SENATE BILL NO. 350–SENATORS HUTCHISON AND ROBERSON

MARCH 18, 2013

Referred to Committee on Finance

SUMMARY—Revises provisions relating to the capital projects of school districts. (BDR 34-1059)

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 school districts; authorizing additional uses of money in a school district's fund for capital projects; expanding the authority of the board of trustees of a school district to issue general obligations; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law provides that the proceeds of certain taxes deposited in a school district's fund for capital projects may be pledged to the payment of bonds and other obligations issued to finance the construction of buildings for schools and other capital projects, and the purchase of furniture and equipment for schools. (NRS 387.328, 387.335) To the extent that the proceeds have not been pledged, **section 1** of this bill additionally authorizes the use of such proceeds to make payments pursuant to installment-purchase agreements or lease-purchase agreements entered into for those purposes.

Existing law enumerates the purposes for which a school district may issue its general obligations. (NRS 387.335) **Section 2** of this bill expands the list of authorized purposes to include the purchase of motor vehicles and other transportation-related equipment, and equipment used to educate pupils.

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

Section 1. NRS 387.328 is hereby amended to read as follows:

387.328 1. The board of trustees of each school district shall establish a fund for capital projects for the purposes set forth in subsection 1 of NRS 387.335. The money in the fund for capital projects may be transferred to the debt service fund to pay the cost of the school district's debt service.

2. The board of trustees may accumulate money in the fund for capital projects for a period not to exceed 20 years.

3. That portion of the governmental services tax whose allocation to the school district pursuant to NRS 482.181 is based on the amount of the property tax levy attributable to its debt service must be deposited in the county treasury to the credit of the fund established under subsection 1 or the school district's debt service fund.

4. No money in the fund for capital projects at the end of the fiscal year may revert to the county school district fund, nor may the money be a surplus for any other purpose than those specified in subsection 1.

5. The proceeds of the taxes deposited in the fund for capital projects pursuant to NRS 244.3354, 268.0962 and 375.070 may be ~~[pledged]~~ ***:***

(a) Pledged to the payment of the principal and interest on bonds or other obligations issued for one or more of the purposes set forth in NRS 387.335. The proceeds of such taxes so pledged may be treated as pledged revenues for the purposes of subsection 3 of NRS 350.020, and the board of trustees of a school district may issue bonds for those purposes in accordance with the provisions of chapter 350 of NRS.

(b) To the extent that they have not been pledged pursuant to paragraph (a), used to make payments pursuant to installment-purchase agreements or lease-purchase agreements entered into for one or more of the purposes set forth in NRS 387.335 and in accordance with the provisions of chapter 350 of NRS.

Sec. 2. NRS 387.335 is hereby amended to read as follows:

387.335 1. The board of trustees of a county school district may issue its general obligations to raise money for the following purposes, and no others:

(a) Construction, design or purchase of new buildings for schools, including, but not limited to, teacherages, dormitories, dining halls, gymnasiums and stadiums.

(b) Enlarging, remodeling or repairing existing buildings or grounds for schools, including, but not limited to, teacherages, dormitories, dining halls, gymnasiums and stadiums.

(c) Acquiring sites for building schools, or additional real property for necessary purposes related to schools, including, but not limited to, playgrounds, athletic fields and sites for stadiums.

(d) Paying expenses relating to the acquisition of school facilities which have been leased by a school district pursuant to NRS 393.080.

(e) Purchasing necessary ***motor vehicles and other equipment to be used for the transportation of pupils and*** furniture and equipment for schools ~~[.]~~ ***, including, without limitation, equipment to be used to educate pupils.*** If money from the issuance of general obligations is used to purchase ***vehicles,*** furniture and equipment to replace existing ***vehicles,*** furniture and equipment, and ~~[that]~~ ***the*** existing ***vehicles,*** furniture and equipment subsequently ~~[is]~~ ***are*** sold, the proceeds from the sale must be applied toward the retirement of those obligations.

2. Any one or more of the purposes enumerated in subsection 1 may, by order of the board of trustees entered in its minutes, be united and voted upon as one single proposition.

3. Any question submitted pursuant to this section and any question submitted pursuant to NRS 387.3285 may, by order of the board of trustees entered in its minutes, be united and voted upon as a single proposition.

Sec. 3. The amendatory provisions of section 2 of this act apply only to money raised by general obligations issued by the board of trustees of a school district on or after July 1, 2013.

Sec. 4. This act becomes effective on July 1, 2013.

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