

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; revising provisions relating to the transfer of money to the Education Stabilization Account in 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 revises
30 this requirement to be based on the actual, rather than budgeted, ending fund
31 balance of a county school district fund and the total actual, rather than budgeted,
32 expenditures for the fund. **Section 2.3** also clarifies that certain proceeds of the tax
33 upon the net proceeds of minerals and mineral royalties that are received by a
34 county school district are excluded from the actual ending fund balance of a county
35 school district fund for the purpose of the transfer to the Education Stabilization
36 Account required by existing law and, thus, are not subject to such a transfer.

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49 repealed provision.

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

59 Existing law requires a person extracting any mineral in this State to file a
60 statement which shows the estimated gross yield and estimated net proceeds from
61 each operation for the current calendar year and an estimate of all royalties that will
62 be paid during the current calendar year. (NRS 362.115) Existing law temporarily
63 requires advance payment of the portion of the tax that is distributed to the State
64 General Fund, based upon the estimated net proceeds and royalties for the current
65 calendar year. (NRS 362.115) This advance payment requirement expires on
66 June 30, 2023. (Chapter 4, Statutes of Nevada 2020, 31st Special Session, at page
67 32) **Section 4** of this bill advances the date on which the advance payment



68 requirement expires to June 30, 2022. **Section 3** of this bill revises provisions
69 governing certain duties of the Department relating to the expiration of the advance
70 payment requirement to provide for the carrying out of those duties in Fiscal Year
71 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~~ *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 ~~and~~, *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



1 excluding the percentage commission, must be applied to the uses
2 for which each levy was authorized in the same proportion as the
3 rate of each levy bears to the total rate.

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

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

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

21 354.6241 1. The statement required by paragraph (a) of
22 subsection 5 of NRS 354.624 must indicate for each fund set forth
23 in that paragraph:

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

12 (k) The money required to be ~~paid over to the State Treasurer~~
13 ~~for deposit~~ *deposited* to the credit of the State Education Fund
14 pursuant to subsection 4 of NRS 362.170;

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

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

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

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

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

26 (q) The portion of the proceeds of the excise tax imposed
27 pursuant to subsection 1 of NRS 463.385 identified in paragraph (c)
28 of subsection 5 of NRS 463.385;

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

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

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

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

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

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

41 3. In addition to money from any other source provided by law,
42 support for the State Education Fund must be provided by direct
43 legislative appropriation from the State General Fund in an amount
44 determined by the Legislature to be sufficient to fund the operation
45 of the public schools in this State for kindergarten through grade 12



1 for the next ensuing biennium for the population reasonably
2 estimated for that biennium. Money in the State Education Fund
3 does not revert to the State General Fund at the end of a fiscal year,
4 and the balance in the State Education Fund must be carried forward
5 to the next fiscal year.

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

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

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

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

24 3. The balance in the Education Stabilization Account must not
25 exceed 15 percent of the total of all appropriations and
26 authorizations from the State Education Fund, excluding the
27 Education Stabilization Account, for the immediately preceding
28 fiscal year. Any money transferred to the Education Stabilization
29 Account which exceeds this amount must instead be transferred to
30 the State Education Fund.

31 4. If the Interim Finance Committee finds that:

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

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

40 ➤ the Committee shall by resolution establish an amount of money
41 to transfer from the Education Stabilization Account to the State
42 Education Fund and direct the State Controller to transfer that
43 amount to the State Education Fund. The State Controller shall
44 thereupon make the transfer.



1 5. *When determining the actual ending fund balance for the*
2 *purposes of subsection 1, each county school district shall*
3 *exclude:*

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

6 (b) *Any money apportioned to the county school district for*
7 *capital projects or debt service pursuant to subsection 2 of NRS*
8 *362.170 and deposited in the county school district fund when*
9 *authorized by law; and*

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

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

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

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

43 2. After a direct legislative appropriation is made to the State
44 Education Fund from the State General Fund pursuant to NRS
45 387.1212, the money in the State Education Fund, excluding any



1 amount of money in the Education Stabilization Account, must be
2 appropriated as established by law for each fiscal year of the
3 biennium for the following purposes:

4 (a) To each school district, an amount of money determined to
5 be sufficient by the Legislature, when combined with any other
6 resources available for this purpose, to provide food services and
7 transportation for pupils and any other similar service that the
8 Legislature deems appropriate.

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

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

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

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

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

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

- 38 (1) An English learner;
- 39 (2) An at-risk pupil; or
- 40 (3) A gifted and talented pupil.

41 3. The adjusted base per pupil funding appropriated pursuant to
42 paragraph (c) of subsection 2 for each school district must be
43 determined by applying the cost adjustment factor established
44 pursuant to NRS 387.1215 which applies to the school district
45 and the attendance area adjustment established pursuant to



1 NRS 387.1218 which applies to each applicable area of the school
2 district to the statewide base per pupil funding amount.

3 4. The adjusted base per pupil funding appropriated pursuant to
4 subparagraph (2) of paragraph (d) of subsection 2 for each charter
5 school or university school for profoundly gifted pupils must be
6 determined by applying the cost adjustment factor established
7 pursuant to NRS 387.1215 which applies to the charter school or
8 university school and, if applicable, the attendance area adjustment
9 established pursuant to NRS 387.1218 to the statewide base per
10 pupil funding amount.

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

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

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

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

41 (b) The recommendations of the Commission for the multiplier
42 for each category of pupils be considered and the multiplier for one
43 category of pupils may be changed by an amount that is not
44 proportional to the change in the multiplier for one or more other
45 categories of pupils if the Legislature determines that a



1 disproportionate need to serve the pupils in the affected category
2 exists; and

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

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

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

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

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

27 (a) May not be used to settle or arbitrate disputes between a
28 recognized organization representing employees of a school district
29 or the governing body of a charter school and the school district or
30 governing body or to settle any negotiations; and

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

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

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

39 (a) Any estimated payments of the tax made by or on
40 behalf of the taxpayer during the calendar year ~~2023~~ 2022
41 pursuant to NRS 362.115, as that section read on January 1,
42 ~~2023~~ 2022; and

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



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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

3. The amendatory provisions of sections 3 and 4 of this act 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.

