

ASSEMBLY BILL NO. 3—ASSEMBLYMAN KIRNER

PREFILED DECEMBER 19, 2014

Referred to Committee on Government Affairs

SUMMARY—Revises provisions governing the Public Employees’ Retirement Board. (BDR 23-185)

FISCAL NOTE: Effect on Local Government: No.
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’ Retirement Board; revising provisions governing the size and composition of the Board; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law requires the Public Employees’ Retirement System to be governed
2 by the Public Employees’ Retirement Board, consisting of seven persons appointed
3 by the Governor. (NRS 286.120) **Section 1** of this bill increases the size of the
4 Board to nine persons. Existing law requires one member of the Board to be a
5 person who: (1) is an employee of the State of Nevada or its political subdivisions
6 with at least 10 years of service; (2) is serving in a position at least equivalent to the
7 manager of a department or division; (3) is not an elected officer of the State of
8 Nevada or its political subdivisions; and (4) is an active member of the System.
9 (NRS 286.130) **Section 2** of this bill removes this requirement and instead requires
10 three members of the Board to be persons who: (1) have specified experience
11 relating to the design or management of retirement plans; (2) are not employees of
12 the State or its political subdivisions; (3) are not elected officers of the State or its
13 political subdivisions; and (4) have never been active members of the System.
14 **Section 3** of this bill provides for the continued service, during the present term, of
15 the member of the Board who was appointed pursuant to the existing provisions of
16 the statute and establishes staggered terms for the newly-appointed members.

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

1 **Section 1.** NRS 286.120 is hereby amended to read as follows:
2 286.120 1. The governing authority of the System shall be a
3 board of ~~seven~~ *nine* persons appointed by the Governor.



1 2. The name of the board shall be the Public Employees'
2 Retirement Board.

3 3. The Governor shall review periodically the broad
4 administrative policies and performance standards as they are being
5 administered by the Board.

6 4. The Governor may remove and replace any Board member
7 for cause shown.

8 **Sec. 2.** NRS 286.130 is hereby amended to read as follows:

9 286.130 1. Three members of the Board must be persons
10 who:

11 (a) Have had at least 10 years of service as employees of the
12 State of Nevada or its political subdivisions;

13 (b) Are not elected officers of the State of Nevada or its political
14 subdivisions;

15 (c) Are active members of the System; and

16 (d) Are appointed from written nominations submitted by the
17 following groups:

18 (1) Employees of the State and the Nevada System of Higher
19 Education;

20 (2) The academic staff of school districts;

21 (3) Employees of cities, excluding Carson City;

22 (4) Employees of counties, including Carson City and
23 excluding employees of county hospitals;

24 (5) Employees of county hospitals, public utilities, power
25 districts, sanitation districts, classified school employees and
26 employees of other districts as determined by the Board; and

27 (6) Employees whose current positions entitle them to
28 participate in the Police and Firefighters' Retirement Fund.

29 ↪ Each nominee must be a member of the group or organization
30 that is nominating the nominee.

31 2. Two members of the Board must be persons who:

32 (a) Have had at least 10 years of service as employees of the
33 State of Nevada or its political subdivisions;

34 (b) Are not elected officers of the State of Nevada or its political
35 subdivisions;

36 (c) Are active members of the System; and

37 (d) Are appointed from written nominations submitted by the
38 following groups:

39 (1) Administrators of school districts or members of boards
40 of trustees of school districts; and

41 (2) Members of boards of county commissioners or the
42 governing bodies of cities or administrators of counties or cities.

43 3. ~~{One member}~~ *Three members* of the Board must be ~~{a~~
44 ~~person}~~ *persons* who:



1 (a) ~~Is an employee~~ *Have demonstrated experience in the*
2 *design or management of retirement plans, accounting for such*
3 *plans or the application of actuarial principles to such plans, or*
4 *any combination of these;*

5 (b) *Are not employees* of the State of Nevada or its political
6 subdivisions ; ~~with at least 10 years of service;~~

7 ~~—(b) Is serving in a position at least equivalent to the manager of~~
8 ~~a department or division;]~~

9 (c) ~~Is~~ *Are* not ~~an~~ elected ~~officer~~ *officers* of the State of
10 Nevada or its political subdivisions; and

11 (d) ~~Is an~~ *Have never been* active ~~member~~ *members* of the
12 System.

13 4. One member of the board must be a person who:

14 (a) Has had at least 10 years of service as an employee of the
15 State of Nevada or its political subdivisions;

16 (b) Is not an elected officer of the State of Nevada or its political
17 subdivisions; and

18 (c) Is receiving an allowance for service or disability retirement
19 pursuant to this chapter.

20 5. A member of the Board shall serve for 4 years, so long
21 as the member has the qualifications required by this section, and
22 until the member's successor is appointed and takes office. A
23 member of the Board who no longer has the qualifications specified
24 in the subsection under which the member was appointed may serve
25 the remainder of the member's term if the member loses those
26 qualifications in the final 24 months of the member's term.

27 **Sec. 3.** 1. Notwithstanding the provisions of subsection 3 of
28 NRS 286.130, as amended by section 2 of this act, the term of the
29 member of the Public Employees' Retirement Board who:

30 (a) Was appointed to a term beginning on July 1, 2013, pursuant
31 to subsection 3 of NRS 286.130, as it existed on that date; and

32 (b) Is serving on July 1, 2015,
33 ↪ expires on June 30, 2017. That member must be succeeded by a
34 member appointed pursuant to subsection 3 of NRS 286.130, as
35 amended by section 2 of this act.

36 2. As soon as practicable on or after July 1, 2015, the Governor
37 shall appoint to the Public Employees' Retirement Board two of the
38 members required to be appointed pursuant to subsection 3 of NRS
39 286.130, as amended by section 2 of this act. The Governor shall
40 designate one such member to serve until June 30, 2018, and the
41 other until June 30, 2019.

42 **Sec. 4.** This act becomes effective on July 1, 2015.

