

SENATE BILL NO. 1—COMMITTEE OF THE WHOLE

DECEMBER 8, 2008

Referred to Committee of the Whole

SUMMARY—Temporarily revises the provisions governing the disposition of revenue received by the State from the lease of federal lands. (BDR 26-12)

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 state financial administration; temporarily revising the provisions governing the disposition of revenue received by the State from the lease of federal lands; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Under existing law, the first \$7 million received by the State of Nevada in each fiscal year pursuant to 30 U.S.C. § 191 (section 35 of the Mineral Leasing Act of 1920, as amended) is required to be deposited in the State Distributive School Account (NRS 387.030), and any amount in excess of that threshold is required to be deposited in the Account for Revenue from the Lease of Federal Lands for distribution predominantly to the counties from which certain fuels, minerals and geothermal resources are extracted. (NRS 328.450-328.470) Existing federal law provides that the money received by states pursuant to the provisions of the Mineral Leasing Act of 1920 must be used by the "State and its subdivisions, as the legislature of the State may direct giving priority to those subdivisions of the State socially or economically impacted by development of minerals leased under [Chapter 3A of Title 30 of the United States Code], for (i) planning, (ii) construction and maintenance of public facilities, and (iii) provision of public service." (30 U.S.C. § 191(a))

For the entire period of Fiscal Year 2008-2009, this bill: (1) abolishes the Account for Revenue from the Lease of Federal Lands; (2) requires that all money received by the State pursuant to 30 U.S.C. § 191 be deposited in the State Distributive School Account; (3) provides for the transfer from the Account for Revenue from the Lease of Federal Lands to the State Distributive School Account any money that is in the Account for Revenue from the Lease of Federal Lands on the date on which this bill is enacted; and (4) requires that the money received by the State pursuant to 30 U.S.C. § 191 be used in a manner consistent with the applicable provisions of federal law. This bill sunsets on June 30, 2009, and



* S B 1 *

24 therefore any money received by the State pursuant to 30 U.S.C. § 191 for Fiscal
25 Year 2009-2010 and subsequent fiscal years will be disposed of in the manner
26 required before July 1, 2008.

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

1 **Section 1.** NRS 328.450 is hereby amended to read as follows:
2 328.450 1. The State Treasurer shall deposit in the State
3 Distributive School Account in the State General Fund money
4 received in each fiscal year pursuant to 30 U.S.C. § 191 . ~~in an~~
5 ~~amount not to exceed \$7,000,000.~~

6 ~~2. Any amount received in a fiscal year by the State Treasurer~~
7 ~~pursuant to 30 U.S.C. § 191 in excess of \$7,000,000 must be~~
8 ~~deposited in the Account for Revenue from the Lease of Federal~~
9 ~~Lands, which is hereby created.~~

10 ~~3. The interest and income earned on the money in the~~
11 ~~Account, after deducting any applicable charges, must be credited to~~
12 ~~the Account.]~~

13 **2. The money deposited in the State Distributive School**
14 **Account pursuant to subsection 1 must be used in a manner**
15 **consistent with the applicable provisions of federal law.**

16 **Sec. 2.** NRS 328.460 and 328.470 are hereby repealed.

17 **Sec. 3.** As soon as practicable after the effective date of this
18 act, at the time the Account for Revenue from the Lease of Federal
19 Lands is abolished, the State Treasurer shall ensure that any money
20 in the Account for Revenue from the Lease of Federal Lands is
21 transferred to the State Distributive School Account in the State
22 General Fund.

23 **Sec. 4.** This act becomes effective upon passage and approval
24 and applies retroactively from and after July 1, 2008, and expires by
25 limitation on June 30, 2009.

TEXT OF REPEALED SECTIONS

328.460 Account for Revenue from Lease of Federal Lands:
Apportionment of money by State Controller. The State
Controller shall apportion money in the Account for Revenue from
the Lease of Federal Lands as follows:

1. Twenty-five percent to the State Distributive School
Account in the State General Fund.



2. Seventy-five percent to the counties from which the fuels, minerals and geothermal resources are extracted. Of the amount received by each county, one-fourth must be distributed to the school district in that county.

328.470 Account for Revenue from Lease of Federal Lands: Money payable to counties.

1. The State Controller shall ascertain from the reports received by the State Treasurer the portion of money in the Account for Revenue from the Lease of Federal Lands attributable to activities in each county and apportion the money payable to counties accordingly.

2. All money received:

(a) By the County Treasurer pursuant to this section must be deposited in the general fund of the county or the county school district fund, as the case may be; and

(b) By a county or school district must be used for:

- (1) Construction and maintenance of roads and other public facilities;
- (2) Public services; and
- (3) Planning.

