

SUMMARY—Revises provisions relating to education. (BDR 34-637)

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

Effect on the State: Yes.

AN ACT relating to education; revising provisions relating to the statewide system of accountability; creating the Charter School Facilities Account in the State General Fund for the acquisition, improvement and maintenance of facilities of certain charter schools; requiring the Department of Education to distribute money from the Account to certain charter schools based on the attendance of pupils and the eligibility of pupils for free and reduced-price meals; creating the State Public Charter School Facility Fund in the State Treasury for the payment of interest and redemption of outstanding bonds of certain charter schools and the design, construction, acquisition, leasing or renting of facilities for certain charter schools; directing revenue to be deposited into the Fund; revising provisions relating to the annual reports of accountability prepared by the State Board of Education and each school district; revising provisions relating to certain taxes to support public schools; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law requires the Department of Education to: (1) determine annually whether each public school is meeting the measurable objectives and performance targets established pursuant



to the statewide system of accountability for public schools; and (2) post such determinations and final ratings on the Internet website maintained by the Department. (NRS 385A.670, 385A.720)

Section 1 of this bill requires the Department to also post on the Internet website a ranked list of the top 10 elementary schools, middle schools and high schools in the State based on the determinations and final ratings.

Existing law authorizes the Director of the Department of Business and Industry to issue bonds and other obligations to finance the acquisition, construction, improvement, restoration or rehabilitation of certain property, buildings and facilities for charter schools, known as the Charter School Financing Law. (NRS 388A.550-388A.695) **Section 4** of this bill creates the Charter School Facilities Account in the State General Fund for the acquisition, improvement and maintenance of charter school facilities in this State and requires the Superintendent of Public Instruction to administer the Account.

Section 4 requires the Department of Education, for Fiscal Year 2025-2026 and each fiscal year thereafter, to distribute the money in the Account to each charter school in this State, other than a charter school for distance education, as follows: (1) \$600 per school year per pupil for pupils qualifying as eligible for free and reduced-price meals pursuant to the National School Lunch Program; and (2) \$300 per school year per pupil for all other pupils. The amount provided to each charter school is reduced proportionally by the number of days each pupil is expected to not attend the school in person if the pupil is participating in a program of distance education provided by the charter school. **Section 4** further provides that the money remaining in the Account does not



revert to the State General Fund at the end of each fiscal year and must be carried forward to the next fiscal year.

Section 5 of this bill creates the State Public Charter School Facility Fund in the State Treasury and requires the money in the Fund to be used for the payment of interest and redemption of outstanding bonds of charter schools and for the design, construction, acquisition, leasing or renting of facilities for certain charter schools. **Section 5** requires that money deposited in the Fund from tax revenue from a county be used for charter schools in that county.

Existing law requires each board of county commissioners to levy taxes on certain taxable property for the support of public schools in the county, the revenue of which must be credited to the State Education Fund. (NRS 387.195) **Section 2** of this bill requires that a portion of such tax revenue must also be credited to the State Public Charter School Facility Fund created by **section 5**. **Section 7** of this bill requires that when a municipality adopts certain ordinances and levies taxes pursuant to **section 2**, a portion of those taxes be deposited into the Fund.

Existing law requires the board of trustees of each school district to report to the State Board of Education and the Teachers and Leaders Council of Nevada concerning the implementation and effectiveness of certain processes of the statewide performance evaluation system for evaluating the performance of educational employees. (NRS 391.465, 391.470) **Section 6** of this bill requires the board of trustees of each school district to also submit a report concerning teacher performance evaluations based on the statewide performance evaluation system, including, without limitation, a list of the top 10 percent of elementary school, middle school and high school teachers. **Section 6** requires the Department, on or before September 15 of each year, to post on the Internet website



of the Department the top 10 percent of elementary school, middle school and high school teachers for each school district in the State based on the statewide performance evaluation system.

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

Section 1. NRS 385A.720 is hereby amended to read as follows:

385A.720 1. Except as otherwise provided in subsection 3:

(a) Based upon the information received from the Department pursuant to NRS 385A.670, the board of trustees of each school district shall, on or before August 15 of each year, issue a preliminary rating for each public school in the school district in accordance with the statewide system of accountability for public schools, excluding charter schools sponsored by the State Public Charter School Authority, a college or university within the Nevada System of Higher Education or a city or county.

(b) The board of trustees shall make preliminary ratings for all charter schools that are sponsored by the board of trustees.

(c) The Department shall make preliminary ratings for all charter schools sponsored by the State Public Charter School Authority, all charter schools sponsored by a college or university within the Nevada System of Higher Education and all charter schools sponsored by a city or county.



2. Except as otherwise provided in subsection 3:

(a) Before making a final rating for a school, the board of trustees of the school district or the Department, as applicable, shall provide the school an opportunity to review the data upon which the preliminary rating is based and to present evidence.

(b) If the school is a public school of the school district or a charter school sponsored by the board of trustees, the board of trustees of the school district shall, in consultation with the Department, make a final determination concerning the rating for the school on September 15.

(c) If the school is a charter school sponsored by the State Public Charter School Authority, a college or university within the Nevada System of Higher Education or a city or county, the Department shall make a final determination concerning the rating for the school on September 15.

3. The Department may temporarily waive or otherwise pause the requirement to make ratings for public schools that comply with 20 U.S.C. § 6311(c) pursuant to this section if the United States Department of Education grants a waiver from or otherwise pauses the requirements of 20 U.S.C. § 6311(c).

4. On or before September 15 of each year, the Department shall post on the Internet website maintained by the Department the determinations and final ratings made for all schools in this State ~~H~~ *and a ranked list of the top 10 elementary schools, middle schools and high schools in the State based on the determinations and final ratings.*

Sec. 2. NRS 387.195 is hereby amended to read as follows:



387.195 1. Each board of county commissioners shall levy a tax of 75 cents on each \$100 of assessed valuation of taxable property within the county for the support of the public schools.

2. The tax collected pursuant to subsection 1 on any assessed valuation attributable to the net proceeds of minerals must not be considered as available to pay liabilities of the fiscal year in which the tax is collected but must be deferred for use in the subsequent fiscal year.

3. In addition to any tax levied in accordance with subsection 1, each board of county commissioners shall levy a tax for the payment of interest and redemption of outstanding bonds of the county school district ~~§~~, *the payment of interest and redemption of outstanding bonds of a charter school in the county and for charter school facilities in the county.*

4. The tax collected pursuant to subsection 1 and any interest earned from the investment of the proceeds of that tax must be remitted by the county treasurer to the State Treasurer for credit to the State Education Fund.

5. The tax collected pursuant to subsection 3 and any interest earned from the investment of the proceeds of that tax must be credited to the county school district's debt service fund ~~§~~ *and the State Public Charter School Facility Fund created by section 5 of this act.*

Sec. 3. Chapter 388A of NRS is hereby amended by adding thereto the provisions set forth as sections 4 and 5 of this act.

Sec. 4. 1. *There is hereby created the Charter School Facilities Account in the State General Fund for the acquisition, improvement and maintenance of facilities of charter schools operating in this State.*

2. The Superintendent of Public Instruction shall administer the Account.



3. To the extent money is available in the Account, the Department shall, for Fiscal Year 2025-2026 and each fiscal year thereafter, distribute the money in the Account in the following manner:

(a) For pupils qualifying as eligible for free and reduced-price meals pursuant to the National School Lunch Program, 42 U.S.C. §§ 1751 et seq., an amount of \$600 per school year per pupil:

(1) Attending a charter school on a full-time, in person basis; and

(2) Attending a charter school providing a program of distance education, reduced proportionally by the number of days each pupil is expected to not attend the charter school in person.

(b) For pupils not qualifying as eligible for free and reduced-price meals pursuant to the National School Lunch Program, 42 U.S.C. §§ 1751 et seq., an amount of \$300 per school year per pupil:

(1) Attending a charter school on a full-time, in person basis; and

(2) Attending a charter school providing a program of distance education, reduced proportionally by the number of days each pupil is expected to not attend the charter school in person.

4. If there is an insufficient amount of money in the Account to fully fund the distributions projected to be made pursuant to subsection 3 in any fiscal year, the Superintendent of Public Instruction shall proportionally reduce the amount of all such distributions.



5. *The interest and income earned on money in the Account, after deducting any applicable charges must be credited to the Account.*

6. *Any money remaining in the Account at the end of a fiscal year does not revert to the State General Fund, and the balance in the Account must be carried forward to the next fiscal year.*

7. *As used in this section:*

(a) *“Charter school” does not include a charter school for distance education as defined in NRS 388A.705.*

(b) *“Program of distance education” has the meaning ascribed to it in NRS 388.829.*

Sec. 5. 1. *There is hereby created as a special revenue fund in the State Treasury the State Public Charter School Facility Fund to be administered by the Executive Director of the State Public Charter School Authority. The tax collected pursuant to subsection 3 of NRS 387.195 for the payment of interest and redemption of outstanding bonds of a charter school and for charter school facilities must be deposited in the State Treasury for credit to the State Public Charter School Facility Fund.*

2. *All interest and income earned from the money in the Fund must be credited to the Fund.*

3. *Claims against the Fund must be paid as other claims against the State are paid.*

4. *Money in the Fund must be used to meet existing or future obligations of the State and for the following purposes:*



(a) Construction, design or purchase of new and existing buildings for use by a public charter school, including, without limitation, teacherages, dormitories, dining halls, gymnasiums and stadiums.

(b) Enlarging, remodeling or repairing existing buildings or grounds for a public charter school, including, without limitation, teacherages, dormitories, dining halls, gymnasiums and stadiums.

(c) Acquiring sites for building schools, or additional real property for necessary purposes related to schools, including, without limitation, playgrounds, athletic fields and sites for stadiums.

(d) Renting or leasing a facility for the use of a charter school.

5. Any money disbursed from the Fund must be used for the needs of charter schools in the county from which the tax revenue was collected pursuant to subsection 3 of NRS 387.195 and deposited into the Fund pursuant to subsection 1.

6. As used in this section, “charter school” does not include a charter school for distance education as defined in NRS 388A.705.

Sec. 6. NRS 391.470 is hereby amended to read as follows:

391.470 **1.** On or before August 1 of each year, the board of trustees of each school district shall submit a report to the State Board and the Teachers and Leaders Council of Nevada created by NRS 391.455 concerning **[the]** :

(a) The implementation and effectiveness of the process for peer observations of teachers set forth in the regulations adopted by the State Board pursuant to paragraph (e) of subsection 2 of



NRS 391.465, including, without limitation, any recommendations for revisions to the process of peer observations.

(b) Teacher performance evaluations based on the statewide performance evaluation system established by the State Board pursuant to NRS 391.465, including, without limitation, a list of the top 10 percent of elementary school, middle school and high school teachers in each district.

2. On or before September 15 of each year, the Department shall post on the Internet website maintained by the Department the top 10 percent of elementary school, middle school and high school teachers in each district as reported pursuant to subsection 1.

Sec. 7. NRS 278C.250 is hereby amended to read as follows:

278C.250 1. After the effective date of the ordinance adopted pursuant to NRS 278C.220:

(a) Any taxes levied upon taxable property in the tax increment area each year by or for the benefit of the State, the municipality and any public body must be divided as follows:

(1) That portion of the taxes that would be produced by the rate upon which the tax is levied each year by or for each of those taxing agencies upon the total sum of the assessed value of the taxable property in the tax increment area as shown upon the last equalized assessment roll used in connection with the taxation of the property by the taxing agency, must be allocated to and when collected must be paid into the funds of the respective taxing agencies as taxes by or for the taxing agencies on all other property are paid.

(2) Except as otherwise provided in this section, the portion of the taxes levied each year in excess of the amount determined pursuant to subparagraph (1) must be allocated to, and when collected must be paid into, the tax increment account pertaining to the undertaking to pay the



bond requirements of loans, money advanced to, or indebtedness, whether funded, refunded, assumed or otherwise, incurred by the municipality to finance or refinance, in whole or in part, the undertaking. Unless the total assessed valuation of the taxable property in the tax increment area exceeds the total assessed value of the taxable property in the area as shown by the last equalized assessment roll referred to in this subsection, all of the taxes levied and collected upon the taxable property in the area must be paid into the funds of the respective taxing agencies. When the loans, advances and indebtedness, if any, and interest thereon, have been paid, all money thereafter received from taxes upon the taxable property in the tax increment area must be paid into the funds of the respective taxing agencies as taxes on all other property are paid.

(b) If the undertaking is a natural resources project or a rail project for which the municipality has received approval from the Interim Finance Committee pursuant to NRS 278C.157, any taxes levied upon the sale or use of tangible personal property in the tax increment area each year by or for the benefit of the State, the municipality and any public body must be divided as follows:

(1) That portion of the taxes that would be produced by the rate upon which the tax is levied each year by or for each of those taxing agencies upon the total sum of the sales and use of tangible personal property in the tax increment area in the fiscal year immediately preceding the effective date of the ordinance adopted pursuant to NRS 278C.220, must be allocated to and when collected must be paid into the funds of the respective taxing agencies as taxes by or for the taxing agencies on all other sales of tangible personal property are paid.

(2) Except as otherwise provided in this section, of the portion of the taxes levied each year in excess of the amount determined pursuant to subparagraph (1), 50 percent of that amount must



be allocated to, and when collected must be paid into the tax increment account pertaining to the undertaking to pay the bond requirements of loans, money advanced to, or indebtedness, whether funded, refunded, assumed or otherwise, incurred by the municipality to finance or refinance, in whole or in part, the undertaking. The remaining 50 percent of that amount must be allocated to and when collected must be paid into the funds of the respective taxing agencies as taxes by or for the taxing agencies on all other sales of tangible personal property are paid. Unless the total amount of the taxes imposed on the sale and use of tangible personal property in the tax increment area exceeds the total amount of the taxes imposed on the sale and use of tangible personal property in the tax increment area in the fiscal year immediately preceding the effective date of the ordinance adopted pursuant to NRS 278C.220, all of the taxes levied and collected upon the sale or use of tangible personal property in the tax increment area must be paid into the funds of the respective taxing agencies. When the loans, advances and indebtedness, if any, and interest thereon, have been paid, all money thereafter received from taxes upon the sale or use of tangible personal property in the tax increment area must be paid into the funds of the respective taxing agencies as taxes on all other taxes on the sale or use of tangible personal property are paid.

(c) If the undertaking is a natural resources project or a rail project for which the municipality has received approval from the Interim Finance Committee pursuant to NRS 278C.157, any taxes imposed pursuant to NRS 363A.130 or 363B.110 on employers located in the tax increment area must be divided as follows:

(1) That portion of the taxes that would be produced by the rate upon which the tax is imposed each year by the Department of Taxation in the fiscal year immediately preceding the



effective date of the ordinance adopted pursuant to NRS 278C.220, must be allocated to and when collected must be paid to the Department of Taxation as all other taxes imposed pursuant to NRS 363A.130 and 363B.110 are paid.

(2) Except as otherwise provided in this section, of the portion of the taxes imposed each year in excess of the amount determined pursuant to subparagraph (1), 50 percent of that amount must be allocated to, and when collected must be paid into, the tax increment account pertaining to the undertaking to pay the bond requirements of loans, money advanced to, or indebtedness, whether funded, refunded, assumed or otherwise, incurred by the municipality to finance or refinance, in whole or in part, the undertaking. The remaining 50 percent of that amount must be allocated to and when collected must be paid to the Department of Taxation as all other taxes imposed pursuant to NRS 363A.130 and 363B.110 are paid. Unless the total amount of the taxes imposed pursuant to NRS 363A.130 and 363B.110 on employers located in the tax increment area exceeds the total amount of the taxes imposed on employers located in the tax increment area in the fiscal year immediately preceding the effective date of the ordinance adopted pursuant to NRS 278C.220, all of the taxes imposed on employers located in the tax increment area must be paid to the Department of Taxation. When the loans, advances and indebtedness, if any, and interest thereon, have been paid, all money thereafter received from taxes imposed pursuant to NRS 363A.130 or 363B.110 on employers located in the tax increment area must be paid to the Department of Taxation as all other taxes imposed pursuant to NRS 363A.130 and 363B.110 are paid.



2. Except as otherwise provided in subsection 2 of NRS 360.991, the amount of the taxes levied each year which are paid into the tax increment account pursuant to subparagraph (2) of paragraph (a) of subsection 1, subparagraph (2) of paragraph (b) of subsection 1 and subparagraph (2) of paragraph (c) of subsection 1 must be limited by the governing body to an amount not to exceed the combined total amount required for annual debt service of or any outstanding advances of money or unfunded costs associated with the project or projects acquired, improved or equipped, or any combination thereof, as part of the undertaking.

3. Any revenues generated within the tax increment area in excess of the amount referenced in subsection 2, if any, will be paid into the funds of the respective taxing agencies in the same proportion as their base amount was distributed.

4. Except as otherwise provided in this subsection, in any fiscal year, the total revenue paid to a tax increment area pursuant to subparagraph (2) of paragraph (a) of subsection 1 in combination with the total revenue paid to any other tax increment areas and any redevelopment agencies of a municipality, other than any revenues paid to any other tax increment areas pursuant to subparagraph (2) of paragraph (b) of subsection 1 and subparagraph (2) of paragraph (c) of subsection 1, must not exceed:

(a) In a county whose population is 100,000 or more or a city whose population is 150,000 or more, an amount equal to the combined tax rates of the taxing agencies for that fiscal year multiplied by 10 percent of the total assessed valuation of the municipality.



(b) In a county whose population is less than 100,000 or a city whose population is less than 150,000, an amount equal to the combined tax rates of the taxing agencies for that fiscal year multiplied by 15 percent of the total assessed valuation of the municipality.

↪ Notwithstanding the provisions of this subsection, if a county has a population of less than 100,000 or if a city has a population of less than 150,000 at the time the municipality issues securities for a tax increment area pursuant to NRS 278C.280, the revenue limitation set forth in paragraph (b) must remain the revenue limitation for the tax increment area until such time as the securities issued for that tax increment area pursuant to NRS 278C.280 have been paid in full, including any securities issued to refund those securities, regardless of whether the population of the municipality reaches or exceeds 100,000 after the issuance of those securities.

5. If the revenue paid to a tax increment area must be limited pursuant to paragraph (a) or (b) of subsection 4 and the municipality has more than one redevelopment agency or tax increment area, or one of each, the municipality shall determine the allocation to each agency and area. Any revenue that would be allocated to a tax increment area but for the provisions of this section must be paid into the funds of the respective taxing agencies.

6. The portion of the taxes levied each year in excess of the amount determined pursuant to subparagraph (1) of paragraph (a) of subsection 1 which is attributable to any tax rate levied by a taxing agency:


(a) To produce revenue in an amount sufficient to make annual repayments of the principal of, and the interest on, any bonded indebtedness that was approved by a majority of the registered



voters within the area of the taxing agency voting upon the question, must be allocated to, and when collected must be paid into, the debt service fund of that taxing agency.

(b) In excess of any tax rate of that taxing agency applicable to the last taxation of the property before the effective date of the ordinance, if that additional rate was approved by a majority of the registered voters within the area of the taxing agency voting upon the question, must be allocated to, and when collected must be paid into, the appropriate fund of that taxing agency.

(c) Pursuant to NRS 387.3285 or 387.3287, if that rate was approved by a majority of the registered voters within the area of the taxing agency voting upon the question, must be allocated to, and when collected must be paid into, the appropriate fund of that taxing agency.

(d) For the support of the public schools *and charter schools* within a county school district pursuant to NRS 387.195, must be allocated to, and when collected must be paid into, the State Education Fund  *and State Public Charter School Facility Fund*.

7. The provisions of paragraph (a) of subsection 6 include, without limitation, a tax rate approved for bonds of a county school district issued pursuant to NRS 350.020, including, without limitation, amounts necessary for a reserve account in the debt service fund.

8. As used in this section, the term “last equalized assessment roll” means the assessment roll in existence on the 15th day of March immediately preceding the effective date of the ordinance.

Sec. 8. The provisions of this act do not apply to the extent that the provisions would constitute an impairment of the rights of holders of the bonds or similar obligations issued by the State of Nevada or a political subdivision thereof. If there are any such outstanding bonds or obligations, the State of Nevada and its officers and agencies shall take whatever actions that are



deemed necessary to protect the interests of the State and the rights of the holders of the bonds and similar objections.

Sec. 9. The amendatory provisions of section 2 of this act:

1. Do not apply to any taxes due for any period ending on or before June 30, 2026.
2. Must not be applied to modify, directly or indirectly, any taxes levied or revenue pledged in such a manner as to impair adversely any outstanding obligations of any county, including, without limitation, bonds, medium-term financing, letters of credit and any other financial obligation, until all such obligations have been discharged in full or provision for their payment and redemption has been fully made.

Sec. 10. 1. This section becomes effective upon passage and approval.

2. Sections 1 to 9, inclusive, of this act become effective:
 - (a) Upon passage and approval for the purpose of performing any preparatory administrative tasks that are necessary to carry out the provisions of this act; and
 - (b) On January 1, 2026, for all other purposes.

