

ASSEMBLY BILL NO. 58—COMMITTEE
ON GOVERNMENT AFFAIRS

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

PREFILED DECEMBER 15, 2010

Referred to Committee on Government Affairs

SUMMARY—Authorizes the governing body of a city to enter into a contract to mitigate the price volatility of a city's fleet fuel. (BDR 21-399)

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 municipal finance; authorizing the governing body of a city to enter into an energy risk management contract to mitigate the price volatility of fuel purchased for use in city vehicles; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

- 1 This bill authorizes the governing body of a city to enter into an energy risk
2 management contract, which is intended to mitigate the price volatility of fuel
3 purchased by the city for its fleet of vehicles.

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

- 1 **Section 1.** Chapter 266 of NRS is hereby amended by adding
2 thereto a new section to read as follows:

- 3 ***1. The governing body of a city may enter into an energy risk***
4 ***management contract for the purchase of fuel used to operate city***
5 ***vehicles. Any money received pursuant to such a contract must be***
6 ***paid into the general fund of the city.***

- 7 ***2. For the purposes of this section, "energy risk management***
8 ***contract" means a contract which is intended to mitigate, for the***



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1 *term of the contract, the price volatility of fuel purchased by the*
2 *city to operate city vehicles including, without limitation, a*
3 *financial cash settled contract for such fuel, and which is intended*
4 *as a budgetary and financial tool only and not as a contract for*
5 *the procurement of such fuel.*

6 **Sec. 2.** Chapter 268 of NRS is hereby amended by adding
7 thereto a new section to read as follows:

8 *1. The governing body of a city may enter into an energy risk*
9 *management contract for the purchase of fuel used to operate city*
10 *vehicles. Any money received pursuant to such a contract must be*
11 *paid into the general fund of the city.*

12 *2. For the purposes of this section, "energy risk management*
13 *contract" means a contract which is intended to mitigate, for the*
14 *term of the contract, the price volatility of fuel purchased by the*
15 *city to operate city vehicles including, without limitation, a*
16 *financial cash settled contract for such fuel, and which is intended*
17 *as a budgetary and financial tool only and not as a contract for*
18 *the procurement of such fuel.*

19 **Sec. 3.** This act becomes effective upon passage and approval.

