

REQUIRES TWO-THIRDS MAJORITY VOTE

(§§ 2, 8)

(Reprinted with amendments adopted on June 2, 2023)

FIRST REPRINT

A.B. 519

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ASSEMBLY BILL NO. 519—COMMITTEE ON WAYS AND MEANS

MAY 22, 2023

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Referred to Committee on Ways and Means

SUMMARY—Establishes provisions governing capital projects of school districts. (BDR 34-1202)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.  
Effect on the State: Contains Appropriation not included in Executive Budget.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

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AN ACT relating to capital projects; requiring the board of county commissioners of certain counties to levy a property tax for capital projects of school districts; authorizing the board of county commissioners of certain counties to levy a property tax for capital projects of school districts for which a grant is available from the Fund to Assist Rural School Districts in Financing Capital Improvements; exempting that property tax from certain partial abatements; exempting both property taxes from the statutory limitation on the total ad valorem tax levy; creating the Fund to Assist Rural School Districts in Financing Capital Improvements; requiring the board of county commissioners of certain counties to establish an oversight panel for school district capital improvement projects; making appropriations to the Fund; making an appropriation to the Elko County School District for the construction of a school on the Duck Valley Indian Reservation; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

1 Existing law requires the board of trustees of each school district to establish a  
2 fund for capital projects. (NRS 387.328) Existing law also creates the Fund to  
3 Assist School Districts in Financing Capital Improvements from which a grant of  
4 money may be obtained if certain emergency conditions exist within the school  
5 district. (NRS 387.333, 387.3335)



\* A B 5 1 9 R 1 \*

6 **Section 2** of this bill requires the board of county commissioners of a county  
7 whose population is 52,500 or more and less than 57,500 (currently Elko County),  
8 to levy a tax at a rate of not less than 1 cent and not more than 25 cents on each  
9 \$100 of assessed valuation of taxable property within the county. **Section 2** requires  
10 any money collected from such a tax to be deposited in the county treasury for  
11 credit to the fund for capital projects to be held and expended in the same manner  
12 as other money deposited in that fund. **Section 6** of this bill authorizes the school  
13 district of a county where such a tax is imposed to pledge the proceeds of the tax,  
14 and the portion of the governmental services tax whose allocation to the school  
15 district is based on the amount of the property tax levy attributable to its debt  
16 service, to the payment of any bonds or other obligations the school district issued  
17 for capital projects. **Section 8** of this bill provides that, if the board of county  
18 commissioners of a county which is required to levy such a tax does not adopt an  
19 ordinance levying the tax on or before June 30, 2024, the tax is levied at a rate of  
20 25 cents on each \$100 of assessed valuation of taxable property within the county.

21 **Section 4** of this bill creates the Fund to Assist Rural School Districts in  
22 Financing Capital Improvements and requires the money in the Fund to be used to  
23 make grants to school districts in counties whose population is less than 100,000  
24 (currently all counties other than Clark and Washoe Counties) for certain capital  
25 projects.

26 **Section 3** of this bill authorizes the board of county commissioners of a county  
27 whose population is less than 100,000, other than a board which is required to levy  
28 a tax pursuant to **section 2**, to levy a tax on all taxable property in the county for a  
29 capital project for which a grant may be obtained from the Fund. **Section 3** requires  
30 the board of county commissioners to determine the amount of money required for  
31 the capital project, excluding any amount that the board anticipates will be covered  
32 by a grant from the Fund, and fix a rate of taxation which will raise that amount.  
33 **Section 3** requires the revenue from the tax to be expended for: (1) a capital project  
34 for which a grant was made from the Fund; or (2) if the amount collected for a  
35 fiscal year exceeds the amount of the grant for that year, in the same manner as  
36 other money in the fund for capital projects established by the school district.  
37 **Section 5.5** of this bill requires the board of county commissioners of a county  
38 which levies a tax pursuant to **section 2 or 3** to establish an oversight panel for  
39 school district capital improvement projects.

40 **Section 5** of this bill requires the board of trustees of a school district in a  
41 county which levies a tax pursuant to **section 3** and authorizes the board of trustees  
42 of a school district in a county which levies a tax pursuant to **section 2** during a  
43 fiscal year to apply to the Director of the Office of Finance in the Office of the  
44 Governor for a grant of money from the Fund. **Section 5** requires the Director of  
45 the Office of Finance to make a grant of money from the Fund in an amount which  
46 is equal to: (1) the total amount of tax assessed pursuant to **section 3** by the county  
47 for the capital project during the immediately preceding fiscal year; or (2) the  
48 amount of the proceeds of the tax imposed pursuant to **section 2** for the  
49 immediately preceding fiscal year which the board of trustees of the school district  
50 has certified will be dedicated to the capital project.

51 Existing law, in general, limits the total amount of property taxes which may be  
52 imposed to \$3.64 on each \$100 of assessed valuation. (NRS 361.453) **Sections 2**  
53 **and 3** exempt the rates for the property taxes in those sections from this limitation.  
54 **Section 7** of this bill makes a conforming change to indicate these exemptions from  
55 the limitation.

56 Existing law provides a partial abatement of the property taxes levied on  
57 property for which an assessed valuation has previously been established, a  
58 remainder parcel of real property, certain single-family residences and certain  
59 residential rental dwellings. (NRS 361.4722, 361.4723, 361.4724) With certain  
60 exceptions, existing law exempts new or increased property taxes from those partial



61 abatements if a legislative act that became effective after April 6, 2005, imposed a  
62 duty on a taxing entity to levy the tax or increase the rate of the tax. (NRS  
63 361.4726) **Section 7.5** of this bill exempts the new property tax authorized to be  
64 levied by **section 3** from those partial tax abatements.

65 **Section 9** of this bill makes appropriations from the State General Fund to the  
66 Fund for grants to school districts in counties whose population is less than 100,000  
67 (currently all counties other than Clark and Washoe Counties), including grants for  
68 capital projects for schools located on qualified tribal land. **Section 10** of this bill  
69 makes an appropriation to the Elko County School District for the construction of a  
70 school on the Duck Valley Indian Reservation.

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

1 **Section 1.** Chapter 387 of NRS is hereby amended by adding  
2 thereto the provisions set forth as sections 2 to 5.5, inclusive, of this  
3 act.

4 **Sec. 2. 1.** *The board of county commissioners of a county  
5 whose population is 52,500 or more and less than 57,500 shall, in  
6 addition to any taxes levied in accordance with NRS 387.195, levy  
7 a tax at a rate of not less than 1 cent and not more than 25 cents  
8 on each \$100 of assessed valuation of taxable property within the  
9 county for capital projects of a school district, including, without  
10 limitation, capital projects for schools located on qualified tribal  
11 land.*

12 *2. Any money collected pursuant to this section must be  
13 deposited in the county treasury for credit to the fund for capital  
14 projects established pursuant to NRS 387.328, to be held and  
15 expended in the same manner as other money deposited in that  
16 fund.*

17 *3. The rate of any tax levied pursuant to subsection 1 must  
18 not be included in the total ad valorem tax levy for the purposes of  
19 the application of the limitation in NRS 361.453.*

20 *4. As used in this section, "qualified tribal land" means any  
21 real property:*

22 *(a) For which legal title is vested in, or held in trust for the  
23 benefit of, an Indian tribe or an individual Native American, and  
24 which is subject to restrictions against alienation pursuant to  
25 federal law; and*

26 *(b) Over which an Indian tribe exercises governmental power.*

27 **Sec. 3. 1.** *Except for a board of county commissioners  
28 which is required to levy a tax pursuant to section 2 of this act, the  
29 board of county commissioners of a county whose population is  
30 less than 100,000, may, in addition to any taxes levied in  
31 accordance with NRS 387.195, levy a tax at a rate established by  
32 the board of county commissioners on all taxable property in the*



1 county for a capital project of the school district for which a grant  
2 may be obtained from the Fund to Assist Rural School Districts in  
3 Financing Capital Improvements created by section 4 of this act.  
4 The board of county commissioners shall determine the amount of  
5 money necessary, when combined with money anticipated to be  
6 received as a grant from the Fund, to pay the costs of the proposed  
7 capital project or the principal and interest on bonds or other  
8 obligations issued for one or more purposes set forth in subsection  
9 5 of section 4 of this act, and shall fix a rate which, when levied  
10 upon every dollar of assessed valuation of taxable property in the  
11 district, will raise that amount.

12 2. Any money collected pursuant to this section must be  
13 deposited in the county treasury for credit to the fund for capital  
14 projects established pursuant to NRS 387.328, to be expended:

15 (a) For a capital project of a school district for which a grant  
16 to the school district was made from the Fund to Assist Rural  
17 School Districts in Financing Capital Improvements pursuant to  
18 section 5 of this act; or

19 (b) With respect to any money collected in excess of the  
20 amount of the grant made from the Fund to Assist Rural School  
21 Districts in Financing Capital Improvements for the fiscal year  
22 pursuant to section 5 of this act, in the same manner as other  
23 money deposited in the fund for capital projects.

24 3. The proceeds of the tax collected pursuant to this section  
25 may be pledged to the payment of principal and interest on bonds  
26 or other obligations issued for one or more of the purposes set  
27 forth in subsection 5 of section 4 of this act. The proceeds of such  
28 taxes so pledged may be treated as pledged revenues for the  
29 purposes of subsection 3 of NRS 350.020, and the board of  
30 trustees of the school district may issue bonds for those purposes  
31 in accordance with the provisions of chapter 350 of NRS.

32 4. The rate of any tax levied pursuant to subsection 1 must  
33 not be included in the total ad valorem tax levy for the purposes of  
34 the application of the limitation in NRS 361.453.

35 **Sec. 4. 1.** The Fund to Assist Rural School Districts in  
36 Financing Capital Improvements is hereby created in the State  
37 Treasury, to be administered by the Director of the Office of  
38 Finance. All money received and held by the State Treasurer for  
39 the purpose of the Fund must be deposited in the Fund.

40 2. The Director of the Office of Finance may accept gifts and  
41 grants from any source for deposit in the Fund.

42 3. The money in the Fund must be invested as the money in  
43 other state funds is invested. All interest and income earned on the  
44 money in the Fund must be credited to the Fund.



1       4. *Claims against the Fund must be paid as other claims*  
2 *against the State are paid.*

3       5. *Money in the Fund must be used to make grants to school*  
4 *districts in counties whose population is less than 100,000, for the*  
5 *following purposes:*

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

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

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

15       **Sec. 5. 1.** *Following any fiscal year in which a county*  
16 *levies a tax imposed pursuant to section 3 of this act, the board of*  
17 *trustees of the school district in the county shall apply to the*  
18 *Director of the Office of Finance for a grant of money from the*  
19 *Fund created pursuant to section 4 of this act on a form provided*  
20 *by the Director.*

21       2. *Following any fiscal year in which a county levies a tax*  
22 *imposed pursuant to section 2 of this act, the board of trustees of*  
23 *the school district in the county may apply to the Director of the*  
24 *Office of Finance for a grant of money from the Fund created*  
25 *pursuant to section 4 of this act on a form provided by the*  
26 *Director.*

27       3. *The application for a grant of money from the Fund*  
28 *submitted pursuant to this section must be accompanied by:*

29       (a) *A description of the capital project for which the grant is*  
30 *requested, which must be a capital project described by subsection*  
31 *5 of section 4 of this act; and*

32       (b) *Either:*

33       (1) *Documentation of the amount of the tax assessed*  
34 *pursuant to section 3 of this act for the capital project for which*  
35 *the grant is requested in the immediately preceding fiscal year; or*

36       (2) *A statement by the board of trustees of the school*  
37 *district in a county which has levied a tax imposed pursuant to*  
38 *section 2 of this act certifying the amount of the proceeds of the*  
39 *tax imposed pursuant to section 2 of this act for the immediately*  
40 *preceding fiscal year which will be dedicated to the capital project.*

41       4. *To the extent that money is available for that purpose in*  
42 *the Fund and if the Director of the Office of Finance determines*  
43 *that the capital project for which the grant is requested is a project*  
44 *for which a grant may be made from the Fund, the Director shall*  
45 *make a grant of money from the Fund to a school district that*



1 *submits an application pursuant to subsection 1 or 2 in an amount*  
2 *that is equal to:*

3 (a) *The total amount of tax assessed by the county for the*  
4 *capital project pursuant to section 3 of this act in the immediately*  
5 *preceding fiscal year; or*

6 (b) *If the school district is located in a county which levies a*  
7 *tax imposed pursuant to section 2 of this act, the amount of the*  
8 *proceeds of the tax imposed pursuant to section 2 of this act for*  
9 *the immediately preceding fiscal year which the board of trustees*  
10 *of the school district has certified will be dedicated to the capital*  
11 *project.*

12 5. *The Director of the Office of Finance shall adopt*  
13 *regulations that prescribe the annual deadline for submission of*  
14 *an application to the Director by a school district pursuant to this*  
15 *section.*

16 **Sec. 5.5.** 1. *The board of county commissioners of a county*  
17 *whose population is less than 100,000 and which levies a tax*  
18 *pursuant to section 2 or 3 of this act shall establish an oversight*  
19 *panel for school district capital improvement projects, consisting*  
20 *of five members selected as follows:*

21 (a) *One member who is the chair of the board of county*  
22 *commissioners of the county, or his or her designee, who shall*  
23 *serve as the chair of the oversight panel;*

24 (b) *One member who is a member of the board of trustees of*  
25 *the school district in the county, appointed by the president of the*  
26 *board of trustees of the school district;*

27 (c) *One member who is a member of a federally recognized*  
28 *Indian tribe or nation located in whole or in part within the*  
29 *boundaries of the county, appointed by the executive head of the*  
30 *federally recognized Indian tribe or nation;*

31 (d) *One member who is a resident of the county and has*  
32 *experience in the building of school facilities, appointed by the*  
33 *president of the board of trustees of the school district in the*  
34 *county; and*

35 (e) *One member who is a resident of the county and has*  
36 *experience in the financing of public works projects, appointed by*  
37 *the chair of the board of county commissioners of the county.*

38 2. *After the initial terms, the term of each member of the*  
39 *oversight panel is 2 years. Members of the oversight panel are*  
40 *eligible for reappointment.*

41 3. *The oversight panel shall meet at least once each calendar*  
42 *quarter.*

43 4. *The oversight panel shall:*

44 (a) *Review all credits to and debits from the fund for capital*  
45 *projects established pursuant to NRS 387.328;*



1 (b) *Recommend future uses of the money raised by the county*  
2 *from levying a tax imposed pursuant to section 2 or 3 of this act;*

3 (c) *Review the amount of any appropriation, grant, gift or*  
4 *donation received by the county for the construction of school*  
5 *facilities located on qualified tribal land; and*

6 (d) *Make a recommendation for the date of termination of a*  
7 *tax levied pursuant to section 2 or 3 of this act if the date of*  
8 *termination of the tax is not otherwise fixed.*

9 **Sec. 6.** NRS 387.328 is hereby amended to read as follows:

10 387.328 1. The board of trustees of each school district shall  
11 establish a fund for capital projects for the purposes set forth in  
12 subsection 1 of NRS 387.335. The money in the fund for capital  
13 projects may be transferred to the debt service fund to pay the cost  
14 of the school district's debt service.

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

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

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

27 5. The proceeds of the taxes deposited in the fund for capital  
28 projects pursuant to NRS 244.3354, 268.0962, 375.070, 377C.110  
29 and 387.3288 *and section 2 of this act* and, in a county whose  
30 population is 100,000 or more but less than 700,000, the portion of  
31 the governmental services tax whose allocation to the school district  
32 pursuant to NRS 482.181 is based on the amount of the property tax  
33 levy attributable to its debt service may be pledged to the payment  
34 of the principal and interest on bonds or other obligations issued for  
35 one or more of the purposes set forth in NRS 387.335. The proceeds  
36 of such taxes so pledged may be treated as pledged revenues for the  
37 purposes of subsection 3 of NRS 350.020, and the board of trustees  
38 of a school district may issue bonds for those purposes in  
39 accordance with the provisions of chapter 350 of NRS.

40 **Sec. 7.** NRS 361.453 is hereby amended to read as follows:

41 361.453 1. Except as otherwise provided in this section and  
42 NRS 354.705, 354.723, 387.3288 and 450.760, *and sections 2 and*  
43 *3 of this act*, the total ad valorem tax levy for all public purposes  
44 must not exceed \$3.64 on each \$100 of assessed valuation, or a  
45 lesser or greater amount fixed by the State Board of Examiners if



1 the State Board of Examiners is directed by law to fix a lesser or  
2 greater amount for that fiscal year.

3 2. Any levy imposed by the Legislature for the repayment of  
4 bonded indebtedness or the operating expenses of the State of  
5 Nevada and any levy imposed by the board of county  
6 commissioners pursuant to NRS 387.195 that is in excess of 50  
7 cents on each \$100 of assessed valuation of taxable property within  
8 the county must not be included in calculating the limitation set  
9 forth in subsection 1 on the total ad valorem tax levied within the  
10 boundaries of the county, city or unincorporated town, if, in a  
11 county whose population is less than 45,000, or in a city or  
12 unincorporated town located within that county:

13 (a) The combined tax rate certified by the Nevada Tax  
14 Commission was at least \$3.50 on each \$100 of assessed valuation  
15 on June 25, 1998;

16 (b) The governing body of that county, city or unincorporated  
17 town proposes to its registered voters an additional levy ad valorem  
18 above the total ad valorem tax levy for all public purposes set forth  
19 in subsection 1;

20 (c) The proposal specifies the amount of money to be derived,  
21 the purpose for which it is to be expended and the duration of the  
22 levy; and

23 (d) The proposal is approved by a majority of the voters voting  
24 on the question at a general election or a special election called for  
25 that purpose.

26 3. The duration of the additional levy ad valorem levied  
27 pursuant to subsection 2 must not exceed 5 years. The governing  
28 body of the county, city or unincorporated town may discontinue the  
29 levy before it expires and may not thereafter reimpose it in whole or  
30 in part without following the procedure required for its original  
31 imposition set forth in subsection 2.

32 4. A special election may be held pursuant to subsection 2 only  
33 if the governing body of the county, city or unincorporated town  
34 determines, by a unanimous vote, that an emergency exists. The  
35 determination made by the governing body is conclusive unless it is  
36 shown that the governing body acted with fraud or a gross abuse of  
37 discretion. An action to challenge the determination made by the  
38 governing body must be commenced within 15 days after the  
39 governing body's determination is final. As used in this subsection,  
40 "emergency" means any unexpected occurrence or combination of  
41 occurrences which requires immediate action by the governing body  
42 of the county, city or unincorporated town to prevent or mitigate a  
43 substantial financial loss to the county, city or unincorporated town  
44 or to enable the governing body to provide an essential service to  
45 the residents of the county, city or unincorporated town.



1       **Sec. 7.5.** NRS 361.4726 is hereby amended to read as follows:  
2       361.4726 1. Except as otherwise provided by specific statute,  
3 if any legislative act which becomes effective after April 6, 2005,  
4 imposes a duty on a taxing entity to levy a new ad valorem tax or to  
5 increase the rate of an existing ad valorem tax, the amount of the  
6 new tax or increase in the rate of the existing tax is exempt from  
7 each partial abatement from taxation provided pursuant to NRS  
8 361.4722, 361.4723 and 361.4724.

9       2. The amount of any tax imposed pursuant to NRS 354.705  
10 and 387.3288 *and section 3 of this act* is exempt from each partial  
11 abatement from taxation provided pursuant to NRS 361.4722,  
12 361.4723 and 361.4724.

13       3. For the purposes of this section, “taxing entity” does not  
14 include the State.

15       **Sec. 8.** If the board of county commissioners of a county  
16 whose population is 52,500 or more and less than 57,500, has not  
17 adopted an ordinance levying the tax pursuant to section 2 of this act  
18 on or before June 30, 2024, a tax shall be levied pursuant to section  
19 2 of this act at a rate of 25 cents on each \$100 of assessed valuation  
20 of taxable property within the county. The tax shall be collected and  
21 administered in the same manner as though the board of county  
22 commissioners had adopted an ordinance levying the tax pursuant to  
23 section 2 of this act at that rate.

24       **Sec. 9.** 1. There is hereby appropriated from the State  
25 General Fund to the Fund to Assist Rural School Districts in  
26 Financing Capital Improvements created by section 4 of this act the  
27 sum of \$25,000,000, for grants to school districts, and the sum of  
28 \$25,000,000, for grants to school districts for capital projects for  
29 schools located on qualified tribal land.

30       2. As used in this section, “qualified tribal land” means any  
31 real property:

32       (a) For which legal title is vested in, or held in trust for the  
33 benefit of, an Indian tribe or an individual Native American, and  
34 which is subject to restrictions against alienation pursuant to federal  
35 law; and

36       (b) Over which an Indian tribe exercises governmental power.

37       **Sec. 10.** 1. There is hereby appropriated from the State  
38 General Fund to the Elko County School District the sum of  
39 \$64,500,000 for the construction of a school on the Duck Valley  
40 Indian Reservation to replace the Owyhee Combined School.

41       2. All money appropriated by subsection 1 must be used only  
42 for the purposes specified in subsection 1 and no portion of the  
43 money may be set aside, distributed or otherwise committed or used  
44 for any other purpose, including, without limitation, any costs  
45 related to other buildings or facilities.



1 3. Any remaining balance of the appropriation made by  
2 subsection 1 must not be committed for expenditure after June 30,  
3 2028, by the entity to which the appropriation is made or any entity  
4 to which money from the appropriation is granted or otherwise  
5 transferred in any manner, and any portion of the appropriated  
6 money remaining must not be spent for any purpose after  
7 September 15, 2028, by either the entity to which the money was  
8 appropriated or the entity to which the money was subsequently  
9 granted or transferred, and must be reverted to the State General  
10 Fund on or before September 15, 2028.

11 **Sec. 11.** Notwithstanding the provisions of NRS 218D.430 and  
12 218D.435, a committee may vote on this act before the expiration of  
13 the period prescribed for the return of a fiscal note in NRS  
14 218D.475. This section applies retroactively from and after May 21,  
15 2023.

16 **Sec. 12.** This act becomes effective on July 1, 2023.

