

SENATE BILL NO. 139—COMMITTEE ON GOVERNMENT AFFAIRS

(ON BEHALF OF THE NEVADA LEAGUE OF
CITIES AND MUNICIPALITIES)

FEBRUARY 21, 2007

Referred to Committee on Government Affairs

SUMMARY—Revises provisions relating to certain cooperative or
interlocal agreements. (BDR 22-485)

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 governmental administration; revising
requirements pertaining to certain cooperative or
interlocal agreements between public agencies; and
providing other matters properly relating thereto.

Legislative Counsel's Digest:

Under existing law, two or more political subdivisions of this State may, by formal resolution or ordinance, enter into a cooperative agreement to perform any governmental function. (NRS 277.045) **Section 1** of this bill eliminates the requirement of enacting a formal resolution or ordinance as a condition to entering into such a cooperative agreement unless it is reasonably foreseeable that a political subdivision will be required to expend more than \$25,000 to carry out the agreement. **Section 1** also requires political subdivisions to maintain for at least 3 years written documentation of such agreements that are expected to cost \$25,000 or less to carry out.

Existing law allows public agencies in this State to enter into agreements or interlocal contracts with other public agencies within and outside this State to carry out certain joint or cooperative action or to perform certain governmental services, activities or undertakings. To become effective, such an agreement or contract is required to be: (1) ratified by the governing bodies of the participating public agencies; (2) approved by the Attorney General; and (3) in writing if it is reasonably foreseeable that a participating public agency will be required to expend \$2,000 or more to carry out the agreement or contract. (NRS 277.110, 277.140, 277.180) **Sections 2-4** of this bill increase to \$25,000 the minimum threshold above which such an agreement or contract is required to be in writing and make the requirements of ratification and approval only applicable to agreements or contracts that exceed the minimum threshold amount. **Sections 2-4** also require public



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22 agencies to maintain for at least 3 years written documentation of such agreements
23 and contracts that are expected to cost \$25,000 or less to carry out.

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

1 **Section 1.** NRS 277.045 is hereby amended to read as follows:
2 277.045 1. Except as limited by NRS 280.105 and 711.175,
3 any two or more political subdivisions of this State, including,
4 without limitation, counties, incorporated cities and towns,
5 unincorporated towns, school districts and special districts, may
6 enter into a cooperative agreement for the performance of any
7 governmental function. Such an agreement may include the
8 furnishing or exchange of personnel, equipment, property or
9 facilities of any kind, or the payment of money.

10 2. ~~Every such~~ *If it is reasonably foreseeable that a political*
11 *subdivision of this State will be required to:*

12 (a) *Expend more than \$25,000 to carry out such an agreement,*
13 *the* agreement must be by formal resolution or ordinance of the
14 governing body of each political subdivision included, and must be
15 spread at large upon the minutes, or attached in full thereto as an
16 exhibit, of each governing body.

17 (b) *Expend \$25,000 or less to carry out such an agreement, the*
18 *governing body of each participating political subdivision shall*
19 *maintain written documentation of the terms of the agreement for*
20 *at least 3 years after the date on which the agreement was entered*
21 *into.*

22 3. Each participating political subdivision shall provide in its
23 annual budget for any expense to be incurred under any such
24 agreement, the money for which is not made available through
25 grant, gift or other source.

26 **Sec. 2.** NRS 277.110 is hereby amended to read as follows:

27 277.110 Except as limited by NRS 280.105 and 711.175:

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

37 2. Any two or more public agencies may enter into agreements
38 with one another for joint or cooperative action pursuant to the



provisions of NRS 277.080 to 277.170, inclusive. ~~Those agreements become effective only upon ratification by appropriate ordinance, resolution or otherwise pursuant to law on the part of the governing bodies of the participating public agencies.~~

3. If it is reasonably foreseeable that a participating public agency will be required to ~~expend \$2,000 or~~ :

(a) *Expend more than \$25,000* to carry out such an agreement, the agreement ~~must~~ :

(1) *Must* be in writing.

(2) *Becomes effective only upon ratification by appropriate ordinance, resolution or otherwise pursuant to law on the part of the governing bodies of the participating public agencies.*

(b) *Expend \$25,000 or less to carry out such an agreement, each participating public agency shall maintain written documentation of the terms of the agreement for at least 3 years after the date on which the agreement was entered into.*

Sec. 3. NRS 277.140 is hereby amended to read as follows:

277.140 As conditions precedent to the entry into force of any agreement made pursuant to NRS 277.080 to 277.170, inclusive ~~it~~, *for which it is reasonably foreseeable that a public agency will be required to expend more than \$25,000:*

1. The agreement must be submitted to the Attorney General, who shall determine whether it is in proper form and compatible with the laws of this State. The Attorney General shall set forth in detail, in writing, addressed to the governing bodies of the public agencies concerned, any specific respects in which he finds that the proposed agreement fails to comply with the requirements of law. Any failure by the Attorney General to disapprove an agreement submitted under the provisions of this section within 30 days after its submission shall be deemed to constitute his approval.

2. ~~If the~~ *The* agreement ~~is in writing, it~~ must be recorded with the county recorder of each county in which a participating political subdivision of this State is located ~~it~~ and filed with the Secretary of State.

Sec. 4. NRS 277.180 is hereby amended to read as follows:

277.180 1. Any one or more public agencies may contract with any one or more other public agencies to perform any governmental service, activity or undertaking which any of the public agencies entering into the contract is authorized by law to perform. ~~Such~~

2. *If it is reasonably foreseeable that a public agency will be required to:*

(a) *Expend more than \$25,000 to carry out* a contract , *the contract* must:



~~[(a)]~~ (1) *Set forth fully the purposes, powers, rights, objectives and responsibilities of the contracting parties;*

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

~~[(b)] Set forth fully the purposes, powers, rights, objectives and responsibilities of the contracting parties; and~~

~~—(c)]~~ (3) If an agency of this State is a party to the contract, be approved by the Attorney General as to form and compliance with law ~~f~~;

~~→ If it is reasonably foreseeable that a contracting party will be required to expend \$2,000 or more to carry out the contract, the contract must be] ; and~~

(4) *Be in writing.*

(b) Expend \$25,000 or less to carry out a contract, each participating public agency shall maintain written documentation of the terms of the contract for at least 3 years after the date on which the contract was entered into.

~~[(2-)]~~ 3. The authorized purposes of agreements made pursuant to subsection 1 include, but are not limited to:

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

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

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

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



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

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

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

~~3.4~~ 4. Each public agency which has entered into an agreement pursuant to this section shall annually at the time of preparing its budget include an estimate of the expenses necessary to carry out such agreement, the funds for which are not made available through grant, gift or other source, and provide for such expense as other items are provided in its budget. Each such public agency may furnish property, personnel or services as necessary to carry out the agreement.

