

SENATE BILL NO. 13—COMMITTEE ON GOVERNMENT AFFAIRS

(ON BEHALF OF THE NEVADA ASSOCIATION OF COUNTIES)

PREFILED NOVEMBER 14, 2018

Referred to Committee on Government Affairs

SUMMARY—Authorizes the board of county commissioners of a county to form a nonprofit corporation to aid the county in providing certain governmental services. (BDR 20-483)

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 counties; authorizing the board of county commissioners of a county to form a nonprofit corporation to aid the county in providing certain services during an emergency; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law provides for the formation and operation of nonprofit corporations within this State. (Chapter 82 of NRS) **Section 3** of this bill authorizes a board of county commissioners to form a nonprofit corporation to aid the county during an emergency in providing to residents and visitors emergency assistance or any other governmental service such as social services or financial assistance. **Section 4** of this bill provides that such a nonprofit corporation has the same powers as other nonprofit corporations except that the nonprofit shall not: (1) borrow money, contract debts or issue bonds, promissory notes, drafts, debentures or other indebtedness; (2) acquire, transfer or deal in or with bonds or obligations or shares of securities or interests; (3) levy dues, assessments or fees; or (4) carry on a business for profit and apply profits to any activity in which the nonprofit may engage. **Section 5** of this bill deems: (1) such a nonprofit corporation to be a political subdivision; and (2) members of the board of directors to be employees of the political subdivision for purposes of tort liability. **Section 6** of this bill requires that the assets of the government nonprofit corporation must be distributed to the county upon the dissolution of the government nonprofit corporation.



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

Section 1. Chapter 244 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 6, inclusive, of this act.

Sec. 2. 1. *Except as otherwise provided in sections 2 to 6, inclusive, of this act, the provisions of chapter 82 of NRS apply to a nonprofit corporation formed pursuant to section 3 of this act.*

2. *To the extent that the provisions of sections 2 to 6, inclusive, of this act conflict with the provisions of chapter 82 of NRS, the provisions of sections 2 to 6, inclusive, of this act control.*

Sec. 3. 1. *The board of county commissioners of a county may form a nonprofit corporation to aid the county during an emergency in providing to residents and visitors emergency assistance or any other governmental service, including, without limitation, social services and financial assistance for food and shelter.*

2. *The board of county commissioners shall approve by resolution the articles of incorporation and bylaws of the nonprofit corporation before the articles of incorporation may be filed with the Secretary of State pursuant to NRS 82.081. The bylaws of the nonprofit corporation must:*

(a) Provide that the purpose of the nonprofit corporation is limited to aiding the county during an emergency as provided in subsection 1;

(b) Limit the nonprofit corporation to operating only after a declaration of an emergency by the county; and

(c) Require that all money received by the nonprofit corporation must be used to benefit victims of the emergency.

3. *After adopting a resolution forming a nonprofit corporation pursuant to this section, the board of county commissioners shall appoint the initial members of the board of directors. All subsequent members of the board of directors must be appointed as provided in the bylaws of the nonprofit corporation.*

4. *A person who is appointed to serve as a member of the board of directors who is not otherwise a public officer is not a public officer by virtue of such appointment.*

5. *The board of directors of the nonprofit corporation formed pursuant to subsection 1 shall provide an annual report to the board of county commissioners which must include, without limitation:*

(a) A summary of the activities of the nonprofit corporation during the preceding year;



1 (b) A statement of the finances of the nonprofit corporation
2 during the preceding year;

3 (c) A statement of any money received and any money spent by
4 the nonprofit corporation during the preceding year, including,
5 without limitation, the compensation paid to each officer and each
6 member of the board of directors of the nonprofit corporation; and

7 (d) The names of the current members of the board of
8 directors of the nonprofit corporation.

9 **Sec. 4. 1.** Except as otherwise provided in subsection 2, a
10 nonprofit corporation formed pursuant to section 3 of this act has
11 the powers set forth in NRS 82.121 and 82.131.

12 2. A nonprofit corporation formed pursuant to section 3 of
13 this act shall not exercise the powers set forth in subsection 1, 2, 5
14 or 7 of NRS 82.131.

15 **Sec. 5.** Any liability or action against a nonprofit corporation
16 formed pursuant to section 3 of this act must be determined in the
17 same manner and with the same limitations and conditions as
18 provided in NRS 41.0305 to 41.039, inclusive. To this extent, the
19 nonprofit corporation shall be deemed a political subdivision of
20 the State and the members of the board of directors shall be
21 deemed employees of the political subdivision.

22 **Sec. 6.** Upon the dissolution of a nonprofit corporation
23 formed pursuant to section 3 of this act, the assets of the nonprofit
24 corporation must be distributed to the county which formed the
25 nonprofit corporation and used in a manner consistent with the
26 purposes of the nonprofit corporation.

