

ASSEMBLY BILL NO. 291—ASSEMBLYMAN GOICOECHEA

MARCH 13, 2007

Referred to Committee on Government Affairs

SUMMARY—Revises provisions governing the use of money deposited in a fund established to stabilize the operation of a school district. (BDR 31-189)

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 local financial administration; expanding the purposes for which, in certain smaller counties, money may be expended from a school district fund established to stabilize the operation of the school district; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

1 Existing law provides for each county to receive a portion of the proceeds of an
2 ad valorem tax levied against mining operations in that county and for each county
3 treasurer to apportion certain amounts of those proceeds to each local government
4 or other local entity. (NRS 362.170) Existing law also authorizes each school
5 district that receives a portion of those proceeds to set aside a portion of the amount
6 received for a fund to mitigate the adverse effects upon the school district that
7 result from a decline in revenues from the tax on mining operations or the opening
8 or closing of a mining operation in the county. (NRS 362.171) This bill expands
9 those purposes to authorize school districts in counties with a population of less
10 than 15,000 (currently White Pine, Pershing, Lander, Mineral, Lincoln, Storey,
11 Eureka and Esmeralda Counties) to use the money to retire outstanding debt and, if
12 available revenues are below a certain amount, to use the money in the fund as the
13 school district determines is necessary.



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

Section 1. Chapter 354 of NRS is hereby amended by adding thereto a new section to read as follows:

1. Each school district to which money is apportioned by a county pursuant to subsection 2 of NRS 362.170 may set aside a percentage of the amount apportioned to establish a school district fund for mitigation. Except as otherwise provided in subsection 2, money from the fund may be used by the school district only to mitigate adverse effects upon the school district which result from:

(a) A decline in the revenue received by the school district from the tax on the net proceeds of minerals during the 2 fiscal years immediately preceding the current fiscal year; or

(b) The opening or closing of an extractive operation from the net proceeds of which revenue has been or is reasonably expected to be derived pursuant to chapter 362 of NRS.

2. A school district in a county whose population is less than 15,000 may:

(a) Use money from the fund to retire bonds issued by the school district or any other outstanding obligations of the school district.

(b) If the revenues available to the school district for the current fiscal year are less than 90 percent of the revenues available to the school district for the immediately preceding fiscal year, expend such money in the fund created pursuant to subsection 1 as the board of trustees of the school district determines is necessary.

Sec. 2. NRS 362.171 is hereby amended to read as follows:

362.171 ~~1-1~~ Each county to which money is appropriated by subsection 1 of NRS 362.170 may set aside a percentage of that appropriation to establish a county fund for mitigation. Money from the fund may be appropriated by the board of county commissioners only to mitigate adverse effects upon the county, or the school district located in the county, which result from:

~~1(a)~~ **1.** A decline in the revenue received by the county from the tax on the net proceeds of minerals during the 2 fiscal years immediately preceding the current fiscal year; or

~~1(b)~~ **2.** The opening or closing of an extractive operation from the net proceeds of which revenue has been or is reasonably expected to be derived pursuant to this chapter.

~~12. Each school district to which money is apportioned by a county pursuant to subsection 2 of NRS 362.170 may set aside a percentage of the amount apportioned to establish a school district fund for mitigation. Money from the fund may be used by the school~~



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- 1 ~~district only to mitigate adverse effects upon the school district~~
- 2 ~~which result from:~~
- 3 ~~—(a) A decline in the revenue received by the school district from~~
- 4 ~~the tax on the net proceeds of minerals during the 2 fiscal years~~
- 5 ~~immediately preceding the current fiscal year; or~~
- 6 ~~—(b) The opening or closing of an extractive operation from the~~
- 7 ~~net proceeds of which revenue has been or is reasonably expected to~~
- 8 ~~be derived pursuant to this chapter.]~~

Sec. 3. This act becomes effective on July 1, 2007.

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