

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***



\* S B 2 8 R 1 \*

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) *May be invested in any reasonable and prudent manner,*  
12 *except that such money must not be invested to purchase any*  
13 *obligations of the school district or the board of trustees of the*  
14 *school district or its agent. All interest and income earned on the*  
15 *money in the fund must be deposited in the fund.*

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

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

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

