

Amendment No. 3

Assembly Amendment to Senate Bill No. 124 Second Reprint (BDR 32-908)
Proposed by: Assemblywoman Monroe-Moreno
Amends: Summary: No Title: No 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 newly added language; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) ~~fuchsia double strikethrough~~ is new language in the bill proposed to be deleted in this amendment; (6) orange double underlining is deleted language in the original bill that is proposed to be retained in this amendment.

SHORT FORM AMENDMENT

Section 1.5 of this act is the only section affected by this amendment.

AAK



Date: 2/22/2023

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



If this amendment is adopted, the Legislative Counsel's Digest will be changed as follows:

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.

22 Existing law requires, with certain exceptions, that each county school district annually
23 transfer from the county school district fund to the Education Stabilization Account in the
24 State Education Fund any amount by which the budgeted ending fund balance of the county
25 school district fund exceeds 16.6 percent of the total budgeted expenditures for the fund.
26 (NRS 387.1213) **Section 2.3** of this bill revises this requirement to be based on the actual,
27 rather than budgeted, ending fund balance of a county school district fund and the total actual,
28 rather than budgeted, expenditures for the fund. **Section 2.3** also clarifies that certain proceeds
29 of the tax upon the net proceeds of minerals and mineral royalties that are received by a
30 county school district are excluded from the actual ending fund balance of a county school
31 district fund for the purpose of the transfer to the Education Stabilization Account required by
32 existing law and, thus, are not subject to such a transfer. **Section 1.5 of this bill makes a**
33 **conforming change relating to the use of actual, rather than budgeted, ending fund**
34 **balances and expenditures.**

35 If a county school district maintained an ending fund balance in its county school district
36 fund which exceeded 16.6 percent of the total budgeted expenditures for the fund on June 30,
37 2020, existing law allows the county school district to maintain an ending fund balance which
38 does not exceed that higher amount, rather than 16.6 percent, before being required to transfer
39 money to the Education Stabilization Account. (Section 77 of chapter 624, Statutes of Nevada
40 2019, at page 4252) **Section 5.5** of this bill repeals that provision, and **section 2.3** instead
41 provides that any money which was deposited in a county school district fund on or before
42 June 30, 2020, is excluded from the actual ending fund balance of a county school district
43 fund for the purpose of the transfer to the Education Stabilization Account required by
44 existing law and, thus, is not subject to such a transfer. ~~**[Section 1.5 of this bill makes a**~~
45 ~~**conforming change to remove a reference to the repealed provision.]**~~

46 Existing law provides that the portion of the revenue generated by the tax upon the net
47 proceeds of minerals and mineral royalties which is appropriated to a county school district
48 pursuant to the Pupil-Centered Funding Plan is deemed to be the first money appropriated to

49 the county school district pursuant to the Plan. (NRS 387.1214) **Section 2.5** of this bill
50 clarifies that such money is also deemed to be the first money spent by a county school district
51 from the county school district fund each fiscal year. **Section 4.5** of this bill provides that
52 **sections 2.3 and 2.5** do not apply to or affect the obligation of any entity to repay any amount
53 of money to which the entity was not entitled.

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

Section 1.5 of Senate Bill No. 124 Second Reprint is hereby amended as follows:

- 1 **Sec. 1.5.** NRS 354.6241 is hereby amended to read as follows:
2 354.6241 1. The statement required by paragraph (a) of subsection 5 of
3 NRS 354.624 must indicate for each fund set forth in that paragraph:
4 (a) Whether the fund is being used in accordance with the provisions of this
5 chapter.
6 (b) Whether the fund is being administered in accordance with generally
7 accepted accounting procedures.
8 (c) Whether the reserve in the fund is limited to an amount that is reasonable
9 and necessary to carry out the purposes of the fund.
10 (d) The sources of revenues available for the fund during the fiscal year,
11 including transfers from any other funds.
12 (e) The statutory and regulatory requirements applicable to the fund.
13 (f) The balance and retained earnings of the fund.
14 2. Except as otherwise provided in subsections 3 and 4 and NRS 354.59891
15 and 354.613, to the extent that the reserve in any fund set forth in paragraph (a) of
16 subsection 5 of NRS 354.624 exceeds the amount that is reasonable and necessary
17 to carry out the purposes for which the fund was created, the reserve may be
18 expended by the local government pursuant to the provisions of chapter 288 of
19 NRS.
20 3. For any local government other than a school district, for the purposes of
21 chapter 288 of NRS, a budgeted ending fund balance of not more than 16.67
22 percent of the total budgeted expenditures, less capital outlay, for a general fund:
23 (a) Is not subject to negotiations with an employee organization; and
24 (b) Must not be considered by a fact finder or arbitrator in determining the
25 financial ability of the local government to pay compensation or monetary benefits.
26 4. For a school district, for the purposes of chapter 288 of NRS:
27 (a) A budgeted ending fund balance of not more than 12 percent of the total
28 budgeted expenditures for a county school district fund:
29 (1) Is not subject to negotiations with an employee organization; and

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

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

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

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

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