

SENATE BILL NO. 217—SENATOR ROBERSON

FEBRUARY 27, 2017

Referred to Committee on Government Affairs

SUMMARY—Revises provisions governing the membership of the Public Employees’ Retirement Board. (BDR 23-842)

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 the Public Employees’ Retirement Board; revising provisions governing the size and composition of the Board; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law requires the Public Employees’ Retirement System to be governed
2 by the Public Employees’ Retirement Board, consisting of seven persons appointed
3 by the Governor. (NRS 286.120) **Section 1** of this bill increases the size of the
4 Board to nine persons.
5 Existing law requires one member of the Board to be a person who: (1) is an
6 employee of the State of Nevada or its political subdivisions with at least 10 years
7 of service; (2) is serving in a position at least equivalent to the manager of a
8 department or division; (3) is not an elected officer of the State of Nevada or its
9 political subdivisions; and (4) is an active member of the System. (NRS 286.130)
10 **Section 2** of this bill removes this requirement and instead requires three members
11 of the Board to be persons who: (1) have specified experiences relating to the
12 design or management of retirement plans; (2) are not employees of the State or its
13 political subdivisions; (3) are not elected officers of the State or its political
14 subdivisions; and (4) have never been active members of the System. **Section 3**
15 of this bill ends the present term of the member of the Board who was appointed
16 pursuant to the existing provisions of the statute and establishes staggered terms for
17 the three newly-appointed members.



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

1 **Section 1.** NRS 286.120 is hereby amended to read as follows:

2 286.120 1. The governing authority of the System shall be a
3 board of ~~seven~~ *nine* persons appointed by the Governor.

4 2. The name of the board shall be the Public Employees'
5 Retirement Board.

6 3. The Governor shall review periodically the broad
7 administrative policies and performance standards as they are being
8 administered by the Board.

9 4. The Governor may remove and replace any Board member
10 for cause shown.

11 **Sec. 2.** NRS 286.130 is hereby amended to read as follows:

12 286.130 1. Three members of the Board must be persons
13 who:

14 (a) Have had at least 10 years of service as employees of the
15 State of Nevada or its political subdivisions;

16 (b) Are not elected officers of the State of Nevada or its political
17 subdivisions;

18 (c) Are active members of the System; and

19 (d) Are appointed from written nominations submitted by the
20 following groups:

21 (1) Employees of the State and the Nevada System of Higher
22 Education;

23 (2) The academic staff of school districts;

24 (3) Employees of cities, excluding Carson City;

25 (4) Employees of counties, including Carson City and
26 excluding employees of county hospitals;

27 (5) Employees of county hospitals, public utilities, power
28 districts, sanitation districts, classified school employees and
29 employees of other districts as determined by the Board; and

30 (6) Employees whose current positions entitle them to
31 participate in the Police and Firefighters' Retirement Fund.

32 ↳ Each nominee must be a member of the group or organization
33 that is nominating the nominee.

34 2. Two members of the Board must be persons who:

35 (a) Have had at least 10 years of service as employees of the
36 State of Nevada or its political subdivisions;

37 (b) Are not elected officers of the State of Nevada or its political
38 subdivisions;

39 (c) Are active members of the System; and

40 (d) Are appointed from written nominations submitted by the
41 following groups:



1 (1) Administrators of school districts or members of boards
2 of trustees of school districts; and

3 (2) Members of boards of county commissioners or the
4 governing bodies of cities or administrators of counties or cities.

5 3. ~~{One member}~~ *Three members* of the Board must be ~~{a~~
6 ~~person}~~ *persons* who:

7 (a) ~~{Is an employee}~~ *Have demonstrated experience in the*
8 *design or management of retirement plans, accounting for such*
9 *plans or the application of actuarial principles to such plans, or*
10 *any combination of these;*

11 (b) *Are not employees* of the State of Nevada or its political
12 subdivisions ; ~~{with at least 10 years of service;}~~

13 ~~—(b) Is serving in a position at least equivalent to the manager of a~~
14 ~~department or division;}~~

15 (c) ~~{Is}~~ *Are* not ~~{an}~~ elected ~~{officer}~~ *officers* of the State of
16 Nevada or its political subdivisions; and

17 (d) ~~{Is an}~~ *Have never been* active ~~{member}~~ *members* of the
18 System.

19 4. One member of the board must be a person who:

20 (a) Has had at least 10 years of service as an employee of the
21 State of Nevada or its political subdivisions;

22 (b) Is not an elected officer of the State of Nevada or its political
23 subdivisions; and

24 (c) Is receiving an allowance for service or disability retirement
25 pursuant to this chapter.

26 5. A member of the Board shall serve for 4 years, so long
27 as the member has the qualifications required by this section, and
28 until the member's successor is appointed and takes office. A
29 member of the Board who no longer has the qualifications specified
30 in the subsection under which the member was appointed may serve
31 the remainder of the member's term if the member loses those
32 qualifications in the final 24 months of the member's term.

33 **Sec. 3.** 1. The term of the member of the Public Employees'
34 Retirement Board who was appointed to a term pursuant to
35 subsection 3 of NRS 286.130 as that section existed on June 30,
36 2017, expires on July 1, 2017.

37 2. As soon as practicable on or after July 1, 2017, the Governor
38 shall appoint to the Public Employees' Retirement Board the three
39 members required to be appointed pursuant to subsection 3 of NRS
40 286.130, as amended by section 2 of this act. The Governor shall
41 designate two such members to serve until June 30, 2020, and the
42 other until June 30, 2021.

43 **Sec. 4.** This act becomes effective on July 1, 2017.

