

ASSEMBLY BILL NO. 288—ASSEMBLYMAN HAFEN

MARCH 16, 2021

JOINT SPONSOR: SENATOR HAMMOND

Referred to Committee on Revenue

SUMMARY—Revises provisions governing student eligibility for grants provided by a scholarship organization. (BDR 34-868)

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; revising provisions governing pupil eligibility for grants provided by a scholarship organization; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Existing law requires a scholarship organization to provide grants on behalf of pupils who are members of a household that has a household income that 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. This bill increases the income eligibility limit to receive such a grant from a scholarship organization to not more than 400 percent of the federally designated level signifying poverty.

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).



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

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

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

9 (e) Provide grants on behalf of pupils who are members of a
10 household that has a household income which is not more than ~~300~~
11 **400** percent of the federally designated level signifying poverty to
12 allow those pupils to attend schools in this State chosen by the
13 parents or legal guardians of those pupils, including, without
14 limitation, private schools. The total amount of a grant provided by
15 the scholarship organization on behalf of a pupil pursuant to this
16 paragraph must not exceed \$7,755 for Fiscal Year 2015-2016.

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

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

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

33 3. A grant provided on behalf of a pupil pursuant to subsection
34 1 must be paid directly to the school chosen by the parent or legal
35 guardian of the pupil.

36 4. A scholarship organization shall provide each taxpayer and
37 other person who makes a donation, gift or grant of money to the
38 scholarship organization pursuant to paragraph (c) of subsection 1
39 with an affidavit, signed under penalty of perjury, which includes,
40 without limitation:

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

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



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

7 6. A scholarship organization shall not use a donation for
8 which a taxpayer received a tax credit pursuant to NRS 363A.139 or
9 363B.119 to provide a grant pursuant to this section on behalf of a
10 pupil unless the scholarship organization used a donation for which
11 the taxpayer received a tax credit pursuant to NRS 363A.139 or
12 363B.119 to provide a grant pursuant to this section on behalf of the
13 pupil for the immediately preceding school year or reasonably
14 expects to be able to provide a grant pursuant to this section on
15 behalf of the pupil in at least the same amount for each school year
16 until the pupil graduates from high school. A scholarship
17 organization that violates this subsection shall repay to the
18 Department of Taxation the amount of the tax credit received by the
19 taxpayer pursuant to NRS 363A.139 or 363B.119, as applicable.

20 7. The Department of Education:

21 (a) Shall adopt regulations prescribing the contents of and
22 procedures for applications for grants provided pursuant to
23 subsection 1.

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

26 8. As used in this section, "private school" has the meaning
27 ascribed to it in NRS 394.103.

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

