

Amendment No. 1

Senate Amendment to Senate Bill No. 124	(BDR 32-908)
<b>Proposed by:</b> Senate Committee on Finance	
<b>Amends:</b> Summary: No Title: Yes Preamble: No Joint Sponsorship: No Digest: Yes	

ASSEMBLY ACTION			Initial and Date	SENATE ACTION			Initial and Date		
Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____	Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____
Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____	Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____
Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____	Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) variations of green bold underlining is language proposed to be added in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill proposed to be retained in this amendment.

AAK/BJF



Date: 2/12/2023

S.B. No. 124—Revises provisions relating to the tax upon the net proceeds of minerals and royalties of mining operations. (BDR 32-908)





## SENATE BILL NO. 124—COMMITTEE ON FINANCE

FEBRUARY 8, 2023

Referred to Committee on Finance

SUMMARY—Revises provisions relating to the tax upon the net proceeds of minerals and royalties of mining operations. (BDR 32-908)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.  
Effect on the State: Yes.

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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 taxation; revising the manner by which a portion of the revenue generated by the tax upon the net proceeds of minerals and royalties of mining operations is distributed to the State Education Fund; clarifying the treatment of the proceeds of such a tax within a county school district fund; clarifying the status of the money contained in such a fund on a certain date; providing for the early expiration of certain requirements regarding the imposition and advance payment of a portion of the tax upon the net proceeds of minerals and royalties; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

1 Existing law imposes a tax upon the net proceeds of minerals extracted in this State and  
2 mineral royalties. (NRS 362.100-362.240) A portion of the revenue generated by the tax upon  
3 the net proceeds of minerals and mineral royalties is appropriated to the county in which the  
4 mining operation is located for apportionment by the county treasurer to each local  
5 government or other local taxing entity in that county in an amount equal to the property tax  
6 rate for local purposes in that jurisdiction multiplied by the net proceeds extracted from and  
7 royalties paid by extractive operations in that jurisdiction, plus a pro rata share of any  
8 penalties and interest collected by the Department of Taxation for any late payment of the tax.  
9 (NRS 362.170) Existing law requires the portion of the revenue apportioned by the county  
10 treasurer to a county school district for any purpose other than capital projects or debt service  
11 for the county school district to be paid by the county treasurer to the State Treasurer for  
12 deposit in the State Education Fund. The county treasurer is authorized to retain a commission  
13 of 5 percent from this amount. (NRS 362.170) **Section 1** of this bill removes the appropriation  
14 to the county, and apportionment by the county treasurer of, the portion of the revenue that  
15 would otherwise be apportioned to a county school district for any purpose other than capital  
16 projects or debt service for the county school district. Instead, **section 1** requires the  
17 Department to deposit this revenue directly in the State Education Fund, which also has the  
18 effect of removing the retention by the county treasurer of a commission of 5 percent of the  
19 revenue and requiring the entire amount to be deposited in the State Education Fund. **Section**  
20 **2** of this bill makes a conforming change to reflect that this revenue will be transferred to the  
21 State Education Fund by the Department.

Existing law requires, with certain exceptions, that each county school district annually transfer from the county school district fund to the Education Stabilization Account in the State Education Fund any amount by which the budgeted ending fund balance of the county school district fund exceeds 16.6 percent of the total budgeted expenditures for the fund. (NRS 387.1213) Section 2.3 of this bill clarifies that certain proceeds of the tax upon the net proceeds of minerals and mineral royalties that are received by a county school district are excluded from the budgeted ending fund balance of a county school district fund for the purpose of the transfer to the Education Stabilization Account required by existing law and, thus, are not subject to such a transfer.

If a county school district maintained an ending fund balance in its county school district fund which exceeded 16.6 percent of the total budgeted expenditures for the fund on June 30, 2020, existing law allows the county school district to maintain an ending fund balance which does not exceed that higher amount, rather than 16.6 percent, before being required to transfer money to the Education Stabilization Account. (Section 77 of chapter 624, Statutes of Nevada 2019, at page 4252) Section 5.5 of this bill repeals that provision, and section 2.3 instead provides that any money which was deposited in a county school district fund on or before June 30, 2020, is excluded from the budgeted ending fund balance of a county school district fund for the purpose of the transfer to the Education Stabilization Account required by existing law and, thus, is not subject to such a transfer. Section 1.5 of this bill makes a conforming change to remove a reference to the repealed provision.

Existing law provides that the portion of the revenue generated by the tax upon the net proceeds of minerals and mineral royalties which is appropriated to a county school district pursuant to the Pupil-Centered Funding Plan is deemed to be the first money appropriated to the county school district pursuant to the Plan. (NRS 387.1214) Section 2.5 of this bill clarifies that such money is also deemed to be the first money spent by a county school district from the county school district fund each fiscal year. Section 4.5 of this bill provides that sections 2.3 and 2.5 do not apply to or affect the obligation of any entity to repay any amount of money to which the entity was not entitled.

Existing law requires a person extracting any mineral in this State to file a statement which shows the estimated gross yield and estimated net proceeds from each operation for the current calendar year and an estimate of all royalties that will be paid during the current calendar year. (NRS 362.115) Existing law temporarily requires advance payment of the portion of the tax that is distributed to the State General Fund, based upon the estimated net proceeds and royalties for the current calendar year. (NRS 362.115) This advance payment requirement expires on June 30, 2023. (Chapter 4, Statutes of Nevada 2020, 31st Special Session, at page 32) **Section 4** of this bill advances the date on which the advance payment requirement expires to June 30, 2022. **Section 3** of this bill revises provisions governing certain duties of the Department relating to the expiration of the advance payment requirement to provide for the carrying out of those duties in Fiscal Year 2022-2023, rather than Fiscal Year 2023-2024.

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

**Section 1.** NRS 362.170 is hereby amended to read as follows:

362.170 1. There is hereby appropriated to each county the total of the amounts obtained by multiplying, for each extractive operation situated within the county, the net proceeds of that operation and any royalties paid by that operation, by the combined rate of tax ad valorem, excluding any rate levied by the State of Nevada ~~and~~ *and any rate levied for a county school district for any purpose other than capital projects or debt service for the county school district*, for property at that site, plus a pro rata share of any penalties and interest collected by the Department for the late payment of taxes distributed to the county. The Department shall report to the State Controller on or before May 25 of each year the amount

1 appropriated to each county, as calculated for each operation from the final  
2 statement made in February of that year for the preceding calendar year. The State  
3 Controller shall distribute all money due to a county on or before May 30 of each  
4 year.

5 2. The county treasurer shall apportion to each local government or other  
6 local entity an amount calculated by:

7 (a) Determining the total of the amounts obtained by multiplying, for each  
8 extractive operation situated within its jurisdiction, the net proceeds of that  
9 operation and any royalty payments paid by that operation, by the rate levied on  
10 behalf of that local government or other local entity ~~{}~~, *excluding any rate levied  
11 for a county school district for any purpose other than capital projects or debt  
12 service for the county school district;*

13 (b) Adding to the amount determined pursuant to paragraph (a) a pro rata share  
14 of any penalties and interest collected by the Department for the late payment of  
15 taxes distributed to that local government or local entity; and

16 (c) Subtracting from the amount determined pursuant to paragraph (b) a  
17 commission of 5 percent, of which 3 percent must be deposited in the county  
18 general fund and 2 percent must be accounted for separately in the account for the  
19 acquisition and improvement of technology in the office of the county assessor  
20 created pursuant to NRS 250.085.

21 3. The amounts apportioned pursuant to subsection 2, including, without  
22 limitation, the amount retained by the county and excluding the percentage  
23 commission, must be applied to the uses for which each levy was authorized in the  
24 same proportion as the rate of each levy bears to the total rate.

25 4. ~~{Any amount apportioned pursuant to subsection 2}~~ *The Department shall  
26 deposit to the credit of the State Education Fund the total of the amounts  
27 obtained by multiplying, for each extractive operation situated within a county,  
28 the net proceeds of that operation and any royalties paid by that operation, by the  
29 combined rate of tax ad valorem levied in that county for {a} the county school  
30 district for any purpose other than capital projects or debt service for the county  
31 school district ~~{must be paid over to the State Treasurer to be}~~, plus a pro rata  
32 share of any penalties and interest collected by the Department for the late  
33 payment of taxes deposited to the credit of the State Education Fund.*

34 5. The Department shall report to the State Controller on or before May 25 of  
35 each year the amount received as tax upon the net proceeds of geothermal resources  
36 which equals the product of those net proceeds multiplied by the rate of tax levied  
37 ad valorem by the State of Nevada.

38 **Sec. 1.5. NRS 354.6241 is hereby amended to read as follows:**

39 354.6241 1. The statement required by paragraph (a) of subsection 5 of  
40 NRS 354.624 must indicate for each fund set forth in that paragraph:

41 (a) Whether the fund is being used in accordance with the provisions of this  
42 chapter.

43 (b) Whether the fund is being administered in accordance with generally  
44 accepted accounting procedures.

45 (c) Whether the reserve in the fund is limited to an amount that is reasonable  
46 and necessary to carry out the purposes of the fund.

47 (d) The sources of revenues available for the fund during the fiscal year,  
48 including transfers from any other funds.

49 (e) The statutory and regulatory requirements applicable to the fund.

50 (f) The balance and retained earnings of the fund.

51 2. Except as otherwise provided in subsections 3 and 4 and NRS 354.59891  
52 and 354.613, to the extent that the reserve in any fund set forth in paragraph (a) of  
53 subsection 5 of NRS 354.624 exceeds the amount that is reasonable and necessary

1 to carry out the purposes for which the fund was created, the reserve may be  
2 expended by the local government pursuant to the provisions of chapter 288 of  
3 NRS.

4 3. For any local government other than a school district, for the purposes of  
5 chapter 288 of NRS, a budgeted ending fund balance of not more than 16.67  
6 percent of the total budgeted expenditures, less capital outlay, for a general fund:

7 (a) Is not subject to negotiations with an employee organization; and

8 (b) Must not be considered by a fact finder or arbitrator in determining the  
9 financial ability of the local government to pay compensation or monetary benefits.

10 4. For a school district, for the purposes of chapter 288 of NRS:

11 (a) A budgeted ending fund balance of not more than 12 percent of the total  
12 budgeted expenditures for a county school district fund:

13 (1) Is not subject to negotiations with an employee organization; and

14 (2) Must not be considered by a fact finder or arbitrator in determining the  
15 financial ability of the local government to pay compensation or monetary benefits;  
16 and

17 (b) Any portion of a budgeted ending fund balance which exceeds 16.6 percent  
18 of the total budgeted expenditures for a county school district fund:

19 (1) Is not subject to negotiations with an employee organization;

20 (2) Must not be considered by a fact finder or arbitrator in determining the  
21 financial ability of the local government to pay compensation or monetary benefits;  
22 and

23 (3) ~~[Except as otherwise provided in section 77 of chapter 624, Statutes of~~  
24 ~~Nevada 2019, at page 4252, must] **Must** be transferred to the Education  
25 Stabilization Account pursuant to NRS 387.1213.~~

26 **Sec. 2.** NRS 387.1212 is hereby amended to read as follows:

27 387.1212 1. The State Education Fund is hereby created as a special  
28 revenue fund to be administered by the Superintendent of Public Instruction for the  
29 purpose of supporting the operation of the public schools in this State. The interest  
30 and income earned on the money in the Fund, excluding the direct legislative  
31 appropriation from the State General Fund required by subsection 3, must, after  
32 deducting any applicable charges, be credited to the Fund.

33 2. Money which must be deposited for credit to the State Education Fund  
34 includes, without limitation:

35 (a) All money derived from interest on the State Permanent School Fund, as  
36 provided in NRS 387.030;

37 (b) The proceeds of the tax imposed pursuant to NRS 244.33561 and any  
38 applicable penalty or interest, less any amount retained by the county treasurer for  
39 the actual cost of collecting and administering the tax;

40 (c) The proceeds of the tax imposed pursuant to subsection 1 of NRS 387.195;

41 (d) The money identified in subsection 8 of NRS 120A.610;

42 (e) The portion of the money in each special account created pursuant to  
43 subsection 1 of NRS 179.1187 which is identified in paragraph (d) of subsection 2  
44 of NRS 179.1187;

45 (f) The money identified in paragraph (d) of subsection 6 of NRS 278C.250;

46 (g) The money identified in subsection 1 of NRS 328.450;

47 (h) The money identified in subsection 1 of NRS 328.460;

48 (i) The money identified in paragraph (a) of subsection 2 of NRS 360.850;

49 (j) The money identified in paragraph (a) of subsection 2 of NRS 360.855;

50 (k) The money required to be ~~[paid over to the State Treasurer for deposit]~~  
51 **deposited** to the credit of the State Education Fund pursuant to subsection 4 of NRS  
52 362.170;

1 (l) The portion of the proceeds of the tax imposed pursuant to subsection 1 of  
2 NRS 372A.290 identified in paragraph (b) of subsection 4 of NRS 372A.290;

3 (m) The proceeds of the tax imposed pursuant to subsection 3 of NRS  
4 372A.290;

5 (n) The proceeds of the fees, taxes, interest and penalties imposed pursuant to  
6 chapter 374 of NRS, as transferred pursuant to subsection 3 of NRS 374.785;

7 (o) The money identified in subsection 5 of NRS 445B.640;

8 (p) The money identified in paragraph (b) of subsection 4 of NRS 678B.390;

9 (q) The portion of the proceeds of the excise tax imposed pursuant to  
10 subsection 1 of NRS 463.385 identified in paragraph (c) of subsection 5 of NRS  
11 463.385;

12 (r) The money required to be distributed to the State Education Fund pursuant  
13 to subsection 3 of NRS 482.181;

14 (s) The portion of the proceeds of the fee imposed pursuant to NRS 488.075  
15 identified in subsection 2 of NRS 488.075;

16 (t) The portion of the net profits of the grantee of a franchise, right or privilege  
17 identified in NRS 709.110;

18 (u) The portion of the net profits of the grantee of a franchise identified in NRS  
19 709.230;

20 (v) The portion of the net profits of the grantee of a franchise identified in NRS  
21 709.270; and

22 (w) The direct legislative appropriation from the State General Fund required  
23 by subsection 3.

24 3. In addition to money from any other source provided by law, support for  
25 the State Education Fund must be provided by direct legislative appropriation from  
26 the State General Fund in an amount determined by the Legislature to be sufficient  
27 to fund the operation of the public schools in this State for kindergarten through  
28 grade 12 for the next ensuing biennium for the population reasonably estimated for  
29 that biennium. Money in the State Education Fund does not revert to the State  
30 General Fund at the end of a fiscal year, and the balance in the State Education  
31 Fund must be carried forward to the next fiscal year.

32 4. Money in the Fund must be paid out on claims as other claims against the  
33 State are paid.

34 **Sec. 2.3. NRS 387.1213 is hereby amended to read as follows:**

35 387.1213 1. The Education Stabilization Account is hereby created in the  
36 State Education Fund. Except as otherwise provided in subsections 3, ~~and~~ 4, ~~4~~  
37 **and 5**, each year after the close of the previous fiscal year and before the issuance  
38 of the State Controller's annual report, each county school district shall transfer  
39 from the county school district fund to the Education Stabilization Account any  
40 amount by which the budgeted ending fund balance of the county school district  
41 fund exceeds 16.6 percent of the total budgeted expenditures for the fund. The  
42 interest and income earned on the money in the Account, after deducting any  
43 applicable charges, must be credited to the Account.

44 2. Money transferred pursuant to subsection 1 to the Education Stabilization  
45 Account is a continuing appropriation solely for the purpose of authorizing the  
46 expenditure of the transferred money for the purposes set forth in this section.

47 3. The balance in the Educational Stabilization Account must not exceed 15  
48 percent of the total of all appropriations and authorizations from the State  
49 Education Fund, excluding the Education Stabilization Account, for the  
50 immediately preceding fiscal year. Any money transferred to the Education  
51 Stabilization Account which exceeds this amount must instead be transferred to the  
52 State Education Fund.

53 4. If the Interim Finance Committee finds that:

1 (a) Upon submission of a request from the Department, the actual enrollment  
2 growth for a fiscal year exceeds the projected enrollment growth by an amount that  
3 the Interim Finance Committee determines would make a transfer of money to the  
4 State Education Fund necessary to fund the excess enrollment; or

5 (b) The collection of revenue in any fiscal year will result in the State  
6 Education Fund receiving 97 percent or less of the money authorized for  
7 expenditure from the State Education Fund,

8 ➤ the Committee shall by resolution establish an amount of money to transfer from  
9 the Education Stabilization Account to the State Education Fund and direct the  
10 State Controller to transfer that amount to the State Education Fund. The State  
11 Controller shall thereupon make the transfer.

12 5. When determining the budgeted ending fund balance for the purposes of  
13 subsection 1, each county school district shall exclude:

14 (a) Any money deposited in the county school district fund on or before June  
15 30, 2020;

16 (b) Any money apportioned to the county school district for capital projects  
17 or debt service pursuant to subsection 2 of NRS 362.170 and deposited in the  
18 county school district fund when authorized by law; and

19 (c) Any money transferred to the county school district and authorized for  
20 expenditure as a continuing appropriation pursuant to paragraph (b) of  
21 subsection 6 of NRS 387.1214.

22 6. The balance remaining in the State Education Fund, excluding the balance  
23 remaining in the Education Stabilization Account, that has not been committed for  
24 expenditure on or before June 30 of an odd-numbered fiscal year must be  
25 transferred to the Education Stabilization Account to the extent that such a transfer  
26 would not cause the balance in the Education Stabilization Account to exceed the  
27 limit established in subsection 3.

28 **Sec. 2.5. NRS 387.1214 is hereby amended to read as follows:**

29 387.1214 1. After a direct legislative appropriation is made to the State  
30 Education Fund from the State General Fund pursuant to NRS 387.1212, the  
31 Legislature shall determine the statewide base per pupil funding amount for each  
32 fiscal year of the biennium, which is the amount of money expressed on a per pupil  
33 basis for the projected enrollment of the public schools in this State, determined to  
34 be sufficient by the Legislature to fund the costs of all public schools in this State to  
35 operate and provide general education to all pupils for any purpose for which  
36 specific funding is not appropriated pursuant to paragraph (a), (b) or (e) of  
37 subsection 2 or NRS 387.122. It is the intent of the Legislature that the statewide  
38 base per pupil funding amount for any fiscal year, to the extent practicable, be not  
39 less than the statewide base per pupil funding amount for the immediately  
40 preceding fiscal year, adjusted by inflation, unless the amount of money contained  
41 in the State Education Fund, excluding the Education Stabilization Account,  
42 decreases from the preceding fiscal year. If the amount of money contained in the  
43 State Education Fund, excluding the Education Stabilization Account, decreases  
44 from the preceding fiscal year, it is the intent of the Legislature that a proportional  
45 reduction be made in both the statewide base per pupil funding amount and the  
46 weighted funding appropriated pursuant to paragraph (e) of subsection 2.

47 2. After a direct legislative appropriation is made to the State Education Fund  
48 from the State General Fund pursuant to NRS 387.1212, the money in the State  
49 Education Fund, excluding any amount of money in the Education Stabilization  
50 Account, must be appropriated as established by law for each fiscal year of the  
51 biennium for the following purposes:

52 (a) To each school district, an amount of money determined to be sufficient by  
53 the Legislature, when combined with any other resources available for this purpose,



1 to provide food services and transportation for pupils and any other similar service  
2 that the Legislature deems appropriate.

3 (b) To each school district, charter school or university school for profoundly  
4 gifted pupils, an amount of money determined to be sufficient by the Legislature,  
5 when combined with any other resources available for this purpose, to provide local  
6 funding to support pupils with disabilities.

7 (c) To each school district, an amount of money determined to be sufficient by  
8 the Legislature, when combined with any other resources available for this purpose,  
9 to provide adjusted base per pupil funding for each pupil estimated to be enrolled in  
10 the school district.

11 (d) To each charter school or university school for profoundly gifted pupils, an  
12 amount of money determined to be sufficient by the Legislature, when combined  
13 with any other resources available for this purpose, to provide:

14 (1) The statewide base per pupil funding amount for each pupil estimated  
15 to be enrolled full-time in a program of distance education provided by the charter  
16 school or university school for profoundly gifted pupils; and

17 (2) Adjusted base per pupil funding for each pupil estimated to be enrolled  
18 in the charter school or university school for profoundly gifted pupils other than a  
19 pupil identified in subparagraph (1).

20 (e) To each school district, charter school or university school for profoundly  
21 gifted pupils, an amount of money determined to be sufficient by the Legislature,  
22 when combined with any other resources available for this purpose, to provide  
23 additional weighted funding for each pupil estimated to be enrolled in the school  
24 district, charter school or university school for profoundly gifted pupils who is:

25 (1) An English learner;

26 (2) An at-risk pupil; or

27 (3) A gifted and talented pupil.

28 3. The adjusted base per pupil funding appropriated pursuant to paragraph (c)  
29 of subsection 2 for each school district must be determined by applying the cost  
30 adjustment factor established pursuant to NRS 387.1215 which applies to the  
31 school district and the attendance area adjustment established pursuant to NRS  
32 387.1218 which applies to each applicable area of the school district to the  
33 statewide base per pupil funding amount.

34 4. The adjusted base per pupil funding appropriated pursuant to subparagraph  
35 (2) of paragraph (d) of subsection 2 for each charter school or university school for  
36 profoundly gifted pupils must be determined by applying the cost adjustment factor  
37 established pursuant to NRS 387.1215 which applies to the charter school or  
38 university school and, if applicable, the attendance area adjustment established  
39 pursuant to NRS 387.1218 to the statewide base per pupil funding amount.

40 5. The weighted funding appropriated pursuant to paragraph (e) of subsection  
41 2 must be established separately for each category of pupils identified in that  
42 paragraph and expressed as a multiplier to be applied to the statewide base per pupil  
43 funding amount determined pursuant to subsection 1. A pupil who belongs to more  
44 than one category of pupils or for whom a school district, charter school or  
45 university school for profoundly gifted pupils is eligible to receive the statewide  
46 multiplier pursuant to NRS 387.122 must receive only the weighted funding for the  
47 single category to which the pupil belongs which has the largest multiplier or the  
48 statewide multiplier, whichever is larger. It is the intent of the Legislature that, to  
49 the extent practicable:

50 (a) The multiplier for each category of pupils for any fiscal year be not less  
51 than the multiplier for the immediately preceding fiscal year unless:

52 (1) The amount of money contained in the State Education Fund, excluding  
53 the Education Stabilization Account, decreases from the preceding fiscal year, in

1 which event it is the intent of the Legislature that a proportional reduction be made  
2 in both the statewide base per pupil funding amount and the weighted funding  
3 appropriated pursuant to paragraph (e) of subsection 2; or

4 (2) The amount of money contained in the State Education Fund, excluding  
5 the Education Stabilization Account, increases from the preceding fiscal year but in  
6 an amount which, after funding the appropriations required by paragraphs (a) to (d),  
7 inclusive, of subsection 2, is insufficient to fund the multiplier for each category of  
8 pupils, in which event it is the intent of the Legislature that the remaining money in  
9 the State Education Fund be used to provide a multiplier for each category of pupils  
10 which is as close as practicable to the multiplier for the preceding fiscal year;

11 (b) The recommendations of the Commission for the multiplier for each  
12 category of pupils be considered and the multiplier for one category of pupils may  
13 be changed by an amount that is not proportional to the change in the multiplier for  
14 one or more other categories of pupils if the Legislature determines that a  
15 disproportionate need to serve the pupils in the affected category exists; and

16 (c) If the multipliers for all categories of pupils in a fiscal year are increased  
17 from the multipliers in the immediately preceding fiscal year, a proportional  
18 increase is considered for the statewide base per pupil funding amount.

19 6. For any money identified in subsection 4 of NRS 362.170 which is  
20 deposited to the credit of the State Education Fund:

21 (a) The amount of such money for the county from which the money was  
22 collected that does not exceed the total amount of money appropriated pursuant to  
23 subsection 2 to the county school district is deemed to be the first money  
24 appropriated pursuant to subsection 2 for that county school district ~~+~~ and the first  
25 money spent by that county school district from the county school district fund  
26 during the applicable fiscal year.

27 (b) The amount of such money for the county from which the money was  
28 collected which exceeds the total amount of money appropriated pursuant to  
29 subsection 2 to the county school district must be transferred to the county school  
30 district and is hereby authorized for expenditure as a continuing appropriation for  
31 the purpose of mitigating the adverse effects of the cyclical nature of the industry of  
32 extracting and processing minerals on the ability of the county school district to  
33 offer its pupils a reasonably equal educational opportunity.

34 7. The weighted funding appropriated pursuant to paragraph (e) of subsection  
35 2:

36 (a) May not be used to settle or arbitrate disputes between a recognized  
37 organization representing employees of a school district or the governing body of a  
38 charter school and the school district or governing body or to settle any  
39 negotiations; and

40 (b) May not be used to adjust the district-wide schedules of salaries and  
41 benefits of the employees of a school district.

42 **Sec. 3.** Section 8 of chapter 4, Statutes of Nevada 2020, 31st Special Session,  
43 at page 30, is hereby amended to read as follows:

44 Sec. 8. 1. When preparing its certificate of the tax due from a  
45 taxpayer pursuant to NRS 362.130 during the calendar year ~~2024,~~ 2023,  
46 the Department of Taxation shall reduce the amount of the tax due from the  
47 taxpayer by the amount of:

48 (a) Any estimated payments of the tax made by or on behalf of the  
49 taxpayer during the calendar year ~~2023,~~ 2022 pursuant to NRS 362.115, as  
50 that section read on January 1, ~~2023,~~ 2022; and

51 (b) Any unused credit to which the taxpayer may be entitled as a result  
52 of any previous overpayment of the tax.

1 2. Notwithstanding any other provision of law, for the calendar year  
2 ~~2023~~ 2022, each person extracting any mineral in this State may file with  
3 the Department a quarterly report stating an estimate for the year and the  
4 actual quarterly amounts of production, gross yield and net proceeds as of  
5 March 31, June 30, September 30 and December 31 of that year, and pay  
6 any additional amount of the portion of the tax due pursuant to paragraph  
7 (a) of subsection 1 of NRS 362.115, as that section read on January 1,  
8 ~~2023~~ 2022. The additional estimated tax liability must be calculated by  
9 determining the difference between the revised estimates of net proceeds  
10 based on the recent production figures as indicated by the quarterly reports  
11 and the original estimate supplied pursuant to paragraph (a) of subsection 1  
12 of NRS 362.115, as that section read on January 1, ~~2023~~ 2022. If the  
13 person chooses to submit such reports, the reports must be submitted on a  
14 form prescribed by the Department not later than the last day of the month  
15 following the end of the calendar quarter and payment must be made within  
16 30 days after filing any quarterly report that indicates an additional  
17 estimated tax liability.

18 3. Notwithstanding any other provision of law, for calendar year  
19 ~~2023~~ 2022, if the amount paid pursuant to paragraph (a) of subsection 1  
20 of NRS 362.115, as that section read on January 1, ~~2023~~ 2022, is less  
21 than 90 percent of the amount certified pursuant to NRS 362.130 as the net  
22 proceeds of any minerals extracted and royalties paid during calendar year  
23 ~~2023~~ 2022 multiplied by a rate equal to the rate as determined pursuant to  
24 NRS 362.140 minus the combined rate of tax ad valorem for the county in  
25 which the operation is located, including any rate levied by the State of  
26 Nevada, the certificate prepared by the Department pursuant to this section  
27 must include a penalty of 10 percent of the amount by which that portion of  
28 the tax was underpaid unless:

29 (a) The amount paid pursuant to paragraph (a) of subsection 1 of NRS  
30 362.115, as that section read on January 1, ~~2023~~ 2022, in calendar year  
31 ~~2023~~ 2022 is equal to or greater than the liability of the operation for the  
32 calendar year ~~2022~~ 2021 for the portion of the tax that is equal to the net  
33 proceeds of any minerals extracted and royalties paid during that calendar  
34 year multiplied by a rate equal to the rate as determined pursuant to NRS  
35 362.140 minus the combined rate of tax ad valorem for the county in which  
36 the operation is located, including any rate levied by the State of Nevada; or

37 (b) The person files quarterly reports pursuant to subsection 2 in a  
38 timely manner and the total of all payments exceeds 90 percent of the  
39 amount certified as the net proceeds of any minerals extracted and royalties  
40 paid during the calendar year ~~2023~~ 2022 multiplied by a rate equal to the  
41 rate as determined pursuant to NRS 362.140 minus the combined rate of tax  
42 ad valorem for the county in which the operation is located, including any  
43 rate levied by the State of Nevada.

44 **Sec. 4.** Section 12 of chapter 4, Statutes of Nevada 2020, 31st Special  
45 Session, at page 32, is hereby amended to read as follows:

46 Sec. 12. 1. This section and sections 2 and 5.5 to 11, inclusive, of  
47 this act become effective upon passage and approval.

48 2. Sections 5.5 and 6 of this act expire by limitation on June 30, 2021.

49 3. Section 3 of this act becomes effective on July 1, 2021.

50 4. Sections 2 and 3 of this act expire by limitation on June 30, ~~2023~~

51 2022.

52 **Sec. 4.5. The amendatory provisions of sections 2.3 and 2.5 of this act:**

1 1. Are a legislative pronouncement of already existing law and are  
2 intended to clarify rather than change such existing law; and

3 2. Do not apply to or otherwise affect the obligation of any entity to repay  
4 to the State Education Fund any amount of money to which the entity was not  
5 entitled, including, without limitation, money which was received as an  
6 overpayment or in any other way paid to an entity in error from the State  
7 Education Fund.

8 **Sec. 5.** Notwithstanding the provisions of NRS 218D.430 and 218D.435, a  
9 committee may vote on this act before the expiration of the period prescribed for  
10 the return of a fiscal note in NRS 218D.475. This section applies retroactively from  
11 and after February 6, 2023.

12 **Sec. 5.5.** Section 77 of chapter 624, Statutes of Nevada 2019, at page  
13 4252, is hereby repealed.

14 **Sec. 6. 1.** This act becomes effective upon passage and approval.

15 2. The amendatory provisions of sections 1.5, 2.3, 2.5, 4.5 and 5.5 of this  
16 act apply retroactively from and after June 30, 2020.

17 3. The amendatory provisions of sections 3 and 4 of this act apply  
18 retroactively from and after June 30, 2022.

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### TEXT OF REPEALED SECTION

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#### Section 77 of chapter 624, Statutes of Nevada 2019:

Sec. 77. Notwithstanding the provisions of subsection 1 of section 3 of this act, if the ending fund balance of a county school district fund exceeds 16.6 percent of the total budgeted expenditures for the fund for the fiscal year which ends on June 30, 2020, the county school district may maintain an ending fund balance for its county school district fund in the succeeding fiscal year which does not exceed the ending fund balance for the fiscal year which ends on June 30, 2020, and any amount by which the ending fund balance exceeds that amount must be transferred to the Education Stabilization Account created by section 3 of this act. Until the ending fund balance of such a county school district fund reaches 16.6 percent or less of the total budgeted expenditures for the fund, the ending fund balance for such a county school district fund in each subsequent fiscal year may not exceed the ending fund balance for the county school district fund in the immediately preceding fiscal year, and any amount by which the ending funding balance exceeds that amount must be transferred to the Education Stabilization Account created by section 3 of this act.