specified in subsection 1, the agency or officer may, subject to the
33 provisions of any other applicable law, refund the amount of the
34 overpayment after obtaining the approval of the state board of examiners
35 ~~it~~, *except that the state board of examiners may authorize its clerk,*
36 *under such circumstances as it deems appropriate, to approve such a*
37 *refund on behalf of the board. A state agency or officer who is aggrieved*
38 *by a determination of the clerk to deny all or any part of such a refund*
39 *may appeal that determination to the state board of examiners.*

40 **Sec. 4.** NRS 353.145 is hereby amended to read as follows:

41 353.145 1. If a ~~state controller's~~ warrant *of the state controller* has
42 been canceled pursuant to the provisions of NRS 353.130, ~~after a period of~~
43 ~~1 year from the date of the original warrant,~~ the person in whose favor the
44 warrant was drawn may, *within 1 year after the date of the original*
45 *warrant*, renew his claim against the state, in the amount of the warrant
46 which was canceled, by presenting ~~it to~~ *the claim for approval by* the
47 state board of examiners ~~it~~, *except that the state board of examiners may*
48 *authorize its clerk, under such circumstances as it deems appropriate, to*
49 *approve such a claim on behalf of the board. A person who is aggrieved*



1 *by a determination of the clerk to deny all or any part of such a claim*
2 *may appeal that determination to the state board of examiners.*

3 2. If *a claim* is approved ~~by the state board of examiners,~~ *pursuant*
4 *to this section,* payment *of the claim* may be made out of the state claims
5 account as provided in NRS 353.097.

6 **Sec. 5.** NRS 353.190 is hereby amended to read as follows:

7 353.190 1. In addition to his other duties, the chief is ex officio clerk
8 of the state board of examiners. Except as otherwise provided in subsection
9 4 of NRS 41.036, the chief shall:

10 (a) Assist the state board of examiners in the examination, classification
11 and preparation for audit of all the claims required to be presented to the
12 board.

13 (b) Conduct an effective check and preaudit of all those claims before
14 they are submitted to the board.

15 (c) Approve, on behalf of and when authorized by the board, claims
16 against the state not required to be passed upon by the legislature.

17 *(d) Each calendar quarter, provide to the board a report of his*
18 *determinations regarding any claims, refunds or other payments the*
19 *board has authorized him to approve on its behalf.*

20 2. The rules of procedure governing the duties of the chief pursuant to
21 this section must be adopted by the state board of examiners.

22 3. The chief may delegate these duties to his deputy.

23 **Sec. 6.** NRS 353.263 is hereby amended to read as follows:

24 353.263 1. As used in this section, "emergency" means invasion,
25 disaster, insurrection, riot, breach of the peace, substantial threat to life or
26 property, epidemic or the imminent danger thereof. The term includes
27 damage to or *the* disintegration of a building owned by this state or of the
28 mechanical or electrical system of such a building when immediate repairs
29 are necessary to maintain the integrity of the structure or its mechanical or
30 electrical system.

31 2. The emergency account is hereby created in the state general fund.
32 Money for the account must be provided by direct legislative
33 appropriation.

34 3. When the state board of examiners finds that an emergency exists
35 which requires an expenditure for which no appropriation has been made,
36 or in excess of an appropriation made, the board may authorize ~~the~~
37 ~~expenditure of not more than \$50,000~~ *an expenditure* from the emergency
38 account to meet the emergency.

39 4. The chief shall enumerate expenditures from the account made in
40 the preceding biennium in each executive budget report.

41 **Sec. 7.** NRS 353.264 is hereby amended to read as follows:

42 353.264 1. The reserve for statutory contingency account is hereby
43 created in the state general fund.

44 2. The state board of examiners shall administer the reserve for
45 statutory contingency account. ~~It, and the~~ *The* money in the account must
46 be expended only for:

47 (a) The payment of claims which are obligations of the state pursuant to
48 NRS 41.03435, 41.0347, 176.485, 179.310, 212.040, 212.050, 212.070,



1 214.040, 281.174, 282.290, 282.315, 288.203, 293.253, 293.405, 353.120,
2 353.262, 412.154 and 475.235;

3 (b) The payment of claims which are obligations of the state
4 pursuant to:

5 (1) Chapter 472 of NRS arising from operations of the division of
6 forestry of the state department of conservation and natural resources
7 directly involving the protection of life and property; and

8 (2) NRS 7.155, 34.750, 176A.640, 178.465, 179.225, 213.153 and
9 293B.210,

10 ~~but the claims must~~ *except that claims may* be approved for the
11 respective purposes listed in this paragraph only when the money otherwise
12 appropriated for those purposes has been exhausted;

13 (c) The payment of claims which are obligations of the state pursuant to
14 NRS 41.0349 and 41.037, but only to the extent that the money in the fund
15 for insurance premiums is insufficient to pay the claims; and

16 (d) The payment of claims which are obligations of the state pursuant to
17 NRS 535.030 arising from remedial actions taken by the state engineer
18 when the condition of a dam becomes dangerous to the safety of life or
19 property.

20 *3. The state board of examiners may authorize its clerk, under such*
21 *circumstances as it deems appropriate, to approve, on behalf of the*
22 *board, the payment of claims from the reserve for statutory contingency*
23 *account. For the purpose of exercising any authority granted to the clerk*
24 *of the state board of examiners pursuant to this subsection, any statutory*
25 *reference to the state board of examiners relating to such a claim shall be*
26 *deemed to refer to the clerk of the board.*

27 **Sec. 8.** NRS 277.110 is hereby amended to read as follows:

28 277.110 Except as limited by NRS 280.105:

29 1. Any power, privilege or authority exercised or capable of exercise
30 by a public agency of this state, including , but not limited to , law
31 enforcement, may be exercised jointly with any other public agency of this
32 state, and jointly with any public agency of any other state or of the United
33 States to the extent that the laws of such other state or of the United States
34 permit such joint exercise. Any agency of this state when acting jointly
35 with any other public agency may exercise all the powers, privileges and
36 authority conferred by NRS 277.080 to 277.180, inclusive, upon a public
37 agency.

38 2. Any two or more public agencies may enter into agreements with
39 one another for joint or cooperative action pursuant to the provisions of
40 NRS 277.080 to 277.170, inclusive. Those agreements become effective
41 only upon ratification by appropriate ordinance, resolution or otherwise
42 pursuant to law on the part of the governing bodies of the participating
43 public agencies. *If it is reasonably foreseeable that a participating public*
44 *agency will be required to expend \$2,000 or more to carry out such an*
45 *agreement, the agreement must be in writing.*

46 **Sec. 9.** NRS 277.140 is hereby amended to read as follows:

47 277.140 As conditions precedent to the entry into force of any
48 agreement made pursuant to NRS 277.080 to 277.170, inclusive:



1 1. ~~{Such agreement shall}~~ *The agreement must* be submitted to the
2 attorney general, who shall determine whether it is in proper form and
3 compatible with the laws of this state. The attorney general shall set forth
4 in detail , in writing , addressed to the governing bodies of the public
5 agencies concerned , any specific respects in which he finds that the
6 proposed agreement fails to meet the requirements of law. ~~{Failure}~~ *Any*
7 *failure by the attorney general* to disapprove an agreement submitted
8 under the provisions of this section within 30 days after its submission
9 shall *be deemed to* constitute *his* approval.

10 2. ~~{Such agreement shall}~~ *If the agreement is in writing, it must* be
11 filed with the county recorder of each county in which a participating
12 political subdivision of this state is located, and with the secretary of state.

13 **Sec. 10.** NRS 277.180 is hereby amended to read as follows:
14 277.180 1. Any one or more public agencies may contract with any
15 one or more other public agencies to perform any governmental service,
16 activity or undertaking which any of the public agencies entering into the
17 contract is authorized by law to perform. Such a contract must ~~{be}~~ :
18 (a) *Be* ratified by appropriate official action of the governing body of
19 each party to the contract as a condition precedent to its entry into force.
20 ~~{Such a contract must set}~~
21 (b) *Set* forth fully the purposes, powers, rights, objectives and
22 responsibilities of the contracting parties. *If it is reasonably foreseeable*
23 *that a contracting party will be required to expend \$2,000 or more to*
24 *carry out the contract, the contract must be in writing.*

25 2. The authorized purposes of agreements made pursuant to subsection
26 1 include, but are not limited to:
27 (a) The joint use of hospitals, road construction and repair equipment,
28 and such other facilities or services as may and can be reasonably used for
29 the promotion and protection of the health and welfare of the inhabitants of
30 this state.
31 (b) The joint use of county and city personnel, equipment and facilities,
32 including sewer systems, drainage systems, street lighting systems, fire
33 alarm systems, sewage disposal plants, playgrounds, parks and recreational
34 facilities, and public buildings constructed by or under the supervision of
35 the board of county commissioners or the city council of the county and
36 city concerned, upon such terms and agreements, and within such areas
37 within the county as may be determined, for the promotion and protection
38 of health, comfort, safety, life, welfare and property of the inhabitants of
39 the counties and cities.
40 (c) The joint employment of clerks, stenographers and other employees
41 in the offices of the city and county auditor, city and county assessor, city
42 and county treasurer, or any other joint city and county office existing or
43 hereafter established in the several counties, upon such terms and
44 conditions as may be determined for the equitable apportionment of the
45 expenses of the joint city and county office.
46 (d) The joint and cooperative use of fire-fighting and fire-protection
47 equipment for the protection of property and the prevention and
48 suppression of fire.



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1 (e) The joint use of county and city personnel, equipment and facilities,
2 upon such terms and conditions, and within such areas within the county as
3 may be determined, for the promotion and protection of the health of the
4 inhabitants of the county and city through the regulation, control and
5 prohibition of the excessive emission of dense smoke and air pollution.

6 (f) The joint and cooperative use of law enforcement agencies.

7 (g) The joint use or operation of a system of public transportation.

8 3. Each public agency which has entered into an agreement pursuant to
9 this section shall annually at the time of preparing its budget include an
10 estimate of the expenses necessary to carry out such agreement, the funds
11 for which are not made available through grant, gift or other source, and
12 provide for such expense as other items are provided in its budget. Each
13 such public agency may furnish property, personnel or services as
14 necessary to carry out the agreement.

15 **Sec. 11.** NRS 284.173 is hereby amended to read as follows:

16 284.173 1. Elective officers and heads of departments, boards,
17 commissions or institutions may contract for the services of persons as
18 independent contractors. Except as otherwise provided by specific statute,
19 each contract for services must be awarded pursuant to the provisions of
20 chapter 333 of NRS.

21 2. An independent contractor is a natural person, firm or corporation
22 who agrees to perform services for a fixed price according to his or its own
23 methods and without subjection to the supervision or control of the other
24 contracting party, except as to the results of the work, and not as to the
25 means by which the services are accomplished.

26 3. For the purposes of this section:

27 (a) Travel, subsistence and other personal expenses may be paid to an
28 independent contractor, if provided for in the contract, in such amounts as
29 provided for in the contract. Those expenses must not be paid pursuant to
30 the provisions of NRS 281.160.

31 (b) There must be no:

32 (1) Withholding of income taxes by the state;

33 (2) Coverage for industrial insurance provided by the state;

34 (3) Participation in group insurance plans which may be available to
35 employees of the state;

36 (4) Participation or contributions by either the independent contractor
37 or the state to the public employees' retirement system;

38 (5) Accumulation of vacation leave or sick leave; or

39 (6) Coverage for unemployment compensation provided by the state
40 if the requirements of NRS 612.085 for independent contractors are met.

41 4. An independent contractor is not in the classified or unclassified
42 service of the state, and has none of the rights or privileges available to
43 officers or employees of the State of Nevada.

44 5. Except as otherwise provided in this subsection, each contract for
45 the services of an independent contractor must be in writing. The form of
46 the contract must be first approved by the attorney general, and except as
47 otherwise provided in subsection 7, an executed copy of each contract must
48 be filed with the fiscal analysis division of the legislative counsel bureau
49 and the clerk of the state board of examiners. The state board of examiners



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1 may waive the requirements of this subsection in the case of contracts
2 which are for amounts less than ~~15750.1~~ **\$2,000.**

3 6. Except as otherwise provided in subsection 7, and except contracts
4 entered into by the University and Community College System of Nevada,
5 each proposed contract with an independent contractor must be submitted
6 to the state board of examiners. The contracts do not become effective
7 without the prior approval of the state board of examiners, ~~but~~ **except that**
8 the state board of examiners may authorize its clerk or his designee to
9 approve contracts which are:

10 (a) For amounts less than ~~155,000.1~~ **\$10,000** or, in contracts necessary to
11 preserve life and property, for amounts less than \$25,000.

12 (b) Entered into by the state gaming control board for the purposes of
13 investigating an applicant for or holder of a gaming license.
14 The state board of examiners shall adopt regulations to carry out the
15 provisions of this section.

16 7. Copies of the following types of contracts need not be filed or
17 approved as provided in subsections 5 and 6:

18 (a) Contracts executed by the department of transportation for any work
19 of construction or reconstruction of highways.

20 (b) Contracts executed by the state public works board or any other state
21 department or agency for any work of construction or major repairs of state
22 buildings if the contracting process was controlled by the rules of open
23 competitive bidding.

24 (c) Contracts executed by the housing division of the department of
25 business and industry.

26 (d) Contracts executed with business entities for any work of
27 maintenance or repair of office machines and equipment.

28 8. The state board of examiners shall review each contract submitted
29 for approval pursuant to subsection 6 to consider:

30 (a) Whether sufficient authority exists to expend the money required by
31 the contract; and

32 (b) Whether the service which is the subject of the contract could be
33 provided by a state agency in a more cost-effective manner.

34 If the contract submitted for approval continues an existing contractual
35 relationship, the board shall ask each agency to ensure that the state is
36 receiving the services that the contract purports to provide.

37 9. If the services of an independent contractor are contracted for to
38 represent an agency of the state in any proceeding in any court, the contract
39 must require the independent contractor to identify in all pleadings the
40 specific state agency which he is representing.

41 **Sec. 12.** NRS 475.230 is hereby amended to read as follows:

42 475.230 1. Any fire department which engages in fighting a fire on
43 property owned by the state within the jurisdictional limits of the fire
44 department may submit a claim to the ~~secretary of the~~ state board of
45 examiners to recover any direct expenses and losses incurred as a result of
46 fighting that fire.

47 2. The claim must include:

48 (a) The name, address and jurisdictional limits of the fire department;



- 1 (b) The name, address and telephone number of the person making the
- 2 claim on behalf of the fire department;
- 3 (c) The name and address, if known, of the state agency having
- 4 jurisdiction over the property on which the fire occurred;
- 5 (d) The exact location of the fire;
- 6 (e) A description of the property burned;
- 7 (f) The number and classification of the personnel and the number and
- 8 type of equipment used to fight the fire;
- 9 (g) A copy of the fire report; and
- 10 (h) An itemized list of direct expenses and losses incurred while
- 11 fighting the fire, including the purchase cost, estimated cost of repairs and
- 12 a statement of depreciated value immediately preceding and after the
- 13 damage to or destruction of any equipment and the extent of any insurance
- 14 coverage.

15 3. As used in this section, "direct expenses and losses" means certain
16 expenses and losses which were incurred while fighting a fire on property
17 owned by the state. The term is limited to:

- 18 (a) The depreciated value, if any, of any equipment or vehicle which
- 19 was damaged or destroyed; and
- 20 (b) If the employer maintains a plan which supplements coverage for
- 21 workers' compensation provided pursuant to chapters 616A to 616D,
- 22 inclusive, or chapter 617 of NRS by a private carrier and, if the benefits are
- 23 provided from public money and not by an insurer, any injury or death
- 24 benefits which would have been paid by the employer from public money.

25 **Sec. 13.** Section 1 of Assembly Bill No. 128 of this session is hereby
26 amended to read as follows:

27 Section 1. NRS 277.180 is hereby amended to read as follows:

28 277.180 1. Any one or more public agencies may contract with
29 any one or more other public agencies to perform any governmental
30 service, activity or undertaking which any of the public agencies
31 entering into the contract is authorized by law to perform. Such a
32 contract must:

33 (a) Be ratified by appropriate official action of the governing body
34 of each party to the contract as a condition precedent to its entry into
35 force ; ~~and~~

36 (b) Set forth fully the purposes, powers, rights, objectives and
37 responsibilities of the contracting parties ~~and~~ ; *and*

38 *(c) If an agency of this state is a party to the contract, be*
39 *approved by the attorney general as to form and compliance with*
40 *law.*

41 If it is reasonably foreseeable that a contracting party will be required
42 to expend \$2,000 or more to carry out the contract, the contract must
43 be in writing.

44 2. The authorized purposes of agreements made pursuant to
45 subsection 1 include, but are not limited to:

46 (a) The joint use of hospitals, road construction and repair
47 equipment, and such other facilities or services as may and can be
48 reasonably used for the promotion and protection of the health and
49 welfare of the inhabitants of this state.



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1 (b) The joint use of county and city personnel, equipment and
2 facilities, including sewer systems, drainage systems, street lighting
3 systems, fire alarm systems, sewage disposal plants, playgrounds,
4 parks and recreational facilities, and public buildings constructed by
5 or under the supervision of the board of county commissioners or the
6 city council of the county and city concerned, upon such terms and
7 agreements, and within such areas within the county as may be
8 determined, for the promotion and protection of health, comfort,
9 safety, life, welfare and property of the inhabitants of the counties and
10 cities.

11 (c) The joint employment of clerks, stenographers and other
12 employees in the offices of the city and county auditor, city and
13 county assessor, city and county treasurer, or any other joint city and
14 county office existing or hereafter established in the several counties,
15 upon such terms and conditions as may be determined for the
16 equitable apportionment of the expenses of the joint city and county
17 office.

18 (d) The joint and cooperative use of fire-fighting and fire-
19 protection equipment for the protection of property and the prevention
20 and suppression of fire.

21 (e) The joint use of county and city personnel, equipment and
22 facilities, upon such terms and conditions, and within such areas
23 within the county as may be determined, for the promotion and
24 protection of the health of the inhabitants of the county and city
25 through the regulation, control and prohibition of the excessive
26 emission of dense smoke and air pollution.

27 (f) The joint and cooperative use of law enforcement agencies.

28 (g) The joint use or operation of a system of public transportation.

29 3. Each public agency which has entered into an agreement
30 pursuant to this section shall annually at the time of preparing its
31 budget include an estimate of the expenses necessary to carry out such
32 agreement, the funds for which are not made available through grant,
33 gift or other source, and provide for such expense as other items are
34 provided in its budget. Each such public agency may furnish property,
35 personnel or services as necessary to carry out the agreement.

36 **Sec. 14.** This act becomes effective on July 1, 2001.

