

ASSEMBLY BILL NO. 362—ASSEMBLYWOMAN BENITEZ-THOMPSON

MARCH 22, 2021

Referred to Committee on Government Affairs

SUMMARY—Revises provisions relating to the Nevada Higher Education Prepaid Tuition Trust Fund. (BDR 31-980)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

~

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

AN ACT relating to education; requiring the Board of Trustees of the College Savings Plans of Nevada to adopt a policy relating to certain excess money in the Nevada Higher Education Prepaid Tuition Trust Fund; revising provisions governing the use of the money in the Trust Fund; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law creates the Board of Trustees of the College Savings Plans of Nevada to, among other things, oversee the Nevada Higher Education Prepaid Tuition Program. (NRS 353B.005, 353B.010-353B.190) Existing law requires the Board to develop and maintain the Program for the prepayment of the tuition of the beneficiary of a prepaid tuition contract at an eligible in-state or out-of-state public or private university, college or community college. (NRS 353B.090) Existing law also creates the Nevada Higher Education Prepaid Tuition Trust Fund for the deposit of payments under prepaid tuition contracts and other sources of money for the Program. (NRS 353B.140) Existing law requires the State Treasurer to: (1) administer the Trust Fund; and (2) invest the property in the Trust Fund pursuant to the investment policies adopted by the Board. (NRS 353B.150, 353B.160)

Section 1 of this bill requires the Board to adopt and, as necessary, revise a policy for the use of any money in the Trust Fund that is in excess of the amount of money determined by the Board to be required to establish a guaranteed rate for tuition under a prepaid tuition contract. **Section 2** of this bill makes a conforming change to indicate the proper placement of **section 1** in the Nevada Revised Statutes. **Section 3** of this bill authorizes the use of money in the Trust Fund for the payment of qualified higher education expenses for qualified beneficiaries under the Program in accordance with the policy adopted pursuant to **section 1**.



* A B 3 6 2 *

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

Section 1. Chapter 353B of NRS is hereby amended by adding thereto a new section to read as follows:

1. The Board shall adopt and, as necessary, revise a policy for the use of any money in the Trust Fund that is in excess of the amount of money determined by the Board to be required to establish a guaranteed rate for tuition under a prepaid tuition contract.

2. In adopting and revising the policy pursuant to subsection 1, the Board must consider, without limitation, the short-term and long-term financial viability of the Program developed pursuant to NRS 353B.090, including, without limitation, the projected future costs of prepaid tuition contracts.

Sec. 2. NRS 353B.010 is hereby amended to read as follows:
353B.010 As used in NRS 353B.010 to 353B.190, inclusive, *and section 1 of this act*, unless the context otherwise requires, the words and terms defined in NRS 353B.030 to 353B.070, inclusive, have the meanings ascribed to them in those sections.

Sec. 3. NRS 353B.140 is hereby amended to read as follows:
353B.140 1. The Nevada Higher Education Prepaid Tuition Trust Fund is hereby created within the State Treasury to allow ~~the~~ :

(a) The cost of tuition to be paid in advance of enrollment at an institution of higher education ~~is~~; and

(b) The payment of qualified higher education expenses for qualified beneficiaries in accordance with the policy adopted pursuant to section 1 of this act.

2. The Trust Fund consists of payments received pursuant to:

(a) A prepaid tuition contract;
(b) A bequest, endowment or grant from the Federal Government;

(c) A matching contribution made as described in NRS 363A.137 or 363B.117;

(d) A loan made to the Trust Fund for purposes of the fiscal stabilization of the Nevada Higher Education Prepaid Tuition Program; or

(e) Any other public or private source of money.

3. Money in the Trust Fund that is not expended during any biennium does not revert to the State General Fund at any time.

4. As used in this section, "qualified higher education expenses" has the meaning ascribed to it in 26 U.S.C. § 529.



1 **Sec. 4.** This act becomes effective on July 1, 2021.

