

CHAPTER.....

AN ACT relating to millennium scholarships; revising the provisions governing the administration of the Millennium Scholarship Program and the Millennium Scholarship Trust Fund; revising provisions governing eligibility for millennium scholarships; providing for the annual transfer of money from the Abandoned Property Trust Fund to the Millennium Scholarship Trust Fund; making an appropriation; and providing other matters properly relating thereto.

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

Section 1. NRS 396.918 is hereby amended to read as follows:
396.918 “Millennium scholarship” means a ~~[scholarship]~~
Governor Guinn Millennium Scholarship that is awarded from the
Trust Fund to a student.

Sec. 2. NRS 396.926 is hereby amended to read as follows:
396.926 1. *The Governor Guinn Millennium Scholarship
Program is hereby created for the distribution of the Governor
Guinn Millennium Scholarships in accordance with NRS 396.911
to 396.938, inclusive.* The Millennium Scholarship Trust Fund is
hereby created in the State Treasury. The State Treasurer may
accept gifts, grants, bequests and donations for deposit in the Trust
Fund.

2. The State Treasurer shall deposit in the Trust Fund:

(a) Forty percent of all money received by the State of Nevada
pursuant to any settlement entered into by the State of Nevada and a
manufacturer of tobacco products;

(b) Forty percent of all money recovered by the State of Nevada
from a judgment in a civil action against a manufacturer of tobacco
products; and

(c) Any gifts, grants, bequests or donations specifically
designated for the Trust Fund by the donor.

3. The State Treasurer shall administer the Trust Fund. As
administrator of the Trust Fund, the State Treasurer, except as
otherwise provided in this section:

(a) Shall maintain the financial records of the Trust Fund;

(b) Shall invest the money in the Trust Fund as the money in
other state funds is invested;

(c) Shall manage any account associated with the Trust Fund;

(d) Shall maintain any instruments that evidence investments
made with the money in the Trust Fund;

(e) May contract with vendors for any good or service that is necessary to carry out the provisions of this section; and

(f) May perform any other duties necessary to administer the Trust Fund.

4. In addition to the investments authorized pursuant to paragraph (b) of subsection 3, the State Treasurer may, except as otherwise provided in subsection 5, invest the money in the Trust Fund in:

(a) Common or preferred stock of a corporation created by or existing under the laws of the United States or of a state, district or territory of the United States, if:

(1) The stock of the corporation is:

(I) Listed on a national stock exchange; or

(II) Traded in the over-the-counter market, if the price quotations for the over-the-counter stock are quoted by the National Association of Securities Dealers Automated Quotations System (NASDAQ);

(2) The outstanding shares of the corporation have a total market value of not less than \$50,000,000;

(3) The maximum investment in stock is not greater than 25 percent of the book value of the total investments of the Trust Fund;

(4) Except for investments made pursuant to paragraph (c), the amount of an investment in a single corporation is not greater than 3 percent of the book value of the assets of the Trust Fund; and

(5) Except for investments made pursuant to paragraph (c), the total amount of shares owned by the Trust Fund is not greater than 5 percent of the outstanding stock of a single corporation.

(b) A pooled or commingled real estate fund or a real estate security that is managed by a corporate trustee or by an investment advisory firm that is registered with the Securities and Exchange Commission, either of which may be retained by the State Treasurer as an investment manager. The shares and the pooled or commingled fund must be held in trust. The total book value of an investment made under this paragraph must not at any time be greater than 5 percent of the total book value of all investments of the Trust Fund.

(c) Mutual funds or common trust funds that consist of any combination of the investments authorized pursuant to paragraph (b) of subsection 3 and paragraphs (a) and (b) of this subsection.

5. The State Treasurer shall not invest any money in the Trust Fund pursuant to subsection 4 unless the State Treasurer obtains a judicial determination that the proposed investment or category of investments will not violate the provisions of Section 9 of Article 8 of the Constitution of the State of Nevada. The State Treasurer shall contract for the services of independent contractors to manage any investments of the State Treasurer made pursuant to subsection 4.

The State Treasurer shall establish such criteria for the qualifications of such an independent contractor as are appropriate to ensure that each independent contractor has expertise in the management of such investments.

6. All interest and income earned on the money in the Trust Fund must, after deducting any applicable charges, be credited to the Trust Fund. All claims against the Trust Fund must be paid as other claims against the State are paid.

7. Not more than ~~[2]~~ 3 percent of the ~~[amount of money]~~ *anticipated annual revenue to the State of Nevada from the settlement agreements with and civil actions against manufacturers of tobacco products anticipated for deposit* in the Trust Fund may be used to pay the costs of administering the Trust Fund.

8. The money in the Trust Fund remains in the Fund and does not revert to the State General Fund at the end of any fiscal year.

9. Money in the Trust Fund may be used only for the purposes set forth in NRS 396.914 to 396.934, inclusive.

Sec. 3. NRS 396.930 is hereby amended to read as follows:

396.930 1. Except as otherwise provided in subsections 2 and 3, a student may apply to the Board of Regents for a millennium scholarship if he:

(a) Has been a resident of this State for at least 2 years before he applies for the scholarship;

(b) Except as otherwise provided in paragraph (c), graduated from a public or private high school in this State:

(1) After May 1, 2000, but not later than May 1, 2003; or

(2) After May 1, 2003, and, except as otherwise provided in paragraph (c) of subsection 2, not more than 6 years before he applies for the scholarship;

(c) Does not satisfy the requirements of paragraph (b) and:

(1) Was enrolled as a pupil in a public or private high school in this State with a class of pupils who were regularly scheduled to graduate after May 1, 2000;

(2) Received his high school diploma within 4 years after he was regularly scheduled to graduate; and

(3) Applies for the scholarship not more than 6 years after he was regularly scheduled to graduate from high school;

(d) Maintained in high school in the courses designated by the Board of Regents pursuant to paragraph (b) of subsection 2, at least:

(1) A ~~[3.0]~~ 3.00 grade point average on a 4.0 grading scale, if he was a member of the graduating class of 2003 or 2004;

(2) A ~~[3.4]~~ 3.10 grade point average on a 4.0 grading scale, if he was a member of the graduating class of 2005 or 2006; or

(3) A 3.25 grade point average on a 4.0 grading scale, if he was a member of the graduating class of 2007 or a later graduating class; and

(e) Is enrolled in at least:

(1) Six semester credit hours in a community college within the System; or

(2) Twelve semester credit hours in another eligible institution.

2. The Board of Regents:

(a) Shall define the core curriculum that a student must complete in high school to be eligible for a millennium scholarship.

(b) Shall designate the courses in which a student must earn the minimum grade point averages set forth in paragraph (d) of subsection 1.

(c) May establish criteria with respect to students who have been on active duty serving in the Armed Forces of the United States to exempt such ~~[student]~~ *students* from the 6-year limitation on applications that is set forth in subparagraph (2) of paragraph (b) of subsection 1.

(d) Shall establish criteria with respect to students who have a documented physical or mental disability or who were previously subject to an individualized education program under the Individuals with Disabilities Education Act, 20 U.S.C. §§ 1400 et seq., or a plan under Title V of the Rehabilitation Act of 1973, 29 U.S.C. §§ 791 et seq. The criteria must provide an exemption for those students from:

(1) The 6-year limitation on applications that is set forth in subparagraph (2) of paragraph (b) of subsection 1 and subparagraph (3) of paragraph (c) of subsection 1 and any limitation applicable to students who are eligible pursuant to subparagraph (1) of paragraph (b) of subsection 1.

(2) The minimum number of credits prescribed in paragraph (e) of subsection 1.

3. Except as otherwise provided in paragraph (c) of subsection 1, for students who did not graduate from a public or private high school in this State and who have been residents of this State for at least 2 years, the Board of Regents shall establish:

(a) The minimum score on a standardized test that such students must receive; or

(b) Other criteria that students must meet,

→ to be eligible for millennium scholarships.

4. In awarding scholarships, the Board of Regents shall enhance its outreach to students who:

(a) Are pursuing a career in education or health care;

(b) Come from families who lack sufficient financial resources to pay for the costs of sending their children to an eligible institution; or

(c) Substantially participated in an antismoking, antidrug or antialcohol program during high school.

Sec. 4. NRS 396.934 is hereby amended to read as follows:

396.934 1. ~~[Within]~~ *Except as otherwise provided in this section, within* the limits of money available in the Trust Fund, a student who is eligible for a millennium scholarship is entitled to receive:

(a) If he is enrolled in a community college within the System, *including, without limitation, a summer academic term*, \$40 per credit for each lower division course and \$60 per credit for each upper division course in which the student is enrolled, or the amount of money that is necessary for the student to pay the costs of attending the community college that are not otherwise satisfied by other grants or scholarships, whichever is less. The Board of Regents shall provide for the designation of upper and lower division courses for the purposes of this paragraph. *In no event may a student who is eligible for a millennium scholarship receive more than the cost of 12 semester credits per semester pursuant to this paragraph.*

(b) If he is enrolled in a state college within the System, *including, without limitation, a summer academic term*, \$60 per credit for which the student is enrolled, or the amount of money that is necessary for the student to pay the costs of attending the state college that are not otherwise satisfied by other grants or scholarships, whichever is less. *In no event may a student who is eligible for a millennium scholarship receive more than the cost of 12 semester credits per semester pursuant to this paragraph.*

(c) If he is enrolled in another eligible institution, *including, without limitation, a summer academic term*, \$80 per credit for which the student is enrolled, or the amount of money that is necessary for the student to pay the costs of attending the university that are not otherwise satisfied by other grants or scholarships, whichever is less. *In no event may a student who is eligible for a millennium scholarship receive more than the cost of 12 semester credits per semester pursuant to this paragraph.*

2. No student may be awarded a *millennium* scholarship ~~[for]~~ :

(a) *To pay for remedial courses.*

(b) *For* a total amount in excess of \$10,000.

~~[2-]~~ 3. A student who receives a millennium scholarship shall:

(a) Make satisfactory academic progress toward a recognized degree or certificate, as determined by the Board of Regents pursuant to subsection ~~[5-]~~ 7; and

(b) If the student graduated from high school after May 1, 2003, maintain ~~4.0~~:

(1) At least a ~~2.6~~ 2.60 grade point average on a 4.0 grading scale ~~4.0~~:

~~3.0~~ for each semester during the first year of enrollment in the Governor Guinn Millennium Scholarship Program.

(2) At least a 2.75 grade point average on a 4.0 grading scale for each semester during the second year of enrollment in the Governor Guinn Millennium Scholarship Program and for each semester during each year of enrollment thereafter.

4. If a student does not satisfy the requirements of subsection 3 during one semester of enrollment, excluding a summer academic term, he is not eligible for the millennium scholarship for the succeeding semester of enrollment. If such a student:

(a) Subsequently satisfies the requirements of subsection 3 in a semester in which he is not eligible for the scholarship, he is eligible for the scholarship for his next semester of enrollment.

(b) Fails a second time to satisfy the requirements of subsection 3 during any subsequent semester, excluding a summer academic term, he is no longer eligible for a millennium scholarship.

5. A millennium scholarship must be used only:

(a) For the payment of registration fees and laboratory fees and expenses;

(b) To purchase required textbooks and course materials; and

(c) For other costs related to the attendance of the student at the eligible institution.

~~4.0~~ 6. The Board of Regents shall certify a list of eligible students to the State Treasurer. The State Treasurer shall disburse a millennium scholarship for each semester on behalf of an eligible student directly to the eligible institution in which the student is enrolled, upon certification from the eligible institution of the number of credits for which the student is enrolled, which must meet or exceed the minimum number of credits required for eligibility and certification that the student is in good standing and making satisfactory academic progress toward a recognized degree or certificate, as determined by the Board of Regents pursuant to subsection ~~5.0~~ 7. The scholarship must be administered by the eligible institution as other similar scholarships are administered and may be used only for the expenditures authorized pursuant to subsection ~~3.0~~ 5.

~~5.0~~ 7. The Board of Regents shall establish criteria for determining whether a student is making satisfactory academic progress toward a recognized degree or certificate for purposes of subsection ~~4.0~~ 6.

8. The Board of Regents shall establish procedures to ensure that all money from a millennium scholarship awarded to a student that is refunded in whole or in part for any reason is refunded to the Trust Fund and not the student.

Sec. 5. NRS 120A.370 is hereby amended to read as follows:

120A.370 1. There is hereby created in the State Treasury the Abandoned Property Trust Fund.

2. All money received by the Administrator under this chapter, including the proceeds from the sale of abandoned property, must be deposited by the Administrator in the State Treasury for credit to the Abandoned Property Trust Fund.

3. Before making a deposit, the Administrator shall record the name and last known address of each person appearing from the holders' reports to be entitled to the abandoned property and of the name and last known address of each insured person or annuitant, and with respect to each policy or contract listed in the report of an insurance company, its number, the name of the company and the amount due. The record must be available for public inspection at all reasonable business hours.

4. The Administrator may pay from money available in the Abandoned Property Trust Fund:

(a) Any costs in connection with the sale of abandoned property.

(b) Any costs of mailing and publication in connection with any abandoned property.

(c) Reasonable service charges.

(d) Any costs incurred in examining the records of a holder and in collecting the abandoned property.

(e) Any valid claims filed pursuant to this chapter.

5. At the end of each fiscal year, the amount of the balance in the Fund in excess of \$100,500 must be transferred . ***The first \$7,600,000 each year must be transferred to the Millennium Scholarship Trust Fund created by NRS 396.926. The remainder must be transferred*** to the State General Fund, but remains subject to the valid claims of holders pursuant to NRS 120A.340 or owners pursuant to NRS 120A.380.

6. If there is an insufficient amount of money in the Abandoned Property Trust Fund to pay any cost or charge pursuant to subsection 4, the State Board of Examiners may, upon the application of the Administrator, authorize a temporary transfer from the State General Fund to the Abandoned Property Trust Fund of an amount necessary to pay those costs or charges. The Administrator shall repay the amount of the transfer as soon as sufficient money is available in the Abandoned Property Trust Fund.

Sec. 6. There is hereby appropriated from the State General Fund to the Millennium Scholarship Trust Fund created by NRS 396.926, the sum of \$35,000,000.

Sec. 7. 1. The criteria established by the Board of Regents pursuant to section 4 of this act with respect to students who have a documented physical or mental disability apply to all students who satisfy the criteria including, without limitation, students who are currently enrolled in an eligible institution and are receiving a millennium scholarship, regardless of the year of enrollment in the Governor Guinn Millennium Scholarship Program.

2. The provisions of section 4 of this act regarding the limitation on the number of semester credits for which a student is eligible and the grade point average required for the second year of enrollment and thereafter do not apply until January 1, 2006.

Sec. 8. 1. This section and sections 1 to 4, inclusive, 6 and 7 of this act become effective upon passage and approval.

2. Section 5 of this act becomes effective on July 1, 2005.