

ASSEMBLY BILL NO. 112—ASSEMBLYMEN MARZOLA AND YEAGER

FEBRUARY 11, 2021

Referred to Committee on Judiciary

SUMMARY—Revises provisions relating to compromised claims of a minor. (BDR 3-806)

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 minors; revising provisions relating to compromised claims of a minor; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law provides that if an unemancipated minor has a disputed claim for
2 money against a third person, the parent or guardian of the minor has the right to
3 compromise the claim by filing a verified petition in writing with the appropriate
4 district court. The petition must provide an apportionment of the total proceeds of
5 the proposed compromise, including all fees and expenses owed from the total
6 proceeds. If the petition is approved by the district court, with the proceeds of the
7 compromise, the parent or guardian must establish a blocked financial investment
8 for the benefit of the minor, which means a savings account, a certificate of deposit,
9 a United States savings bond, a fixed or variable annuity contract, or another
10 reliable investment that is approved by the court. (NRS 41.200)

11 This bill provides that: (1) if the net proceeds of the compromise are \$2,500 or
12 less, according to the required apportionment of fees and expenses in the petition,
13 the parent or guardian is not required to establish a blocked financial investment
14 and may use the proceeds at his or her discretion for the benefit of the minor, in
15 compliance with any terms or conditions ordered by the court; and (2) the court
16 may, at its discretion, close the case. This bill also revises the definition of the term
17 “blocked financial investment” to allow a savings account to be established in any
18 financial institution, as opposed to only a depository institution.



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

1 **Section 1.** NRS 41.200 is hereby amended to read as follows:

2 41.200 1. If an unemancipated minor has a disputed claim for
3 money against a third person, either parent, or if the parents of the
4 minor are living separate and apart, then the custodial parent, or if
5 no custody award has been made, the parent with whom the minor is
6 living, or if a general guardian or guardian of the estate of the minor
7 has been appointed, then that guardian, has the right to compromise
8 the claim. Such a compromise is not effective until it is approved by
9 the district court of the county where the minor resides, or if the
10 minor is not a resident of the State of Nevada, then by the district
11 court of the county where the claim was incurred, upon a verified
12 petition in writing, regularly filed with the court.

13 2. The petition must set forth:

14 (a) The name, age and residence of the minor;

15 (b) The facts which bring the minor within the purview of this
16 section, including:

17 (1) The circumstances which make it a disputed claim for
18 money;

19 (2) The name of the third person against whom the claim is
20 made; and

21 (3) If the claim is the result of an accident or motor vehicle
22 crash, the date, place and facts of the accident or motor vehicle
23 crash;

24 (c) The names and residence of the parents or the legal guardian
25 of the minor;

26 (d) The name and residence of the person or persons having
27 physical custody or control of the minor;

28 (e) The name and residence of the petitioner and the relationship
29 of the petitioner to the minor;

30 (f) The total amount of the proceeds of the proposed
31 compromise and the apportionment of those proceeds, including the
32 amount to be used for:

33 (1) Attorney's fees and whether the attorney's fees are fixed
34 or contingent fees, and if the attorney's fees are contingent fees the
35 percentage of the proceeds to be paid as attorney's fees;

36 (2) Medical expenses; and

37 (3) Other expenses,

38 ↳ and whether these fees and expenses are to be deducted before or
39 after the calculation of any contingency fee;

40 (g) Whether the petitioner believes the acceptance of this
41 compromise is in the best interest of the minor; and



1 (h) That the petitioner has been advised and understands that
2 acceptance of the compromise will bar the minor from seeking
3 further relief from the third person offering the compromise.

4 3. If the claim involves a personal injury suffered by the minor,
5 the petitioner must submit all relevant medical and health care
6 records to the court at the compromise hearing. The records must
7 include documentation of:

8 (a) The injury, prognosis, treatment and progress of recovery of
9 the minor; and

10 (b) The amount of medical expenses incurred to date, the nature
11 and amount of medical expenses which have been paid and by
12 whom, any amount owing for medical expenses and an estimate of
13 the amount of medical expenses which may be incurred in the
14 future.

15 4. If the court approves the compromise of the claim of the
16 minor, the court must direct the money to be paid to a parent or
17 guardian of the minor, with or without the filing of any bond, or it
18 must require a general guardian or guardian ad litem to be appointed
19 and the money to be paid to the guardian or guardian ad litem, with
20 or without a bond, as the court, in its discretion, deems to be in the
21 best interests of the minor.

22 5. Upon ~~receiving~~ *receipt or distribution of the total amount*
23 *of the proceeds of the compromise [] as described in paragraph (f)*
24 *of subsection 2, and after deducting from the total proceeds the*
25 *amount of fees and expenses owed or paid pursuant to the*
26 *apportionment described in paragraph (f) of subsection 2:*

27 (a) *If the net proceeds of the compromise are more than*
28 *\$2,500, the parent or guardian to whom the proceeds of the*
29 *compromise are ordered to be paid [] shall establish a blocked*
30 *financial investment for the benefit of the minor with the proceeds*
31 *of the compromise. Money may be obtained from the blocked*
32 *financial investment only pursuant to subsection 6. Within 30 days*
33 *after receiving the proceeds of the compromise, the parent or*
34 *guardian shall file with the court proof that the blocked financial*
35 *investment has been established. If the balance of the investment is*
36 *more than \$10,000, the parent, guardian or person in charge of*
37 *managing the investment shall annually file with the court a verified*
38 *report detailing the activities of the investment during the previous*
39 *12 months. If the balance of the investment is \$10,000 or less, the*
40 *court may order the parent, guardian or person in charge of*
41 *managing the investment to file such periodic verified reports as the*
42 *court deems appropriate. The court may hold a hearing on a verified*
43 *report only if it deems a hearing necessary to receive an explanation*
44 *of the activities of the investment.*



1 *(b) If the net proceeds of the compromise are \$2,500 or less,*
2 *the parent or guardian to whom the proceeds of the compromise*
3 *are ordered to be paid may use the proceeds at his or her*
4 *discretion for the benefit of the minor, in compliance with any*
5 *terms or conditions ordered by the court. The court may, at its*
6 *discretion, close the case.*

7 6. The beneficiary of a blocked financial investment may
8 obtain control of or money from the investment:

9 (a) By an order of the court which held the compromise hearing;
10 or

11 (b) By certification of the court which held the compromise
12 hearing that the beneficiary has reached the age of 18 years, at
13 which time control of the investment must be transferred to the
14 beneficiary or the investment must be closed and the money
15 distributed to the beneficiary.

16 7. The clerk of the district court shall not charge any fee for
17 filing a petition for leave to compromise or for placing the petition
18 upon the calendar to be heard by the court.

19 8. As used in this section, ~~[the term]~~ “blocked financial
20 investment” means a savings account established in a ~~[depository]~~
21 *financial* institution in this State, a certificate of deposit, a United
22 States savings bond, a fixed or variable annuity contract, or another
23 reliable investment that is approved by the court.

