

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



17 otherwise be apportioned to a county school district for any purpose other than
18 capital projects or debt service for the county school district. Instead, **section 1**
19 requires the Department to deposit this revenue directly in the State Education
20 Fund, which also has the effect of removing the retention by the county treasurer of
21 a commission of 5 percent of the revenue and requiring the entire amount to be
22 deposited in the State Education Fund. **Section 2** of this bill makes a conforming
23 change to reflect that this revenue will be transferred to the State Education Fund
24 by the Department.

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

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

48 Existing law provides that the portion of the revenue generated by the tax upon
49 the net proceeds of minerals and mineral royalties which is appropriated to a county
50 school district pursuant to the Pupil-Centered Funding Plan is deemed to be the first
51 money appropriated to the county school district pursuant to the Plan. (NRS
52 387.1214) **Section 2.5** of this bill clarifies that such money is also deemed to be the
53 first money spent by a county school district from the county school district fund
54 each fiscal year. **Section 4.5** of this bill provides that **sections 2.3 and 2.5** do not
55 apply to or affect the obligation of any entity to repay any amount of money to
56 which the entity was not entitled.

57 Existing law requires a person extracting any mineral in this State to file a
58 statement which shows the estimated gross yield and estimated net proceeds from
59 each operation for the current calendar year and an estimate of all royalties that will
60 be paid during the current calendar year. (NRS 362.115) Existing law temporarily
61 requires advance payment of the portion of the tax that is distributed to the State
62 General Fund, based upon the estimated net proceeds and royalties for the current
63 calendar year. (NRS 362.115) This advance payment requirement expires on
64 June 30, 2023. (Chapter 4, Statutes of Nevada 2020, 31st Special Session, at page
65 32) **Section 4** of this bill advances the date on which the advance payment
66 requirement expires to June 30, 2022. **Section 3** of this bill revises provisions
67 governing certain duties of the Department relating to the expiration of the advance
68 payment requirement to provide for the carrying out of those duties in Fiscal Year
69 2022-2023, rather than Fiscal Year 2023-2024.



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

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

2 362.170 1. There is hereby appropriated to each county the
3 total of the amounts obtained by multiplying, for each extractive
4 operation situated within the county, the net proceeds of that
5 operation and any royalties paid by that operation, by the combined
6 rate of tax ad valorem, excluding any rate levied by the State of
7 Nevada ~~[]~~ *and any rate levied for a county school district for any*
8 *purpose other than capital projects or debt service for the county*
9 *school district*, for property at that site, plus a pro rata share of any
10 penalties and interest collected by the Department for the late
11 payment of taxes distributed to the county. The Department shall
12 report to the State Controller on or before May 25 of each year the
13 amount appropriated to each county, as calculated for each
14 operation from the final statement made in February of that year for
15 the preceding calendar year. The State Controller shall distribute all
16 money due to a county on or before May 30 of each year.

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

19 (a) Determining the total of the amounts obtained by
20 multiplying, for each extractive operation situated within its
21 jurisdiction, the net proceeds of that operation and any royalty
22 payments paid by that operation, by the rate levied on behalf of that
23 local government or other local entity ~~[]~~, *excluding any rate levied*
24 *for a county school district for any purpose other than capital*
25 *projects or debt service for the county school district;*

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

30 (c) Subtracting from the amount determined pursuant to
31 paragraph (b) a commission of 5 percent, of which 3 percent must
32 be deposited in the county general fund and 2 percent must be
33 accounted for separately in the account for the acquisition and
34 improvement of technology in the office of the county assessor
35 created pursuant to NRS 250.085.

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

41 4. ~~[Any amount apportioned pursuant to subsection 2]~~ *The*
42 *Department shall deposit to the credit of the State Education Fund*



1 *the total of the amounts obtained by multiplying, for each*
2 *extractive operation situated within a county, the net proceeds of*
3 *that operation and any royalties paid by that operation, by the*
4 *combined rate of tax ad valorem levied in that county for [a] the*
5 county school district for any purpose other than capital projects or
6 debt service for the county school district ~~must be paid over to the~~
7 ~~State Treasurer to be~~, *plus a pro rata share of any penalties and*
8 *interest collected by the Department for the late payment of taxes*
9 *deposited to the credit of the State Education Fund.*

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

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

16 354.6241 1. The statement required by paragraph (a) of
17 subsection 5 of NRS 354.624 must indicate for each fund set forth
18 in that paragraph:

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

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

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

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

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

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

30 2. Except as otherwise provided in subsections 3 and 4 and
31 NRS 354.59891 and 354.613, to the extent that the reserve in any
32 fund set forth in paragraph (a) of subsection 5 of NRS 354.624
33 exceeds the amount that is reasonable and necessary to carry out the
34 purposes for which the fund was created, the reserve may be
35 expended by the local government pursuant to the provisions of
36 chapter 288 of NRS.

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

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

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



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

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

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

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

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

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

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

18 (3) ~~[Except as otherwise provided in section 77 of chapter~~
19 ~~624, Statutes of Nevada 2019, at page 4252, must]~~ **Must** be
20 transferred to the Education Stabilization Account pursuant to
21 NRS 387.1213.

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

23 387.1212 1. The State Education Fund is hereby created as a
24 special revenue fund to be administered by the Superintendent of
25 Public Instruction for the purpose of supporting the operation of the
26 public schools in this State. The interest and income earned on the
27 money in the Fund, excluding the direct legislative appropriation
28 from the State General Fund required by subsection 3, must, after
29 deducting any applicable charges, be credited to the Fund.

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

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

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

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

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

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

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



- 1 (g) The money identified in subsection 1 of NRS 328.450;
- 2 (h) The money identified in subsection 1 of NRS 328.460;
- 3 (i) The money identified in paragraph (a) of subsection 2 of
- 4 NRS 360.850;
- 5 (j) The money identified in paragraph (a) of subsection 2 of
- 6 NRS 360.855;
- 7 (k) The money required to be ~~paid over to the State Treasurer~~
- 8 ~~for deposit~~ *deposited* to the credit of the State Education Fund
- 9 pursuant to subsection 4 of NRS 362.170;
- 10 (l) The portion of the proceeds of the tax imposed pursuant to
- 11 subsection 1 of NRS 372A.290 identified in paragraph (b) of
- 12 subsection 4 of NRS 372A.290;
- 13 (m) The proceeds of the tax imposed pursuant to subsection 3 of
- 14 NRS 372A.290;
- 15 (n) The proceeds of the fees, taxes, interest and penalties
- 16 imposed pursuant to chapter 374 of NRS, as transferred pursuant to
- 17 subsection 3 of NRS 374.785;
- 18 (o) The money identified in subsection 5 of NRS 445B.640;
- 19 (p) The money identified in paragraph (b) of subsection 4 of
- 20 NRS 678B.390;
- 21 (q) The portion of the proceeds of the excise tax imposed
- 22 pursuant to subsection 1 of NRS 463.385 identified in paragraph (c)
- 23 of subsection 5 of NRS 463.385;
- 24 (r) The money required to be distributed to the State Education
- 25 Fund pursuant to subsection 3 of NRS 482.181;
- 26 (s) The portion of the proceeds of the fee imposed pursuant to
- 27 NRS 488.075 identified in subsection 2 of NRS 488.075;
- 28 (t) The portion of the net profits of the grantee of a franchise,
- 29 right or privilege identified in NRS 709.110;
- 30 (u) The portion of the net profits of the grantee of a franchise
- 31 identified in NRS 709.230;
- 32 (v) The portion of the net profits of the grantee of a franchise
- 33 identified in NRS 709.270; and
- 34 (w) The direct legislative appropriation from the State General
- 35 Fund required by subsection 3.
- 36 3. In addition to money from any other source provided by law,
- 37 support for the State Education Fund must be provided by direct
- 38 legislative appropriation from the State General Fund in an amount
- 39 determined by the Legislature to be sufficient to fund the operation
- 40 of the public schools in this State for kindergarten through grade 12
- 41 for the next ensuing biennium for the population reasonably
- 42 estimated for that biennium. Money in the State Education Fund
- 43 does not revert to the State General Fund at the end of a fiscal year,
- 44 and the balance in the State Education Fund must be carried forward
- 45 to the next fiscal year.



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

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

4 387.1213 1. The Education Stabilization Account is hereby
5 created in the State Education Fund. Except as otherwise provided
6 in subsections 3, ~~and~~ 4 ~~and~~ 5, each year after the close of the
7 previous fiscal year and before the issuance of the State Controller's
8 annual report, each county school district shall transfer from the
9 county school district fund to the Education Stabilization Account
10 any amount by which the budgeted ending fund balance of the
11 county school district fund exceeds 16.6 percent of the total
12 budgeted expenditures for the fund. The interest and income earned
13 on the money in the Account, after deducting any applicable
14 charges, must be credited to the Account.

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

19 3. The balance in the Educational Stabilization Account must
20 not exceed 15 percent of the total of all appropriations and
21 authorizations from the State Education Fund, excluding the
22 Education Stabilization Account, for the immediately preceding
23 fiscal year. Any money transferred to the Education Stabilization
24 Account which exceeds this amount must instead be transferred to
25 the State Education Fund.

26 4. If the Interim Finance Committee finds that:

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

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

35 ➤ the Committee shall by resolution establish an amount of money
36 to transfer from the Education Stabilization Account to the State
37 Education Fund and direct the State Controller to transfer that
38 amount to the State Education Fund. The State Controller shall
39 thereupon make the transfer.

40 5. *When determining the budgeted ending fund balance for*
41 *the purposes of subsection 1, each county school district shall*
42 *exclude:*

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



1 *(b) Any money apportioned to the county school district for*
2 *capital projects or debt service pursuant to subsection 2 of NRS*
3 *362.170 and deposited in the county school district fund when*
4 *authorized by law; and*

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

8 6. The balance remaining in the State Education Fund,
9 excluding the balance remaining in the Education Stabilization
10 Account, that has not been committed for expenditure on or before
11 June 30 of an odd-numbered fiscal year must be transferred to the
12 Education Stabilization Account to the extent that such a transfer
13 would not cause the balance in the Education Stabilization Account
14 to exceed the limit established in subsection 3.

15 **Sec. 2.5.** NRS 387.1214 is hereby amended to read as follows:
16 387.1214 1. After a direct legislative appropriation is made to
17 the State Education Fund from the State General Fund pursuant to
18 NRS 387.1212, the Legislature shall determine the statewide base
19 per pupil funding amount for each fiscal year of the biennium,
20 which is the amount of money expressed on a per pupil basis for the
21 projected enrollment of the public schools in this State, determined
22 to be sufficient by the Legislature to fund the costs of all public
23 schools in this State to operate and provide general education to all
24 pupils for any purpose for which specific funding is not
25 appropriated pursuant to paragraph (a), (b) or (e) of subsection 2 or
26 NRS 387.122. It is the intent of the Legislature that the statewide
27 base per pupil funding amount for any fiscal year, to the extent
28 practicable, be not less than the statewide base per pupil funding
29 amount for the immediately preceding fiscal year, adjusted by
30 inflation, unless the amount of money contained in the State
31 Education Fund, excluding the Education Stabilization Account,
32 decreases from the preceding fiscal year. If the amount of money
33 contained in the State Education Fund, excluding the Education
34 Stabilization Account, decreases from the preceding fiscal year, it is
35 the intent of the Legislature that a proportional reduction be made in
36 both the statewide base per pupil funding amount and the weighted
37 funding appropriated pursuant to paragraph (e) of subsection 2.

38 2. After a direct legislative appropriation is made to the State
39 Education Fund from the State General Fund pursuant to NRS
40 387.1212, the money in the State Education Fund, excluding any
41 amount of money in the Education Stabilization Account, must be
42 appropriated as established by law for each fiscal year of the
43 biennium for the following purposes:

44 (a) To each school district, an amount of money determined to
45 be sufficient by the Legislature, when combined with any other



1 resources available for this purpose, to provide food services and
2 transportation for pupils and any other similar service that the
3 Legislature deems appropriate.

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

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

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

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

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

26 (e) To each school district, charter school or university school
27 for profoundly gifted pupils, an amount of money determined to be
28 sufficient by the Legislature, when combined with any other
29 resources available for this purpose, to provide additional weighted
30 funding for each pupil estimated to be enrolled in the school district,
31 charter school or university school for profoundly gifted pupils who
32 is:

- 33 (1) An English learner;
- 34 (2) An at-risk pupil; or
- 35 (3) A gifted and talented pupil.

36 3. The adjusted base per pupil funding appropriated pursuant to
37 paragraph (c) of subsection 2 for each school district must be
38 determined by applying the cost adjustment factor established
39 pursuant to NRS 387.1215 which applies to the school district and
40 the attendance area adjustment established pursuant to NRS
41 387.1218 which applies to each applicable area of the school district
42 to the statewide base per pupil funding amount.

43 4. The adjusted base per pupil funding appropriated pursuant to
44 subparagraph (2) of paragraph (d) of subsection 2 for each charter
45 school or university school for profoundly gifted pupils must be



1 determined by applying the cost adjustment factor established
2 pursuant to NRS 387.1215 which applies to the charter school or
3 university school and, if applicable, the attendance area adjustment
4 established pursuant to NRS 387.1218 to the statewide base per
5 pupil funding amount.

6 5. The weighted funding appropriated pursuant to paragraph (e)
7 of subsection 2 must be established separately for each category of
8 pupils identified in that paragraph and expressed as a multiplier to
9 be applied to the statewide base per pupil funding amount
10 determined pursuant to subsection 1. A pupil who belongs to more
11 than one category of pupils or for whom a school district, charter
12 school or university school for profoundly gifted pupils is eligible to
13 receive the statewide multiplier pursuant to NRS 387.122 must
14 receive only the weighted funding for the single category to which
15 the pupil belongs which has the largest multiplier or the statewide
16 multiplier, whichever is larger. It is the intent of the Legislature that,
17 to the extent practicable:

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

21 (1) The amount of money contained in the State Education
22 Fund, excluding the Education Stabilization Account, decreases
23 from the preceding fiscal year, in which event it is the intent of the
24 Legislature that a proportional reduction be made in both the
25 statewide base per pupil funding amount and the weighted funding
26 appropriated pursuant to paragraph (e) of subsection 2; or

27 (2) The amount of money contained in the State Education
28 Fund, excluding the Education Stabilization Account, increases
29 from the preceding fiscal year but in an amount which, after funding
30 the appropriations required by paragraphs (a) to (d), inclusive, of
31 subsection 2, is insufficient to fund the multiplier for each category
32 of pupils, in which event it is the intent of the Legislature that the
33 remaining money in the State Education Fund be used to provide a
34 multiplier for each category of pupils which is as close as
35 practicable to the multiplier for the preceding fiscal year;

36 (b) The recommendations of the Commission for the multiplier
37 for each category of pupils be considered and the multiplier for one
38 category of pupils may be changed by an amount that is not
39 proportional to the change in the multiplier for one or more other
40 categories of pupils if the Legislature determines that a
41 disproportionate need to serve the pupils in the affected category
42 exists; and

43 (c) If the multipliers for all categories of pupils in a fiscal year
44 are increased from the multipliers in the immediately preceding



1 fiscal year, a proportional increase is considered for the statewide
2 base per pupil funding amount.

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

5 (a) The amount of such money for the county from which the
6 money was collected that does not exceed the total amount of
7 money appropriated pursuant to subsection 2 to the county school
8 district is deemed to be the first money appropriated pursuant to
9 subsection 2 for that county school district ~~§~~ *and the first money*
10 *spent by that county school district from the county school district*
11 *fund during the applicable fiscal year.*

12 (b) The amount of such money for the county from which the
13 money was collected which exceeds the total amount of money
14 appropriated pursuant to subsection 2 to the county school district
15 must be transferred to the county school district and is hereby
16 authorized for expenditure as a continuing appropriation for the
17 purpose of mitigating the adverse effects of the cyclical nature of
18 the industry of extracting and processing minerals on the ability of
19 the county school district to offer its pupils a reasonably equal
20 educational opportunity.

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

23 (a) May not be used to settle or arbitrate disputes between a
24 recognized organization representing employees of a school district
25 or the governing body of a charter school and the school district or
26 governing body or to settle any negotiations; and

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

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

31 Sec. 8. 1. When preparing its certificate of the tax due
32 from a taxpayer pursuant to NRS 362.130 during the calendar
33 year ~~{2024,}~~ 2023, the Department of Taxation shall reduce
34 the amount of the tax due from the taxpayer by the amount of:

35 (a) Any estimated payments of the tax made by or on
36 behalf of the taxpayer during the calendar year ~~{2023}~~ 2022
37 pursuant to NRS 362.115, as that section read on January 1,
38 ~~{2023,}~~ 2022; and

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

41 2. Notwithstanding any other provision of law, for the
42 calendar year ~~{2023,}~~ 2022, each person extracting any
43 mineral in this State may file with the Department a quarterly
44 report stating an estimate for the year and the actual quarterly
45 amounts of production, gross yield and net proceeds as of



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

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

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

41 (b) The person files quarterly reports pursuant to
42 subsection 2 in a timely manner and the total of all payments
43 exceeds 90 percent of the amount certified as the net proceeds
44 of any minerals extracted and royalties paid during
45 the calendar year ~~2023.~~ 2022 multiplied by a rate equal to



1 the rate as determined pursuant to NRS 362.140 minus the
2 combined rate of tax ad valorem for the county in which the
3 operation is located, including any rate levied by the State of
4 Nevada.

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

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

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

12 3. Section 3 of this act becomes effective on July 1,
13 2021.

14 4. Sections 2 and 3 of this act expire by limitation on
15 June 30, ~~2023.~~ 2022.

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

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

20 2. Do not apply to or otherwise affect the obligation of any
21 entity to repay to the State Education Fund any amount of money to
22 which the entity was not entitled, including, without limitation,
23 money which was received as an overpayment or in any other way
24 paid to an entity in error from the State Education Fund.

25 **Sec. 5.** Notwithstanding the provisions of NRS 218D.430 and
26 218D.435, a committee may vote on this act before the expiration of
27 the period prescribed for the return of a fiscal note in NRS
28 218D.475. This section applies retroactively from and after
29 February 6, 2023.

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

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

34 2. The amendatory provisions of sections 1.5, 2.3, 2.5, 4.5 and
35 5.5 of this act apply retroactively from and after June 30, 2020.

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



TEXT OF REPEALED SECTION

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.

