

Assembly Bill No. 112—Assemblymen Marzola and Yeager

CHAPTER.....

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:**

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

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

EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

---

---

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

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

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

2. The petition must set forth:

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



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

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

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

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

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

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

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

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

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

(2) Medical expenses; and

(3) Other expenses,

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

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

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

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

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

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

4. If the court approves the compromise of the claim of the minor, the court must direct the money to be paid to a parent or



guardian of the minor, with or without the filing of any bond, or it must require a general guardian or guardian ad litem to be appointed and the money to be paid to the guardian or guardian ad litem, with or without a bond, as the court, in its discretion, deems to be in the best interests of the minor.

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

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

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

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

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

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



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

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

