

ASSEMBLY BILL NO. 303—ASSEMBLYMEN GOEDHART; CARPENTER,
CHRISTENSEN, GANSERT, GOICOECHEA, GRADY,
GUSTAVSON, HAMBRICK, HARDY, SETTELMAYER,
STEWART AND WOODBURY (BY REQUEST)

MARCH 12, 2009

JOINT SPONSORS: SENATORS LEE AND MCGINNESS

Referred to Committee on Ways and Means

SUMMARY—Revises the distribution of federal money received
by the State of Nevada from mineral leases on
federal lands in this State. (BDR 26-690)

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

~

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)

Prior to the 25th Special Session of the Nevada Legislature, existing state law provided that the first \$7 million of the money received by the State of Nevada in a fiscal year from the Federal Government for the lease of federal lands for the development of minerals was to be 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 would be deposited in the Account for Revenue from the Lease of Federal Lands, with 25 percent allocated to the State Distributive School Account and 75 percent to counties from which the fuels, minerals and geothermal resources are extracted, with one-fourth of the 75 percent earmarked for



* A B 3 0 3 *

school districts in the county. (NRS 328.450, 328.460) The law prescribed 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)

Section 1 of chapter 3, Statutes of Nevada 2008, 25th Special Session, at page 13, revised existing state law. Under that special session law, for the entire period of Fiscal Year 2008-2009: (1) the Account for Revenue from the Lease of Federal Lands is abolished; (2) all money received by the State pursuant to 30 U.S.C. § 191 must be deposited in the State Distributive School Account; (3) any money that is in the Account for Revenue from the Lease of Federal Lands as of the enactment of the law must be transferred to the State Distributive School Account; and (4) money received by the State pursuant to 30 U.S.C. § 191 must be used in a manner consistent with the applicable provisions of federal law. The special session law is scheduled to expire on June 30, 2009.

Section 2 of this bill repeals chapter 3, Statutes of Nevada 2008, 25th Special Session, effective upon passage and approval, thereby accelerating the expiration of that law.

Section 1 of this bill restricts the distribution of money received by the State of Nevada from the Federal Government for mineral leases on federal lands in Nevada to subdivisions of the State that are socially or economically impacted by these 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-fourth 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 and chapter 3, Statutes of Nevada 2008, 25th Special Session, are hereby repealed.

Sec. 3. This act becomes effective upon passage and approval.



* A B 3 0 3 *

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.

Chapter 3, Statutes of Nevada 2008, 25th Special Session, at page 13:

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

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

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

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



* A B 3 0 3 *

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

