

SENATE BILL NO. 157—SENATOR SEEVERS GANSERT

MARCH 1, 2021

Referred to Committee on Education

SUMMARY—Revises provisions relating to the Nevada Educational Choice Scholarship Program. (BDR 34-578)

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 education; removing the prohibition against a scholarship organization using certain donations to provide a grant on behalf of a pupil other than a pupil who received such a grant in the immediately preceding school year or for whom the scholarship organization reasonably expects to provide a grant of the same amount for each school year until graduation; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

1 Existing law establishes a credit against the payroll tax paid by certain
2 businesses that make a donation to a scholarship organization that provides grants
3 on behalf of pupils who are members of a household having a household income
4 below a certain level to attend schools in this State, including private schools,
5 chosen by the parents or legal guardians of those pupils. (NRS 363A.130,
6 363B.110, 388D.270) This bill removes the prohibition against a scholarship
7 organization using a donation for which the donor received a tax credit to provide a
8 grant on behalf of a pupil: (1) who did not receive a grant from such a donation for
9 the immediately preceding school year; or (2) for whom the scholarship
10 organization does not reasonably expect to be able to provide a grant of the same
11 amount on behalf of the pupil for each school year until the pupil graduates from
12 high school. (NRS 388D.270)



* S B 1 5 7 *

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

Section 1. NRS 388D.270 is hereby amended to read as follows:

388D.270 1. A scholarship organization must:

(a) Be exempt from taxation pursuant to section 501(c)(3) of the Internal Revenue Code, 26 U.S.C. § 501(c)(3).

(b) Not own or operate any school in this State, including, without limitation, a private school, which receives any grant money pursuant to the Nevada Educational Choice Scholarship Program.

(c) Accept donations from taxpayers and other persons and may also solicit and accept gifts and grants.

(d) Not expend more than 5 percent of the total amount of money accepted pursuant to paragraph (c) to pay its administrative expenses.

(e) Provide grants on behalf of pupils who are members of a household that has a household income which is not more than 300 percent of the federally designated level signifying poverty to allow those pupils to attend schools in this State chosen by the parents or legal guardians of those pupils, including, without limitation, private schools. The total amount of a grant provided by the scholarship organization on behalf of a pupil pursuant to this paragraph must not exceed \$7,755 for Fiscal Year 2015-2016.

(f) Not limit to a single school the schools for which it provides grants.

(g) Except as otherwise provided in paragraph (e), not limit to specific pupils the grants provided pursuant to that paragraph.

2. The maximum amount of a grant provided by the scholarship organization pursuant to paragraph (e) of subsection 1 must be adjusted on July 1 of each year for the fiscal year beginning that day and ending June 30 in a rounded dollar amount corresponding to the percentage of increase in the Consumer Price Index (All Items) published by the United States Department of Labor for the preceding calendar year. On May 1 of each year, the Department of Education shall determine the amount of increase required by this subsection, establish the adjusted amounts to take effect on July 1 of that year and notify each scholarship organization of the adjusted amounts. The Department of Education shall also post the adjusted amounts on its Internet website.

3. A grant provided on behalf of a pupil pursuant to subsection 1 must be paid directly to the school chosen by the parent or legal guardian of the pupil.

4. A scholarship organization shall provide each taxpayer and other person who makes a donation, gift or grant of money to the



1 scholarship organization pursuant to paragraph (c) of subsection 1
2 with an affidavit, signed under penalty of perjury, which includes,
3 without limitation:

4 (a) A statement that the scholarship organization satisfies the
5 requirements set forth in subsection 1; and

6 (b) The total amount of the donation, gift or grant made to the
7 scholarship organization.

8 5. Each school in which a pupil is enrolled for whom a grant is
9 provided by a scholarship organization shall maintain a record of the
10 academic progress of the pupil. The record must be maintained in
11 such a manner that the information may be aggregated and reported
12 for all such pupils if reporting is required by the regulations of the
13 Department of Education.

14 ~~6. [A scholarship organization shall not use a donation for~~
15 ~~which a taxpayer received a tax credit pursuant to NRS 363A.139 or~~
16 ~~363B.119 to provide a grant pursuant to this section on behalf of a~~
17 ~~pupil unless the scholarship organization used a donation for which~~
18 ~~the taxpayer received a tax credit pursuant to NRS 363A.139 or~~
19 ~~363B.119 to provide a grant pursuant to this section on behalf of the~~
20 ~~pupil for the immediately preceding school year or reasonably~~
21 ~~expects to be able to provide a grant pursuant to this section on~~
22 ~~behalf of the pupil in at least the same amount for each school year~~
23 ~~until the pupil graduates from high school. A scholarship~~
24 ~~organization that violates this subsection shall repay to the~~
25 ~~Department of Taxation the amount of the tax credit received by the~~
26 ~~taxpayer pursuant to NRS 363A.139 or 363B.119, as applicable.~~

27 ~~—7.]~~ The Department of Education:

28 (a) Shall adopt regulations prescribing the contents of and
29 procedures for applications for grants provided pursuant to
30 subsection 1.

31 (b) May adopt such other regulations as the Department
32 determines necessary to carry out the provisions of this section.

33 ~~[8.]~~ 7. As used in this section, “private school” has the
34 meaning ascribed to it in NRS 394.103.

35 **Sec. 2.** This act becomes effective on July 1, 2021.

