

ASSEMBLY BILL NO. 385—ASSEMBLYWOMEN BENITEZ-THOMPSON  
AND BRITTNEY MILLER

MARCH 23, 2021

Referred to Committee on Government Affairs

SUMMARY—Revises provisions relating to compensation received  
by public officers and employees. (BDR 23-52)

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 public employment; prohibiting officers and employees of certain public bodies from receiving certain payments or benefits upon termination of employment; establishing the maximum allowed salaries for officers and employees of certain public bodies; including merit-based salary increases and allowances for transportation in the calculation of such an officer or employee's salary for certain purposes; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

**Section 1** of this bill provides that, upon the termination of the employment of an officer or employee of a public body, except an officer or employee of the Nevada System of Higher Education, the person must not receive from the employer any: (1) wages in lieu of notice or administrative leave; (2) salary, benefits or equivalent compensation, including severance pay; (3) bonus; or (4) other form of payment.

Existing law provides that the salary of certain state employees must not exceed 95 percent of the salary for the Office of Governor. (NRS 281.123) **Section 2** of this bill provides that the salary of an officer or employee of a public body whose salary is not subject to this limitation, except an officer or employee of the Nevada System of Higher Education, must not exceed 150 percent of the salary for the Office of Governor. **Section 2** also revises the definition of the term "salary" for purposes of these limitations to include any: (1) increases in salary based on merit, including bonuses; and (2) allowance for transportation.

For the purposes of this bill, the term "public body" has the same meaning as in the Open Meeting Law. (NRS 241.015)



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

**Section 1.** Chapter 281 of NRS is hereby amended by adding thereto a new section to read as follows:

*1. Except as otherwise provided in this section, upon the termination of the employment of an officer or employee of a public body, the person must not receive from the employer any:*

*(a) Wages in lieu of notice or administrative leave;*

*(b) Salary, benefits or equivalent compensation, including, without limitation, severance pay;*

*(c) Bonus; or*

*(d) Other form of payment.*

*2. Upon the termination of the employment of an officer or employee of a public body, the person:*

*(a) Must be paid for any portion of accumulated annual leave and compensatory time and unused sick leave authorized by law.*

*(b) Remains entitled to any pension or retirement benefit provided by the Public Employees' Retirement System or other retirement or pension program of which he or she is a member.*

*3. Nothing in this section shall be construed to limit or prohibit a person from:*

*(a) Receiving compensation for past services upon his or her termination;*

*(b) Bringing any cause of action for wrongful or unlawful acts committed against the person relating to his or her employment or termination; or*

*(c) Accepting any legal or equitable relief awarded or recovered for wrongful or unlawful acts committed against the person relating to his or her employment or termination.*

*4. The provisions of this section do not apply to officers and employees of the Nevada System of Higher Education.*

*5. As used in this section, "public body" has the meaning ascribed to it in NRS 241.015.*

**Sec. 2.** NRS 281.123 is hereby amended to read as follows:

281.123 1. Except as otherwise provided in subsection ~~1~~ 5 or NRS 281.1233, or as authorized by statute referring specifically to that position, the salary of a person employed by the State or any agency of the State must not exceed 95 percent of the salary for the office of Governor during the same period.

2. *The salary of an officer or employee of a public body whose salary is not subject to the limitations prescribed in subsection 1 must not exceed 150 percent of the salary for the Office of Governor during the same period.*



3. A person whose salary is subject to the limitations prescribed in this section:

(a) Is entitled to receive a salary, any pension or retirement benefit provided by the Public Employees' Retirement System or other retirement or pension system of which he or she is a member and any health care benefits provided by his or her employer; and

(b) Must not receive any other salary or benefit for services provided.

4. As used in ~~subsection 1, the~~ this section;

(a) "Public body" has the meaning ascribed to it in NRS 241.015.

(b) The term "salary":

~~[(a)]~~ (I) Includes any:

~~[(1)]~~ (I) Payment received by an employee for being available to work although the employee was not actually required to perform the work;

~~[(2)]~~ (II) Increase in salary provided to compensate for a rise in the cost of living; ~~and~~

~~—[(3)]~~ (III) Increase in salary based on merit, including, without limitation, bonuses;

(IV) Payment received as compensation for purportedly performing additional duties ~~[(1)]~~; and

(V) Allowance for transportation provided to the officer or employee pursuant to NRS 281.160.

~~[(b)]~~ (2) Excludes any:

~~[(1)]~~ (I) Payment received as compensation for overtime even if that payment is otherwise authorized by law; and

~~[(2)]~~ (II) Rent or utilities supplied to an employee if the employee is required by statute or regulation to live in a particular dwelling.

~~[(3)]~~ 5. The provisions of ~~subsection 1~~ this section do not apply to the salaries of:

(a) Dentists and physicians employed full-time by the State; or

(b) Officers and employees of the Nevada System of Higher Education.

Sec. 3. The amendatory provisions of sections 1 and 2 of this act do not apply to a contract entered into before October 1, 2021, but do apply to any renewal or extension of such a contract.

