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A.B. 153

ASSEMBLY BILL NO. 153—ASSEMBLYWOMAN BILBRAY-AXELROD

FEBRUARY 18, 2021

JOINT SPONSOR: SENATOR BROOKS

Referred to Committee on Government Affairs

SUMMARY—Revises provisions governing performance contracts.
(BDR 27-708)

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 financial administration; clarifying that a local government may use any savings realized under a performance contract to make payments required under the performance contract; making a legislative declaration to encourage using agencies to utilize performance contracts to implement operating cost-savings measures; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law authorizes and sets forth the requirements for local governments to
2 enter into performance contracts for the purchase and installation of operating cost-
3 savings measures to reduce costs related to such matters as energy, water and the
4 disposal of waste, and related labor costs. (NRS 332.300-332.440) Existing law
5 authorizes a local government to reinvest any savings realized under a performance
6 contract into operating cost-savings measures. (NRS 332.410) **Section 1** of this bill
7 clarifies that a local government may also use such savings to make any payments
8 required under the performance contract, including finance charges.

9 Existing law authorizes certain agencies in the Executive Department of the
10 State Government, known as “using agencies,” to enter into performance contracts
11 for the purchase and installation of operating cost-savings measures to reduce costs
12 related to such matters as energy, water and the disposal of waste, and related labor
13 costs. (NRS 333A.010-333A.150) **Section 2** of this bill makes a legislative
14 declaration and states that it is the policy of the State to encourage, to the extent
15 practicable, a using agency to: (1) utilize the provisions related to a performance
16 contract to implement operating cost-savings measures to reduce costs related to
17 energy, water or the disposal of waste, or related labor costs; and (2) continually
18 review whether the using agency could utilize a performance contract to implement



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19 operating cost-savings measures to reduce costs related to energy, water or the
20 disposal of waste, or related labor costs.

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

1 **Section 1.** NRS 332.410 is hereby amended to read as follows:
2 332.410 A local government may ~~reinvest~~ *use* any savings
3 realized ~~under~~ *throughout the term of* a performance contract
4 ~~whenever practical~~ *to*:

5 1. *Make any payments required under the performance*
6 *contract, including, without limitation, the payment of finance*
7 *charges; and*

8 2. *Reinvest* into other operating cost-savings measures
9 provided the local government:

10 ~~1-~~ (a) Is satisfying all its other obligations under the
11 performance contract; and

12 ~~2-~~ (b) Complies with the requirements of NRS 332.300 to
13 332.440, inclusive, when reinvesting the savings into other
14 operating cost-savings measures.

15 **Sec. 2.** Chapter 333A of NRS is hereby amended by adding
16 thereto a new section to read as follows:

17 *The Legislature hereby declares that it is the policy of this State*
18 *to encourage, to the extent practicable, a using agency to:*

19 1. *Utilize the process set forth in this chapter to implement*
20 *any operating cost-savings measure to reduce costs related to*
21 *energy, water or the disposal of waste, or related labor costs; and*

22 2. *Continually review whether the using agency could utilize*
23 *the process set forth in this chapter to implement any operating*
24 *cost-savings measure to reduce costs related to energy, water or*
25 *the disposal of waste, or related labor costs.*

26 **Sec. 3.** This act becomes effective on July 1, 2021.

