

SENATE BILL NO. 539—COMMITTEE ON NATURAL RESOURCES

(ON BEHALF OF NYE COUNTY)

MARCH 26, 2007

Referred to Committee on Finance

SUMMARY—Revises the distribution of federal money received by the State of Nevada from mineral leases on federal lands in this State. (BDR 26-316)

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 mineral leases on federal lands in this State; 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 from the lease of federal lands for the development of minerals to each state in which those federal lands are located. Federal law requires that states and their subdivisions receiving such money use the money for planning, construction and maintenance of public facilities and the provision of public service. Federal law also requires that in distributing and using such money, states give priority to those subdivisions of the state which are socially or economically impacted by mineral leases on federal lands in the state. (30 U.S.C. § 191)

Existing state law provides for the distribution and use of the money that the State of Nevada receives from the Federal Government from mineral leases on federal lands in Nevada. (NRS 328.450-328.470) The first \$7 million of such money received 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 the 75 percent earmarked for school districts in the county. (NRS 328.450, 328.460) Existing law prescribes the uses for which money from the Account for Revenue from the Lease of Federal Lands may be expended by the counties and school districts. (NRS 328.470)

This bill restricts the distribution of the money received by the State of Nevada from the Federal Government for mineral leases on federal lands in Nevada to



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subdivisions of the State that are socially or economically impacted by those mineral leases. Thus, this bill provides that all money in the Account for Revenue from the Lease of Federal Lands must be distributed to the counties from which the fuels, minerals and geothermal resources are extracted, with one-quarter of that amount earmarked for the school districts in those counties.

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

Section 1. NRS 328.450 is hereby amended to read as follows:

328.450 1. The State Treasurer shall deposit ~~{in the State Distributive School Account in the State General Fund}~~ money received in each fiscal year pursuant to 30 U.S.C. § 191 in ~~{an amount not to exceed \$7,000,000.~~

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

~~{3.}~~ 2. The interest and income earned on the money in the Account, after deducting any applicable charges, must be credited to the Account.

3. Money in the Account must be distributed 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.

Sec. 2. NRS 328.460 is hereby repealed.

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

TEXT OF REPEALED SECTION

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.

