

SENATE BILL NO. 61—COMMITTEE ON TAXATION

(ON BEHALF OF EUREKA COUNTY)

PREFILED DECEMBER 7, 2008

Referred to Committee on Taxation

SUMMARY—Revises provisions governing the authorized uses of money in a school district mitigation fund. (BDR 32-504)

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 revenue and taxation; revising provisions governing the authorized uses of money in a school district mitigation fund; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law provides that each county school district that receives a portion of
2 the money from a tax levied on the net proceeds of minerals in the county may set
3 aside a portion of the amount received to establish a fund to mitigate the adverse
4 effects resulting from a decline in revenue received from the tax during the
5 immediately preceding 2 years or from the opening or closing of an extractive
6 operation in the county. (NRS 362.170, 362.171) This bill revises provisions
7 governing the mitigation fund by removing the requirement that a decline from the
8 tax on net proceeds occur during the immediately preceding 2 years and by
9 expanding the authorized uses of money in the mitigation fund to include expenses
10 resulting from a natural disaster. This bill also expands the purposes for which
11 school districts in counties with a population of less than 5,000 (currently
12 Esmeralda, Eureka, Lincoln and Storey Counties) are authorized to use money in
13 the mitigation fund to include retiring outstanding debt and continuing certain
14 instructional programs.



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

1 **Section 1.** NRS 362.171 is hereby amended to read as follows:
2 362.171 1. Each county to which money is appropriated by
3 subsection 1 of NRS 362.170 may set aside a percentage of that
4 appropriation to establish a county fund for mitigation. Money from
5 the fund may be appropriated by the board of county commissioners
6 only to mitigate adverse effects upon the county, or the school
7 district located in the county, which result from:

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

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

14 2. Each school district to which money is apportioned by a
15 county pursuant to subsection 2 of NRS 362.170 may set aside a
16 percentage of the amount apportioned to establish a school district
17 fund for mitigation. ~~{Money}~~ *Except as otherwise provided in*
18 *subsection 3, money* from the fund may be used by the school
19 district only to mitigate adverse effects upon the school district
20 which result from:

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

24 (b) The opening or closing of an extractive operation from the
25 net proceeds of which revenue has been or is reasonably expected to
26 be derived pursuant to this chapter ~~{;}~~ *or*

27 (c) *Expenses incurred by the school district arising from a*
28 *natural disaster.*

29 3. *In addition to the authorized uses for mitigation set forth*
30 *in subsection 2, a school district in a county whose population is*
31 *less than 5,000 may, as the board of trustees of the school district*
32 *determines is necessary, use the money from the fund established*
33 *pursuant to subsection 2:*

34 (a) *To retire bonds issued by the school district or any other*
35 *outstanding obligations of the school district; and*

36 (b) *To continue the instructional programs of the school*
37 *district or the services and activities that are necessary to support*
38 *those instructional programs, which would otherwise be reduced*
39 *or eliminated if not for the provisions of this section.*

40 ↪ *Before authorizing the expenditure of money pursuant to this*
41 *subsection, the board of trustees shall hold at least one public*
42 *hearing on the matter.*



1 **Sec. 2.** This act becomes effective on July 1, 2009.

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