

ASSEMBLY BILL NO. 278—ASSEMBLYMEN ANDERSON, PARNELL;
AIZLEY, ATKINSON, BOBZIEN, CARPENTER, CHRISTENSEN,
DENIS, DONDERO LOOP, GANSERT, GOEDHART,
GOICOECHEA, GRADY, GUSTAVSON, HAMBRICK, HORNE,
KIHUEN, KIRKPATRICK, LESLIE, MANENDO, MCARTHUR,
MCCLAIN, MORTENSON, MUNFORD, OCEGUERA,
OHRENSCHALL, SEGERBLOM, SMITH AND SPIEGEL

MARCH 10, 2009

Referred to Committee on Government Affairs

SUMMARY—Revises provisions relating to the Public Employees’
Benefits Program. (BDR 23-601)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.
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 the Public Employees’ Benefits Program;
requiring a local governmental agency that participates in
the Program to provide certain written notification before
withdrawing from the Program; and providing other
matters properly relating thereto.

Legislative Counsel’s Digest:

1 Under existing law, a local governmental agency is authorized to contract with
2 the Public Employees’ Benefits Program to provide health insurance for the
3 agency’s officers and employees and their dependents. (NRS 287.025) The Board
4 of the Public Employees’ Benefits Program is authorized under existing law to
5 adopt regulations that establish the conditions for entry and reentry into and exit
6 from the Program by a local governmental agency. (NRS 287.043) Under existing
7 regulation, a local governmental agency that wishes to withdraw from the Program
8 is required to provide a minimum of 60 days’ notice to the Program of its intention
9 to withdraw. (NAC 287.320)

10 This bill requires a local governmental agency that wishes to withdraw from the
11 Program to provide written notice to the Program and the agency’s active and
12 retired officers and employees at least 120 days before the agency intends to
13 terminate the contract. This bill also provides that the effective date of the
14 withdrawal of the agency from the Program is the first day of the month that
15 immediately follows the date of intended withdrawal, which must be at least 120
16 days after receipt by the Program of the withdrawal notice. In addition, this bill
17 provides that after the effective date of the withdrawal of an agency from the



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Program, the Program is not liable for any expense incurred or claim made by an active or retired officer or employee of the withdrawing agency, except a retired officer or employee who was enrolled in the Program on November 30, 2008, and who subsequently maintained continuous coverage under the Program (section 15 of chapter 496, Statutes of Nevada 2007, p. 2882).

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

Section 1. Chapter 287 of NRS is hereby amended by adding thereto a new section to read as follows:

1. The governing body of a participating local governmental agency which intends to terminate a contract into which it entered pursuant to paragraph (a) of subsection 1 of NRS 287.025 and withdraw from the Program must furnish written notice of its intention to withdraw to:

(a) The Program;

(b) Each officer or employee of the participating local governmental agency; and

(c) Each person who has retired from the service of the participating local governmental agency and who participates in the Program,

↪ at least 120 days before the date on which it intends to withdraw from the Program.

2. The effective date of the withdrawal of a participating local governmental agency from the Program is the first day of the month that immediately follows the date on which the participating local governmental agency intends to withdraw, which must be at least 120 days after receipt by the Program pursuant to subsection 1 of notice from the participating local governmental agency of its intention to withdraw from the Program.

3. The Program is not liable for any expense incurred or claim made after the effective date of the withdrawal of a participating local governmental agency from the Program by an active or retired officer or employee, or any dependents thereof, of the local governmental agency, except for the expenses incurred and claims made by a retired officer or employee of the local governmental agency who was enrolled in the Program pursuant to NRS 287.023 on November 30, 2008, and who has subsequently maintained continuous coverage under the Program.

Sec. 2. NRS 287.0402 is hereby amended to read as follows:

287.0402 As used in NRS 287.0402 to 287.049, inclusive, *and section 1 of this act*, unless the context otherwise requires, the



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- 1 words and terms defined in NRS 287.0404 to 287.04064, inclusive,
- 2 have the meanings ascribed to them in those sections.
- 3 **Sec. 3.** This act becomes effective on July 1, 2009.

