

ASSEMBLY BILL NO. 469—COMMITTEE  
ON GOVERNMENT AFFAIRS

MARCH 28, 2011

Referred to Committee on Government Affairs

SUMMARY—Revises provisions governing public property and purchasing. (BDR 27-678)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.  
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 governmental administration; authorizing the leasing of unused state buildings to new businesses seeking to locate or expand in this State; authorizing local governments to enter into agreements with one another to advertise for contracts and make purchasing agreements together; requiring certain school districts to advertise for bids for the provision of certain services in the school district; authorizing local governments to award contracts based in part upon the best value offered; exempting the leasing of certain state-owned property from certain appraisal and procedural requirements; authorizing the leasing of state-owned lands to new businesses seeking to locate or expand in this State; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

1 Existing law grants the Chief of the Buildings and Grounds Division of the  
2 Department of Administration the authority to manage all state buildings, grounds  
3 and properties not otherwise provided for by law, including collecting rent from  
4 any state department, agency, board or commission that is renting space in a state  
5 building or property. (NRS 331.070, 331.102) **Section 1** of this bill requires each  
6 state department, agency, board or commission to submit an inventory of any state-  
7 owned buildings assigned to it together with a statement of whether the building is  
8 used or unused and requires the Division of State Lands of the State Department of  
9 Conservation and Natural Resources, the Department of Transportation and the  
10 State Public Works Board to provide to the Chief an inventory of all real property  
11 owned by the State and to identify properties that are used, unused or planned for  
12 future use. **Section 1** further requires the Chief to compile those inventories into a



list of all state-owned buildings and to provide that list to the Commission on Economic Development. Finally, **section 1** authorizes the Chief to lease the available state-owned buildings to new businesses seeking to locate or expand in this State and to offer a discount on the first year of the lease to the business, but requires any lease to be for a term of at least 5 years. **Section 2** of this bill authorizes the Chief to enter into any leases or arrangements to make use of state-owned buildings for purposes other than economic development.

Existing law sets forth the procedures a local government must follow to advertise for bids for contracts or to enter into purchasing agreements. (NRS 332.039-332.225) **Section 4** of this bill authorizes local governments to enter into agreements with each other to mutually advertise for bids or enter into purchasing agreements or exercise authorized purchasing powers to maximize their efficiency and economy. **Section 7** of this bill revises the considerations a local government must take into account when considering bids, and requires the local government to consider which bid provides the best value rather than just which is lowest, where best value includes not only cost but also the greatest possible economy consistent with the quality and sustainability of the materials, supplies, equipment and services.

**Section 5** of this bill requires county school districts in counties whose population is less than 45,000 (currently Churchill, Esmeralda, Eureka, Humboldt, Lander, Lincoln, Mineral, Nye, Pershing, Storey and White Pine Counties) to advertise for bids for persons not employed by the school district to provide services such as custodial services, maintenance and transportation at least once every 5 years, and **section 8** of this bill requires the school district to file an annual report with the Legislature or Interim Finance Committee about each contract awarded, or if no contract was awarded, the reasons for not awarding a contract and a comparison of the lowest responsive bid and the cost incurred by the school district in providing the service itself.

Existing law requires certain state lands to be appraised before those lands may be sold or leased and sets forth procedures for the manner in which the State Land Registrar must put land up for sale or lease. Certain leases and sales of land are exempted from these requirements and procedures by existing law. (NRS 321.007, 321.335) **Sections 9 and 10** of this bill additionally exempt from those requirements and procedures land which is leased for the purpose of economic development and leases which involve less than 25,000 square feet of land. **Section 11** of this bill authorizes land to be leased to a business seeking to locate or expand in this State for a discount for the first year in business and for a term of at least 10 years.

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

**Section 1.** Chapter 331 of NRS is hereby amended by adding thereto a new section to read as follows:

*1. In addition to any other requirement imposed on a state department, agency, board or commission pursuant to this chapter, on or after April 1 but not later than June 30 of each year:*

*(a) Each state department, agency, board or commission shall submit to the Chief an inventory of all used and unused building*



1 *space within state-owned buildings assigned to the state*  
2 *department, agency, board or commission; and*

3 *(b) The Division of State Lands of the State Department of*  
4 *Conservation and Natural Resources, the Department of*  
5 *Transportation and the State Public Works Board shall provide to*  
6 *the Chief an inventory of all real property owned by the State and*  
7 *identify which properties:*

8 *(1) Are being actively used;*

9 *(2) Are not being actively used; and*

10 *(3) For which future use is planned.*

11 *2. Based upon the inventories submitted pursuant to*  
12 *subsection 1 and any other information available to him or her,*  
13 *the Chief shall provide a list of all state-owned buildings and lands*  
14 *to the Commission on Economic Development.*

15 *3. The Chief may enter into agreements to lease state-owned*  
16 *buildings which are not being actively used or for which future*  
17 *use is planned to new businesses seeking to locate or expand in*  
18 *this State.*

19 *4. Any lease or agreement into which the Chief enters*  
20 *pursuant to subsection 3:*

21 *(a) Must be for a term of at least 5 years;*

22 *(b) Must be approved by the Executive Director of the*  
23 *Commission on Economic Development; and*

24 *(c) May include a discount to the business for the first year,*  
25 *including, without limitation, an offer to lease the state-owned*  
26 *building without the payment of rent for the first year the business*  
27 *is in this State.*

28 **Sec. 2.** NRS 331.090 is hereby amended to read as follows:

29 331.090 *1. The Chief may accept rent money from various*  
30 *departments , ~~land~~ agencies and nongovernmental entities* *that are*  
31 *occupying space in the various state-owned buildings. The rent*  
32 *money must be deposited in the Buildings and Grounds Operating*  
33 *Fund in the State Treasury.*

34 *2. Notwithstanding any other provision of law to the contrary,*  
35 *the Chief may make any necessary arrangements to enter into any*  
36 *leases or other agreements for the use of state-owned buildings for*  
37 *purposes other than economic development.*

38 **Sec. 3.** Chapter 332 of NRS is hereby amended by adding  
39 thereto the provisions set forth as sections 4 and 5 of this act.

40 **Sec. 4. 1.** *A local government may enter into agreements*  
41 *with other local governments to mutually advertise for or request*  
42 *bids and enter into contracts pursuant to NRS 332.039 to 332.148,*  
43 *inclusive.*

44 *2. A local government may enter into agreements with other*  
45 *local governments to combine their resources to enter into*



*purchasing agreements or for any other purchasing decisions or powers authorized by this chapter.*

**Sec. 5. 1.** *At least once every 5 years, each school district in a county whose population is less than 45,000 shall advertise for or request bids from persons who are not then employed by the school district to provide the following services:*

- (a) Custodial services;*
- (b) Food service management;*
- (c) Ground maintenance;*
- (d) Facility maintenance; and*
- (e) Transportation services.*

**2.** *In addition to any other requirements set forth in this chapter, each advertisement or request for bids pursuant to this section must be conducted in such a manner as to ensure that any contract awarded does not violate the provisions of:*

*(a) A contract between the school district and a person not then employed by the school district to provide any of the services in subsection 1 which is in effect as of the date of the advertisement or request for bids; or*

*(b) A collective bargaining agreement between the school district and its employees which was in effect on or before July 1, 2011.*

**Sec. 6.** NRS 332.025 is hereby amended to read as follows:

332.025 As used in this chapter, unless the context otherwise requires:

1. "Authorized representative" means a person designated by the governing body to be responsible for the development, award and proper administration of all purchases and contracts for a local government or a department, division, agency, board or unit of a local government made pursuant to this chapter.

2. "Chief administrative officer" means the person directly responsible to the governing body for the administration of that particular entity.

3. "Evaluator" means an authorized representative, officer, employee, representative, agent, consultant or member of a governing body who has participated in:

- (a) The evaluation of bids;
- (b) Negotiations concerning purchasing by a local government;

or

(c) The review or approval of the award, modification or extension of a contract.

4. "Governing body" means the board, council, commission or other body in which the general legislative and fiscal powers of the local government are vested.

5. "Proprietary information" means:



(a) Any trade secret or confidential business information that is contained in a bid submitted to a governing body or its authorized representative on a particular contract; or

(b) Any other trade secret or confidential business information submitted to a governing body or its authorized representative by a bidder and designated as proprietary by the governing body or its authorized representative.


➔ As used in this subsection, "confidential business information" means any information relating to the amount or source of any income, profits, losses or expenditures of a person, including data relating to cost, price, or the customers of a bidder which is submitted in support of a bid. The term does not include the amount of a bid submitted to a governing body or its authorized representative.

6. *"Request for bids" includes, without limitation, an invitation to bid, a request for proposals, a request for statements of qualifications, a request for quotes or any other accepted method of solicitation that complies with the provisions of this chapter.*

7. *"School district" means a county school district created pursuant to NRS 386.010.*

8. "Trade secret" has the meaning ascribed to it in NRS 600A.030.

**Sec. 7.** NRS 332.065 is hereby amended to read as follows:

332.065 1. If a governing body or its authorized representative has advertised for or requested bids in letting a contract, the governing body or its authorized representative must, except as otherwise provided in subsection 2, *3 or 4*, award the contract to the lowest responsive and responsible bidder  *who meets the minimum requirements set forth in the advertisement or request.* The lowest responsive and responsible bidder may be judged on the basis of:

- (a) Price;
- (b) Conformance to specifications;
- (c) Qualifications;
- (d) Past performance;
- (e) Performance *schedule* or delivery date;
- (f) Quality and utility of services, supplies, materials or equipment offered and the adaptability of those services, supplies, materials or equipment to the required purpose of the contract;
- (g) *The total cost of ownership of the goods to be supplied;*
- (h) *The purposes for which the goods to be supplied are required;*
- (i) *Best value provided;*
- (j) The best interests of the public; and



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~~[(k)]~~ (k) Such other criteria as may be set forth by the governing body or its authorized representative in the advertisement or request for bids, as applicable, that pertains to the contract.

2. *An advertisement or request for bids must include minimum requirements that the lowest responsive and responsible bidder must substantially meet to be awarded a contract pursuant to the provisions of this chapter.*

3. *The governing body or its authorized representative shall evaluate proposals and award the contract based on the criteria set forth in the request for proposals and is not required to select the lowest priced proposal. The contract terms and pricing are subject to negotiation.*

4. The governing body or its authorized representative:

(a) Shall give preference to recycled products if:

(1) The product meets the applicable standards;

(2) The product can be substituted for a comparable nonrecycled product; and

(3) The product costs no more than a comparable nonrecycled product.

(b) May give preference to recycled products if:

(1) The product meets the applicable standards;

(2) The product can be substituted for a comparable nonrecycled product; and

(3) The product costs no more than 5 percent more than a comparable nonrecycled product.

(c) May purchase recycled paper products if the specific recycled paper product is:

(1) Available at a price which is not more than 10 percent higher than that of paper products made from virgin material;

(2) Of adequate quality; and

(3) Available to the purchaser within a reasonable period.

~~[(3)]~~ 5. If after the lowest responsive and responsible bidder has been awarded the contract, during the term of the contract he or she does not supply goods or services in accordance with the bid specifications, or if he or she repudiates the contract, the governing body or its authorized representative may reaward the contract to the next lowest responsive and responsible bidder without requiring that new bids be submitted. Reawarding the contract to the next lowest responsive and responsible bidder is not a waiver of any liability of the initial bidder awarded the contract.

~~[(4)]~~ 6. As used in this section:

(a) *"Best value" means the greatest possible economy consistent with the grades, qualities or sustainability attributes of supplies, materials, equipment and services.*



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(b) "Postconsumer waste" means a finished material which would normally be disposed of as a solid waste having completed its life cycle as a consumer item.

~~[(b)]~~ (c) "Recycled paper product" means all paper and wood-pulp products containing in some combination at least 50 percent of its total weight:

(1) Postconsumer waste; and

(2) Secondary waste,

➔ but does not include fibrous waste generated during the manufacturing process such as fibers recovered from wastewater or trimmings of paper machine rolls, wood slabs, chips, sawdust or other wood residue from a manufacturing process.

~~[(e)]~~ (d) "Secondary waste" means fragments of products or finished products of a manufacturing process which has converted a virgin resource into a commodity of real economic value.

(e) *"Total cost of ownership" means the monetary and other costs associated with goods being supplied, including, without limitation:*

*(1) The history of maintenance or repair of the goods;*

*(2) The cost of routine maintenance and repair of the goods;*

*(3) Any warranties provided in connection with the goods;*

*(4) The cost of replacement parts for the goods; and*

*(5) The value of the goods as used goods when given in trade on a subsequent purchase.*

**Sec. 8.** NRS 332.431 is hereby amended to read as follows:

332.431 1. Each local government that enters into a performance contract pursuant to NRS 332.300 to 332.440, inclusive, shall, on or before February 1 of each year, prepare and submit a report to the Director of the Legislative Counsel Bureau for transmittal to the Legislature if the Legislature is in session, or to the Interim Finance Committee if the Legislature is not in session.

2. The report required pursuant to subsection 1 must include, without limitation:

(a) The status of the construction and financing of the operating cost-savings measures described in the performance contract.

(b) The cumulative amount of operating cost-savings that have resulted from the operating cost-savings measures.

(c) The amount of operating cost-savings that are projected for the future.

(d) Any other information required by the Legislature or Interim Finance Committee.

*3. Each school district in a county whose population is less than 45,000 shall, on or before February 1 of each year, prepare and submit to the Director of the Legislative Counsel Bureau for*



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1 *transmittal to the Legislature if the Legislature is in session, or to*  
2 *the Interim Finance Committee if the Legislature is not in session,*  
3 *a report which must include, without limitation:*

4 (a) *A list of all advertisements and requests for bids made*  
5 *pursuant to section 5 of this act;*

6 (b) *A summary of all contracts awarded, including, without*  
7 *limitation, the name of the person to whom the contract was*  
8 *awarded; and*

9 (c) *If a contract was not awarded for any services listed in*  
10 *section 5 of this act:*

11 (1) *An explanation of the reason for not awarding a*  
12 *contract; and*

13 (2) *A comparison of the lowest responsive and responsible*  
14 *bid or response received and the cost incurred by the school*  
15 *district to provide the service itself.*

16 **Sec. 9.** NRS 321.007 is hereby amended to read as follows:

17 321.007 1. Except as otherwise provided in subsection 5,  
18 NRS 322.063, 322.065 or 322.075, except as otherwise required by  
19 federal law, except for land that is sold or leased to a public utility,  
20 as defined in NRS 704.020, to be used for a public purpose, except  
21 for land that is sold or leased to a state or local governmental entity,  
22 except for a lease which is part of a contract entered into pursuant to  
23 chapter 333 of NRS , *except for a lease which is entered into for*  
24 *the purpose of economic development pursuant to chapter 322 of*  
25 *NRS, except for a lease which involves less than 25,000 square*  
26 *feet of land* and except for land that is sold or leased pursuant to an  
27 agreement entered into pursuant to NRS 277.080 to 277.170,  
28 inclusive, when offering any land for sale or lease, the State Land  
29 Registrar shall:

30 (a) Except as otherwise provided in this paragraph, obtain two  
31 independent appraisals of the land before selling or leasing it. If the  
32 Interim Finance Committee grants its approval after discussion of  
33 the fair market value of the land, one independent appraisal of the  
34 land is sufficient before selling or leasing it. The appraisal or  
35 appraisals, as applicable, must have been prepared not more than 6  
36 months before the date on which the land is offered for sale or lease.

37 (b) Notwithstanding the provisions of chapter 333 of NRS,  
38 select the one independent appraiser or two independent appraisers,  
39 as applicable, from the list of appraisers established pursuant to  
40 subsection 2.

41 (c) Verify the qualifications of each appraiser selected pursuant  
42 to paragraph (b). The determination of the State Land Registrar as to  
43 the qualifications of an appraiser is conclusive.

44 2. The State Land Registrar shall adopt regulations for the  
45 procedures for creating or amending a list of appraisers qualified to





1 conduct appraisals of land offered for sale or lease by the State Land  
2 Registrar. The list must:

3 (a) Contain the names of all persons qualified to act as a general  
4 appraiser in the same county as the land that may be appraised; and

5 (b) Be organized at random and rotated from time to time.

6 3. An appraiser chosen pursuant to subsection 1 must provide a  
7 disclosure statement which includes, without limitation, all sources  
8 of income of the appraiser that may constitute a conflict of interest  
9 and any relationship of the appraiser with the owner of the land or  
10 the owner of an adjoining property.

11 4. An appraiser shall not perform an appraisal on any land  
12 offered for sale or lease by the State Land Registrar if the appraiser  
13 or a person related to the appraiser within the first degree of  
14 consanguinity or affinity has an interest in the land or an adjoining  
15 property.

16 5. If a lease of land is for residential property and the term of  
17 the lease is 1 year or less, the State Land Registrar shall obtain an  
18 analysis of the market value of similar rental properties prepared by  
19 a licensed real estate broker or salesperson when offering such a  
20 property for lease.

21 6. If land is sold or leased in violation of the provisions of this  
22 section:

23 (a) The sale or lease is void; and

24 (b) Any change to an ordinance or law governing the zoning or  
25 use of the land is void if the change takes place within 5 years after  
26 the date of the void sale or lease.

27 **Sec. 10.** NRS 321.335 is hereby amended to read as follows:

28 321.335 1. Except as otherwise provided in NRS 321.125,  
29 322.063, 322.065 or 322.075, except as otherwise required by  
30 federal law, except for land that is sold or leased to a public utility,  
31 as defined in NRS 704.020, to be used for a public purpose, except  
32 for land that is sold or leased to a state or local governmental entity,  
33 except for a lease which is part of a contract entered into pursuant to  
34 chapter 333 of NRS , *except for a lease which is entered into for*  
35 *the purpose of economic development pursuant to chapter 322 of*  
36 *NRS, except for a lease which involves less than 25,000 square*  
37 *feet of land* and except for an agreement entered into pursuant to the  
38 provisions of NRS 277.080 to 277.170, inclusive, or a lease of  
39 residential property with a term of 1 year or less, after April 1, 1957,  
40 all sales or leases of any lands that the Division is required to hold  
41 pursuant to NRS 321.001, including lands subject to contracts of  
42 sale that have been forfeited, are governed by the provisions of this  
43 section.

44 2. Whenever the State Land Registrar deems it to be in the best  
45 interests of the State of Nevada that any lands owned by the State



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1 and not used or set apart for public purposes be sold or leased, the  
2 State Land Registrar may, with the approval of the State Board of  
3 Examiners and the Interim Finance Committee, cause those lands to  
4 be sold or leased upon sealed bids, or oral offer after the opening of  
5 sealed bids for cash or pursuant to a contract of sale or lease, at a  
6 price not less than the highest appraised value for the lands plus the  
7 costs of appraisal and publication of notice of sale or lease.

8 3. Before offering any land for sale or lease, the State Land  
9 Registrar shall comply with the provisions of NRS 321.007.

10 4. After complying with the provisions of NRS 321.007, the  
11 State Land Registrar shall cause a notice of sale or lease to be  
12 published once a week for 4 consecutive weeks in a newspaper of  
13 general circulation published in the county where the land to be sold  
14 or leased is situated, and in such other newspapers as the State Land  
15 Registrar deems appropriate. If there is no newspaper published in  
16 the county where the land to be sold or leased is situated, the notice  
17 must be so published in a newspaper published in this State having a  
18 general circulation in the county where the land is situated.

19 5. The notice must contain:

20 (a) A description of the land to be sold or leased;

21 (b) A statement of the terms of sale or lease;

22 (c) A statement that the land will be sold pursuant to subsection  
23 6; and

24 (d) The place where the sealed bids will be accepted, the first  
25 and last days on which the sealed bids will be accepted, and the time  
26 when and place where the sealed bids will be opened and oral offers  
27 submitted pursuant to subsection 6 will be accepted.

28 6. At the time and place fixed in the notice published pursuant  
29 to subsection 4, all sealed bids which have been received must, in  
30 public session, be opened, examined and declared by the State Land  
31 Registrar. Of the proposals submitted which conform to all terms  
32 and conditions specified in the notice published pursuant to  
33 subsection 4 and which are made by responsible bidders, the bid  
34 which is the highest must be finally accepted, unless a higher oral  
35 offer is accepted or the State Land Registrar rejects all bids and  
36 offers. Before finally accepting any written bid, the State Land  
37 Registrar shall call for oral offers. If, upon the call for oral offers,  
38 any responsible person offers to buy or lease the land upon the terms  
39 and conditions specified in the notice, for a price exceeding by at  
40 least 5 percent the highest written bid, then the highest oral offer  
41 which is made by a responsible person must be finally accepted.

42 7. The State Land Registrar may reject any bid or oral offer to  
43 purchase or lease submitted pursuant to subsection 6, if the State  
44 Land Registrar deems the bid or offer to be:

45 (a) Contrary to the public interest.



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(b) For a lesser amount than is reasonable for the land involved.

(c) On lands which it may be more beneficial for the State to reserve.

(d) On lands which are requested by the State of Nevada or any department, agency or institution thereof.

8. Upon acceptance of any bid or oral offer and payment to the State Land Registrar in accordance with the terms of sale specified in the notice of sale, the State Land Registrar shall convey title by quitclaim or cause a patent to be issued as provided in NRS 321.320 and 321.330.

9. Upon acceptance of any bid or oral offer and payment to the State Land Registrar in accordance with the terms of lease specified in the notice of lease, the State Land Registrar shall enter into a lease agreement with the person submitting the accepted bid or oral offer pursuant to the terms of lease specified in the notice of lease.

10. The State Land Registrar may require any person requesting that state land be sold pursuant to the provisions of this section to deposit a sufficient amount of money to pay the costs to be incurred by the State Land Registrar in acting upon the application, including the costs of publication and the expenses of appraisal. This deposit must be refunded whenever the person making the deposit is not the successful bidder. The costs of acting upon the application, including the costs of publication and the expenses of appraisal, must be borne by the successful bidder.

11. If land that is offered for sale or lease pursuant to this section is not sold or leased at the initial offering of the contract for the sale or lease of the land, the State Land Registrar may offer the land for sale or lease a second time pursuant to this section. If there is a material change relating to the title, zoning or an ordinance governing the use of the land, the State Land Registrar must, as applicable, obtain a new appraisal or new appraisals of the land pursuant to the provisions of NRS 321.007 before offering the land for sale or lease a second time. If land that is offered for sale or lease pursuant to this section is not sold or leased at the second offering of the contract for the sale or lease of the land, the State Land Registrar may list the land for sale or lease at the appraised value with a licensed real estate broker, provided that the broker or a person related to the broker within the first degree of consanguinity or affinity does not have an interest in the land or an adjoining property.

**Sec. 11.** Chapter 322 of NRS is hereby amended by adding thereto a new section to read as follows:

***1. Land may be leased pursuant to NRS 322.060 to a business seeking to locate or expand in this State for a discount to the business for the first year including, without limitation, an offer to***



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1 *lease the land without the payment of rent for the first year the*  
2 *business is in this State.*

3 2. *To lease property pursuant to this section, the following*  
4 *persons must approve the lease and establish the recommended*  
5 *amount of rent to be received for the property:*

6 (a) *The Administrator of the Division of State Lands of the*  
7 *State Department of Conservation and Natural Resources, as ex*  
8 *officio State Land Registrar;*

9 (b) *The Chief of the Buildings and Grounds Division of the*  
10 *Department of Administration; and*

11 (c) *The Executive Director of the Commission on Economic*  
12 *Development.*

13 3. *Any lease or agreement entered into pursuant to this*  
14 *section must be for a term of at least 10 years.*

15 **Sec. 12.** NRS 322.060 is hereby amended to read as follows:

16 322.060 Subject to the provisions of NRS 321.335, leases or  
17 easements authorized pursuant to the provisions of NRS 322.050,  
18 and not made for the purpose of extracting oil, coal or gas or the  
19 utilization of geothermal resources from the lands leased, must be:

20 1. For such areas as may be required to accomplish the purpose  
21 for which the land is leased or the easement granted.

22 2. Except as otherwise provided in NRS 322.063, 322.065 and  
23 322.067, *and section 11 of this act*, for such term and consideration  
24 as the Administrator of the Division of State Lands of the State  
25 Department of Conservation and Natural Resources, as ex officio  
26 State Land Registrar, may determine reasonable based upon the fair  
27 market value of the land.

28 3. Executed upon a form to be prepared by the Attorney  
29 General. The form must contain all of the covenants and agreements  
30 usual or necessary to such leases or easements.

31 **Sec. 13.** 1. Except as otherwise provided in subsection 2,  
32 each school district in a county whose population is less than 45,000  
33 shall advertise for or request bids from persons who are not then  
34 employed by the school district to provide the services listed in  
35 section 5 of this act on or before December 31, 2013.

36 2. If a school district in a county whose population is less than  
37 45,000 is subject to an existing contract for the provision of the  
38 services listed in section 5 of this act, the school district is not  
39 required to advertise for or request bids for the provision of those  
40 services until after the expiration of the existing contract.

41 **Sec. 14.** This act becomes effective on July 1, 2011.

