

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 5,000 (currently Lincoln, Storey, Eureka and Esmeralda Counties) to use the
11 money in the fund for certain specified purposes.

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

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

3 ***1. Each school district to which money is apportioned by a***
4 ***county pursuant to subsection 2 of NRS 362.170 may set aside a***
5 ***percentage of the amount apportioned to establish a school district***



1 *fund for mitigation. Except as otherwise provided in subsection 2,*
2 *money from the fund may be used by the school district only to*
3 *mitigate adverse effects upon the school district which result from:*

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

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

10 2. *A school district in a county whose population is less than*
11 *5,000 may, if the revenues available to the school district for the*
12 *current fiscal year are less than 90 percent of the revenues*
13 *available to the school district for the immediately preceding fiscal*
14 *year, expend such money in the fund created pursuant to*
15 *subsection 1 to continue the district's instructional programs or*
16 *those services and activities necessary to support the district's*
17 *instructional programs which would otherwise be reduced or*
18 *eliminated if not for the provisions of this section.*

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

20 362.171 ~~1.1~~ Each county to which money is appropriated by
21 subsection 1 of NRS 362.170 may set aside a percentage of that
22 appropriation to establish a county fund for mitigation. Money from
23 the fund may be appropriated by the board of county commissioners
24 only to mitigate adverse effects upon the county, or the school
25 district located in the county, which result from:

26 ~~1.1~~ 1. A decline in the revenue received by the county from
27 the tax on the net proceeds of minerals during the 2 fiscal years
28 immediately preceding the current fiscal year; or

29 ~~1.2~~ 2. The opening or closing of an extractive operation from
30 the net proceeds of which revenue has been or is reasonably
31 expected to be derived pursuant to this chapter.

32 ~~2. Each school district to which money is apportioned by a~~
33 ~~county pursuant to subsection 2 of NRS 362.170 may set aside a~~
34 ~~percentage of the amount apportioned to establish a school district~~
35 ~~fund for mitigation. Money from the fund may be used by the school~~
36 ~~district only to mitigate adverse effects upon the school district~~
37 ~~which result from:~~

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

41 ~~—(b) The opening or closing of an extractive operation from the~~
42 ~~net proceeds of which revenue has been or is reasonably expected to~~
43 ~~be derived pursuant to this chapter.]~~



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

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