

ASSEMBLY BILL NO. 474—ASSEMBLYMEN EVANS, PERKINS, DINI, ARBERRY, MARVEL, GIUNCHIGLIANI, HETTRICK, BEERS, GOLDWATER, CEGAVSKE, CHOWNING, PARKS, DE BRAGA, PRICE, LESLIE, SEGERBLOM, THOMAS, GIBBONS, OHRENSCHALL, VON TOBEL, MANENDO, BUCKLEY, BACHE, PARNELL, WILLIAMS, ANDERSON, FREEMAN, KOIVISTO, MCCLAIN, ANGLE, GUSTAVSON, CLABORN, MORTENSON, HUMKE, LEE, CARPENTER, COLLINS, BERMAN, TIFFANY AND NEIGHBORS

MARCH 11, 1999

Referred to Concurrent Committees on Health and
Human Services and Ways and Means

SUMMARY—Creates trust fund for public health. (BDR 40-1207)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: No.

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

AN ACT relating to public health; creating the trust fund for public health; 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 439 of NRS is hereby amended by adding thereto
2 the provisions set forth as sections 2 to 5, inclusive, of this act.
3 **Sec. 2. 1. *The trust fund for public health is hereby created in the***
4 ***state treasury. Upon receipt of any money distributed to the State of***
5 ***Nevada as a result of settlement agreements in November 1998 with***
6 ***tobacco companies, the state treasurer shall deposit an amount equal to***
7 ***10 percent of the money so received into the trust fund for public health.***
8 **2. The state treasurer shall administer the trust fund. As**
9 **administrator of the trust fund, the state treasurer:**
10 **(a) Shall maintain the financial records of the trust fund;**
11 **(b) Shall invest the money in the trust fund in accordance with the**
12 ***policies for investment established pursuant to section 3 of this act;***

1 (c) Shall manage any account associated with the trust fund;
2 (d) Shall maintain any instruments that evidence investments made
3 with the money in the trust fund;

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

6 (f) May perform any other duties necessary to administer the trust
7 fund.

8 3. The interest and income earned on the money in the trust fund
9 must, after deducting any applicable charges, be credited to the fund and
10 accounted for separately. All claims against the fund must be paid as
11 other claims against the state are paid.

12 4. Only the interest and income earned on the money in the trust
13 fund may be expended. Such expenditures may only be made for:

14 (a) Grants made pursuant to section 5 of this act for:

15 (1) The promotion of public health and programs for the prevention
16 of disease or illness;

17 (2) Research on issues related to public health; and

18 (3) Direct health care services for children and elderly persons;

19 (b) Expenses related to the operation of the board of trustees of the
20 trust fund; and

21 (c) Actual costs incurred by the health division for providing
22 administrative assistance to the board.

23 5. The money in the trust fund remains in the fund and does not
24 revert to the state general fund at the end of any fiscal year.

25 **Sec. 3. 1.** The state board of finance shall create and adopt a
26 comprehensive plan that specifies the policies for investment of the trust
27 fund for public health. The comprehensive plan must include
28 authorization for the state treasurer to invest the money in the trust fund
29 in a prudent manner.

30 2. In carrying out the authorized investments, the state treasurer
31 shall exercise the judgment and care, under the circumstances then
32 prevailing, which a person of prudence, discretion and intelligence
33 exercises in the management of his own affairs, not in regard to
34 speculation, but in regard to the investment of his own money
35 considering the probable income as well as the probable safety of his
36 capital.

37 3. At least once every 4 months, the state board of finance shall
38 review and approve or disapprove the investments made by the state
39 treasurer of the money in the trust fund.

40 **Sec. 4. 1.** The board of trustees of the trust fund for public health
41 is hereby created.

42 2. The board consists of 11 members composed of:

- 1 (a) *The administrator or his designee.*
- 2 (b) *The state health officer or his designee.*
- 3 (c) *The chairman of the Nevada commission on aging or his designee.*
- 4 (d) *The chairman of the state board of health or his designee.*
- 5 (e) *The chairman of the advisory board on maternal and child health*
- 6 *or his designee.*
- 7 (f) *The superintendent of public instruction or his designee.*
- 8 (g) *The county health officers of the two most populous counties in*
- 9 *this state.*
- 10 (h) *One member appointed by the Nevada Association of Counties, or*
- 11 *its successor, who serves as a county health officer in a rural area of this*
- 12 *state.*
- 13 (i) *A representative of the University of Nevada School of Medicine.*
- 14 (j) *One member appointed by the governor who possesses knowledge,*
- 15 *skill and experience in the field of managed care.*
- 16 3. *The term of a member of the board who is appointed pursuant to*
- 17 *paragraph (h), (i) or (j) of subsection 2 is 4 years.*
- 18 4. *The board shall annually elect a chairman from among its*
- 19 *members. The board shall meet at least quarterly. A majority of the*
- 20 *members constitutes a quorum, and a majority of those present must*
- 21 *concur in any decision.*
- 22 5. *Each member of the board serves without compensation. While*
- 23 *engaged in the business of the board, each member is entitled to receive*
- 24 *the per diem allowance and travel expenses provided for state officers*
- 25 *and employees generally. The per diem allowance and travel expenses of:*
- 26 (a) *A member of the board who is an officer or employee of this state*
- 27 *or a local government thereof must be paid by the state agency or the*
- 28 *local government.*
- 29 (b) *Any other member of the board must be paid from the interest and*
- 30 *income earned on the money in the trust fund.*
- 31 6. *The health division shall provide such administrative assistance to*
- 32 *the board as is required to carry out the duties of the board.*
- 33 **Sec. 5. 1. The board of trustees shall:**
- 34 (a) *In accordance with the provisions set forth in subsection 4 of*
- 35 *section 2 of this act, develop policies and procedures for the distribution*
- 36 *of the interest and income earned on the money in the trust fund for*
- 37 *public health.*
- 38 (b) *After deducting authorized expenses, annually grant an amount*
- 39 *equal to the interest and income earned on the money in the trust fund*
- 40 *for public health.*
- 41 (c) *Develop requests for proposals for grants and disseminate*
- 42 *information about the related grant program.*

- 1 *(d) Publish an annual report of the activities of the board and the*
2 *grants made by the board. A copy of each such report must be*
3 *transmitted to the governor and to the director of the legislative counsel*
4 *bureau for transmittal to the legislature.*
- 5 *2. The board may take such other actions as are necessary to carry*
6 *out its duties and the provisions of sections 2 to 5, inclusive, of this act.*

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