

SENATE BILL NO. 377—COMMITTEE ON FINANCE

(ON BEHALF OF NYE COUNTY)

MARCH 28, 2005

Referred to Committee on Finance

SUMMARY—Revises distribution of federal money received by State of Nevada from lease of federal lands. (BDR 26-318)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.
Effect on the State: Yes.

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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 state financial administration; revising the distribution of federal money received by the State of Nevada from the lease of federal lands; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Under federal law, the Federal Government is required to pay a percentage of the money that it receives for the development of minerals on federal lands to each state where those federal lands are located. (30 U.S.C. § 191) Under existing law, the first \$7 million of such money that the State of Nevada receives from the Federal Government in a fiscal year is deposited in the State Distributive School Account in the State General Fund. (NRS 328.450) Any such money received in a fiscal year in excess of \$7 million is deposited in the Account for Revenue from the Lease of Federal Lands, where 25 percent is allocated to the State Distributive School Account and 75 percent to counties from which the fuels, minerals and geothermal resources are extracted, with one-quarter of that amount earmarked for school districts in the county. (NRS 328.450, 328.460) Existing law specifies the uses for which money from the Account for Revenue from the Lease of Federal Lands may be used. (NRS 328.470)

This bill requires that all money received by the State of Nevada from the Federal Government for the development of minerals on federal land in Nevada be deposited in the Account for Revenue from the Lease of Federal Lands. This bill also changes the allocation of the money in that Account by providing that 75 percent of the money in the Account must be allocated to the counties from which the fuels, minerals and geothermal resources are extracted and 25 percent of the money in the Account must be allocated to the school districts in those counties.



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.}~~ 2. 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 **Sec. 2.** NRS 328.460 is hereby amended to read as follows:
14 328.460 The State Controller shall apportion money in the
15 Account for Revenue from the Lease of Federal Lands as follows:
16 1. ~~{Twenty five percent to the State Distributive School~~
17 ~~Account in the State General Fund. 2.}~~ Seventy-five percent to the
18 counties from which the fuels, minerals and geothermal resources
19 are extracted. ~~{Of the amount received by each county, one-fourth~~
20 ~~must be distributed to the school district in that county.}~~
21 2. *Twenty-five percent to the school districts in the counties*
22 *from which the fuels, minerals and geothermal resources are*
23 *extracted.*
24 **Sec. 3.** This act becomes effective on July 1, 2005.

