

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 **Section 1.5** of this bill makes a conforming change relating to the use of actual,  
38 rather than budgeted, ending fund balances and expenditures.

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

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.

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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; *and*

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

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

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

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

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

44 (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.



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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.

