

ASSEMBLY BILL NO. 428—COMMITTEE
ON GOVERNMENT AFFAIRS

MARCH 23, 2015

Referred to Committee on Government Affairs

SUMMARY—Makes various changes to provisions relating to local government purchasing. (BDR 27-1098)

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 public purchasing; exempting the Nevada Rural Housing Authority from the Local Government Purchasing Act; increasing the authorized duration of a performance contract entered into by a local government; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Under existing law, the Nevada Rural Housing Authority is considered to be a local government for the purposes of the Local Government Purchasing Act. (NRS 332.015) **Section 1** of this bill exempts the Authority from the provisions of the Act.

Existing law authorizes a local government to enter into a performance contract with a qualified service company for the purchase and installation of one or more operating cost-savings measures to reduce costs related to energy, water and the disposal of waste, and related labor costs. (NRS 332.360) Existing law also provides that the term of a performance contract may not exceed 15 years. (NRS 332.380) **Section 2** of this bill provides that the term of a performance contract may not exceed 25 years.

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

Section 1. NRS 332.015 is hereby amended to read as follows:
332.015 *1.* For the purpose of this chapter, unless the context otherwise requires, "local government" means:
~~1.1~~ *(a)* Every political subdivision or other entity which has the right to levy or receive money from ad valorem taxes or other taxes



1 or from any mandatory assessments, including counties, cities,
2 towns, school districts and other districts organized pursuant to
3 chapters 244, 309, 318, 379, 450, 473, 474, 539, 541, 543 and 555
4 of NRS.

5 ~~13-1~~ (b) The Las Vegas Valley Water District created pursuant
6 to the provisions of chapter 167, Statutes of Nevada 1947, as
7 amended.

8 ~~13-1~~ (c) County fair and recreation boards and convention
9 authorities created pursuant to the provisions of NRS 244A.597 to
10 244A.655, inclusive.

11 ~~14-1~~ (d) District boards of health created pursuant to the
12 provisions of NRS 439.362 or 439.370.

13 ~~15-1~~ 2. The *term does not include the* Nevada Rural Housing
14 Authority.

15 **Sec. 2.** NRS 332.380 is hereby amended to read as follows:

16 332.380 1. A performance contract must provide that all
17 payments, other than any obligations that become due if the contract
18 is terminated before the contract expires, must be made over time.

19 2. Except as otherwise provided in this subsection, a
20 performance contract, and the payments provided thereunder, may
21 extend beyond the fiscal year in which the performance contract
22 becomes effective for costs incurred in future fiscal years. The
23 performance contract may extend for a term not to exceed ~~15-1~~ 25
24 years. The length of a performance contract may reflect the useful
25 life of the operating cost-savings measure being installed or
26 purchased under the performance contract.

27 3. The period over which payments are made on a performance
28 contract must equal the period over which the operating cost savings
29 are amortized. Payments on a performance contract must not
30 commence until the operating cost-savings measures have been
31 installed by the qualified service company.

