
SENATE BILL NO. 28—SENATOR MATHEWS

PREFILED JANUARY 30, 2003

Referred to Committee on Government Affairs

SUMMARY—Provides that certain money set aside for group insurance for officers and employees of school districts must not be used for other purposes. (BDR 23-195)

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 programs for public employees; providing that certain money set aside for group insurance for officers and employees of school districts must not be used for other purposes; and providing other matters properly relating thereto.

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

- 1 **Section 1.** Chapter 287 of NRS is hereby amended by adding
2 thereto a new section to read as follows:
3 ***1. If the governing body of a school district:***
4 ***(a) Provides group life, accident or health coverage through a***
5 ***self-insurance reserve fund as described in paragraph (c) of***
6 ***subsection 1 of NRS 287.010; or***
7 ***(b) Establishes or carries into effect any other system of self-***
8 ***funded life, accident or health coverage,***
9 ***any money that is paid toward such coverage by officers and***
10 ***employees of the school district in the form of contributions,***
11 ***deductions and premiums, and any money that is set aside by the***
12 ***school district for the matching of contributions, or for the***
13 ***defraying of costs pursuant to paragraph (d) of subsection 1 of***
14 ***NRS 287.010, must be deposited in a trust fund or otherwise held***



1 *in trust for the benefit of the officers and employees of the school*
2 *district.*

3 *2. Money that is deposited in a trust fund or otherwise held in*
4 *trust pursuant to subsection 1:*

5 *(a) Must be used only for the purpose of funding, maintaining,*
6 *operating and administering the program or system of group*
7 *insurance;*

8 *(b) Must not be loaned to the school district or the board of*
9 *trustees of the school district or its agent or any other*
10 *governmental entity; and*

11 *(c) Must not be invested to purchase any obligations of the*
12 *school district or the board of trustees of the school district or its*
13 *agent or any other governmental entity, or otherwise used for any*
14 *purpose not authorized pursuant to paragraph (a).*

15 **Sec. 2.** NRS 287.040 is hereby amended to read as follows:

16 287.040 The provisions of NRS 287.010 to 287.040, inclusive,
17 *and section 1 of this act* do not make it compulsory upon any
18 governing body of any county, school district, municipal
19 corporation, political subdivision, public corporation or other public
20 agency of the State of Nevada to, except as otherwise provided in
21 NRS 287.021, make any contributions for the payment of any
22 premiums or other costs for group insurance or medical or hospital
23 services, or upon any officer or employee of any county, school
24 district, municipal corporation, political subdivision, public
25 corporation or other public agency of this state to accept or join any
26 plan of group insurance or to assign his wages or salary or to
27 authorize deductions from his wages or salary in payment of
28 premiums or contributions therefor.

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

