

## **Conceptual Amendment to AB519**

### Submitted by:

Dr. Ken Higbee  
Director of Special Services  
Elko County School District

### Intent:

To make the enactment of a county school capital projects tax optional, but still mandates the county puts a local tax in place, in section 8 of the bill, if the county fails to enact a tax.

To provide for local oversight of taxes enacted pursuant to section 2 and 3 for qualified tribal and rural school capital projects, adding in a Section 6 sub 6 to the bill.

### **Conceptual Amendment by Section:**

1. Section 2. Establish that any tax enacted shall be enacted for a minimum of 10 years and not more than 20 years.
2. Section 3. Establish that any tax enacted shall be enacted for a minimum of 5 years and not more than 20 years.
3. Section 6. Requires the establishment of a School District Capital Projects Oversight Panel in those counties which enact a tax pursuant to sections 2 and 3 of this act; it establishes membership based upon elected positions and expertise, requires quarterly meetings, requires oversight of revenues and expenditures, and requires recommendation for termination date of any tax enacted.

## **TEMPLATE**

### Original/Reprinted Bill

*Blue bold italics* – new language to NRS

~~Red strikethrough~~ – deleted language to NRS

### Amendments

**Green bold underline** – new language to NRS added by amendment

~~Purple double strikethrough~~ – deleted language to NRS by amendment

**Orange double underline** – deleted language in original/reprinted bill to be retain current NRS (revert language back to current NRS)

**(Deleted by Amendment)** – revert entire section to current NRS (include ~~purple double strikethrough~~ to entire section of the bill)

Proposal:

**Section 1.** Chapter 387 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 5, inclusive, of this act.

**Sec. 2. 1.** *The board of county commissioners of a county whose population is 52,500 or more and less than 57,500 shall, in addition to any taxes levied in accordance with NRS 387.195, levy a tax at a rate of not less than 1 cent and not more than 25 cents on each \$100 of assessed valuation of taxable property within the county for capital projects of a school district, including, without limitation, capital projects for schools located on qualified tribal land.*

*2. Any money collected pursuant to this section must be deposited in the county treasury for credit to the fund for capital projects established pursuant to NRS 387.328, to be held and expended in the same manner as other money deposited in that fund.*

*3. The rate of any tax levied pursuant to subsection 1 must not be included in the total ad valorem tax levy for the purposes of the application of the limitation in NRS 361.453.*

*4. As used in this section, "qualified tribal land" means any real property:*

*(a) For which legal title is vested in, or held in trust for the benefit of, an Indian tribe or an individual Native American, and which is subject to restrictions against alienation pursuant to federal law; and*

*(b) Over which an Indian tribe exercises governmental power.*

**5. The provisions of subsection 1 of this section shall be implemented for no less than 10 years and no more than 20 years.**

**Sec. 3. 1.** *Except for a board of county commissioners which is required to levy a tax pursuant to section 2 of this act, the board of county commissioners of a county whose population is less than 100,000, may, in addition to any taxes levied in accordance with NRS 387.195, levy a tax at a rate established by the board of county commissioners on all taxable property in the county for a capital project of the school district for which a grant may be obtained from the Account to Assist Rural School Districts in Financing Capital Improvements created pursuant to section 4 of this act. The board of county commissioners shall determine the amount of money necessary, when combined with money anticipated to be received as a grant from the Account, to pay the costs of the proposed capital project or the principal and interest on bonds or other obligations issued for one or more purposes set forth in subsection 5 of section 4 of this act, and shall fix a rate which, when levied upon every dollar of assessed valuation of taxable property in the district, will raise that amount.*

*2. Any money collected pursuant to this section must be deposited in the county treasury for credit to the fund for capital projects established pursuant to NRS 387.328, to be expended:*

*(a) For a capital project of a school district for which a grant to the school district was made from the Account to Assist Rural School Districts in Financing Capital Improvements pursuant to section 5 of this act; or*

*(b) With respect to any money collected in excess of the amount of the grant made from the Account for the fiscal year pursuant to section 5 of this act, in the same manner as other money deposited in that fund.*

*3. The proceeds of the tax collected pursuant to this section may be pledged to the payment of principal and interest on bonds or other obligations issued for one or more of the purposes set forth in subsection 5 of section 4 of this act. The proceeds of such taxes so pledged may be treated as pledged revenues for the purposes of subsection 3 of NRS 350.020, and the board of*

*trustees of the school district may issue bonds for those purposes in accordance with the provisions of chapter 350 of NRS.*

*4. The rate of any tax levied pursuant to subsection 1 must not be included in the total ad valorem tax levy for the purposes of the application of the limitation in NRS 361.453.*

*5. The provisions of subsection 1 of this section shall be implemented for no less than 5 years and no more than 20 years.*

*Sec. 4. 1. The Account to Assist Rural School Districts in Financing Capital Improvements is hereby created in the State Treasury, to be administered by the Director of the Office of Finance. All money received and held by the State Treasurer for the purpose of the Account must be deposited in the Account.*

*2. The Director of the Office of Finance may accept gifts and grants from any source for deposit in the Account.*

*3. The money in the Account must be invested as the money in other state funds is invested. All interest and income earned on the money in the Account must be credited to the Account.*

*4. Claims against the Account must be paid as other claims against the State are paid.*

*5. Money in the Account must be used to make grants to school districts in counties whose population is less than 100,000, for the following purposes:*

*(a) Construction, design or purchase of new buildings for schools, including, but not limited to, teacherages, dormitories, dining halls, gymnasiums and stadiums.*

*(b) Enlarging, remodeling or repairing existing buildings or grounds for schools, including, but not limited to, teacherages, dormitories, dining halls, gymnasiums and stadiums.*

*(c) Acquiring sites for building schools, or additional real property for necessary purposes related to schools, including, but not limited to, playgrounds, athletic fields and sites for stadiums.*

*Sec. 5. 1. Following any fiscal year in which a county levies a tax imposed pursuant to section 3 of this act, the board of trustees of the school district in the county shall apply to the Director of the Office of Finance for a grant of money from the Account created pursuant to section 4 of this act on a form provided by the Director.*

*2. Following any fiscal year in which a county levies a tax imposed pursuant to section 2 of this act, the board of trustees of the school district in the county may apply to the Director of the Office of Finance for a grant of money from the Account created pursuant to section 4 of this act on a form provided by the Director.*

*3. The application for a grant of money from the Account submitted pursuant to this section must be accompanied by:*

*(a) A description of the capital project for which the grant is requested, which must be a capital project described by subsection 5 of section 4 of this act; and*

*(b) Either:*

*(1) Documentation of the amount of the tax assessed pursuant to section 3 of this act for the capital project for which the grant is requested in the immediately preceding fiscal year; or*

*(2) A statement by the board of trustees of the school district in a county which has levied a tax imposed pursuant to section 2 of this act certifying the amount of the proceeds of the tax imposed pursuant to section 2 of this act for the immediately preceding fiscal year which will be dedicated to the capital project.*

*4. To the extent that money is available for that purpose in the Account and if the Director of the Office of Finance determines that the capital project for which the grant is requested is a project for which a grant may be made from the Account, the Director shall make a grant of money from the Account to a school district that submits an application pursuant to subsection 1 or 2 in an amount that is equal to:*

*(a) The total amount of tax assessed by the county for the capital project pursuant to section 3 of this act in the immediately preceding fiscal year; or*

*(b) If the school district is located in a county which levies a tax imposed pursuant to section 2 of this act, the amount of the proceeds of the tax imposed pursuant to section 2 of this act for the immediately preceding fiscal year which the board of trustees of the school district has certified will be dedicated to the capital project.*

*5. The Director of the Office of Finance shall adopt regulations that prescribe the annual deadline for submission of an application to the Director by a school district pursuant to this section.*

**Sec. 6.** NRS 387.328 is hereby amended to read as follows:

387.328 1. The board of trustees of each school district shall establish a fund for capital projects for the purposes set forth in subsection 1 of NRS 387.335. The money in the fund for capital projects may be transferred to the debt service fund to pay the cost of the school district's debt service.

2. The board of trustees may accumulate money in the fund for capital projects for a period not to exceed 20 years.

3. That portion of the governmental services tax whose allocation to the school district pursuant to NRS 482.181 is based on the amount of the property tax levy attributable to its debt service must be deposited in the county treasury to the credit of the fund established under subsection 1 or the school district's debt service fund.

4. No money in the fund for capital projects at the end of the fiscal year may revert to the county school district fund, nor may the money be a surplus for any other purpose than those specified in subsection 1.

5. The proceeds of the taxes deposited in the fund for capital projects pursuant to NRS 244.3354, 268.0962, 375.070, 377C.110 and 387.3288 *and section 2 of this act* and, in a county whose population is 100,000 or more but less than 700,000, the portion of the governmental services tax whose allocation to the school district pursuant to NRS 482.181 is based on the amount of the property tax levy attributable to its debt service may be pledged to the payment of the principal and interest on bonds or other obligations issued for one or more of the purposes set forth in NRS 387.335. The proceeds of such taxes so pledged may be treated as pledged revenues for the purposes of subsection 3 of NRS 350.020, and the board of trustees of a school district may issue bonds for those purposes in accordance with the provisions of chapter 350 of NRS.

**6. A county with a population of less than 100,000 that has enacted a tax subject to sections 2 or 3 of this act shall establish a School District Capital Projects Oversight Panel that:**

**(a) Shall be composed only of members who live within the county that has enacted a tax subject to sections 2 or 3 of this act and whose members shall be:**

**1. the Chair of the county commission, who shall chair the Oversight Panel, or his or her appointee,**

**2. 1 member of the County School Board, appointed by the Chair of that board,**

3. 1 member from a Federally recognized Tribal community within the county, appointed by the Chair of that Tribe

4. 1 member with experience with the building of school facilities, appointed by the Chair of the County School Board, and

5. 1 member with experience in the financing of public works projects, appointed by the Chair of the County Commission, and

(b) Shall meet at least quarterly during a calendar year, and

(c) Shall review all credits to and debits against the fund for capital projects and recommend future use of the funds raised under section 2 or 3 of this act, and

(d) shall assess any direct appropriations received by the county from the state or as a grant or gift for the construction of school facilities on qualified tribal lands, and

(d) shall make a recommendation for the date of termination of any tax enacted in section 2 or 3 of this act if the date of the tax termination is not fixed in any prior state or interlocal agreement.

**Sec. 7.** NRS 361.453 is hereby amended to read as follows:

361.453 1. Except as otherwise provided in this section and NRS 354.705, 354.723, 387.3288 and 450.760, *and sections 2 and 3 of this act*, the total ad valorem tax levy for all public purposes must not exceed \$3.64 on each \$100 of assessed valuation, or a lesser or greater amount fixed by the State Board of Examiners if the State Board of Examiners is directed by law to fix a lesser or greater amount for that fiscal year.

2. Any levy imposed by the Legislature for the repayment of bonded indebtedness or the operating expenses of the State of Nevada and any levy imposed by the board of county commissioners pursuant to NRS 387.195 that is in excess of 50 cents on each \$100 of assessed valuation of taxable property within the county must not be included in calculating the limitation set forth in subsection 1 on the total ad valorem tax levied within the boundaries of the county, city or unincorporated town, if, in a county whose population is less than 45,000, or in a city or unincorporated town located within that county:

(a) The combined tax rate certified by the Nevada Tax Commission was at least \$3.50 on each \$100 of assessed valuation on June 25, 1998;

(b) The governing body of that county, city or unincorporated town proposes to its registered voters an additional levy ad valorem above the total ad valorem tax levy for all public purposes set forth in subsection 1;

(c) The proposal specifies the amount of money to be derived, the purpose for which it is to be expended and the duration of the levy; and

(d) The proposal is approved by a majority of the voters voting on the question at a general election or a special election called for that purpose.

3. The duration of the additional levy ad valorem levied pursuant to subsection 2 must not exceed 5 years. The governing body of the county, city or unincorporated town may discontinue the levy before it expires and may not thereafter reimpose it in whole or in part without following the procedure required for its original imposition set forth in subsection 2.

4. A special election may be held pursuant to subsection 2 only if the governing body of the county, city or unincorporated town determines, by a unanimous vote, that an emergency exists. The determination made by the governing body is conclusive unless it is shown that the governing body acted with fraud or a gross abuse of discretion. An action to challenge the determination made by the governing body must be commenced within 15 days after the

governing body's determination is final. As used in this subsection, "emergency" means any unexpected occurrence or combination of occurrences which requires immediate action by the governing body of the county, city or unincorporated town to prevent or mitigate a substantial financial loss to the county, city or unincorporated town or to enable the governing body to provide an essential service to the residents of the county, city or unincorporated town.

**Sec. 8.** If the board of county commissioners of a county whose population is 52,500 or more and less than 57,500, has not adopted an ordinance levying the tax pursuant to section 2 of this act on or before June 30, 2024, tax shall be levied pursuant to section 2 of this act at a rate of 25 cents on each \$100 of assessed valuation of taxable property within the county. The tax shall be collected and administered in the same manner as though the board of county commissioners had adopted an ordinance levying the tax pursuant to section 2 of this act at that rate.

**Sec. 9.** 1. There is hereby appropriated from the State General Fund to the Account to Assist Rural School Districts in Financing Capital Improvements created by section 4 of this act the sum of \$25,000,000, for grants to school districts, and the sum of \$25,000,000, for grants to school districts for capital projects for schools located on qualified tribal land.

2. As used in this section, "qualified tribal land" means any real property:

(a) For which legal title is vested in, or held in trust for the benefit of, an Indian tribe or an individual Native American, and which is subject to restrictions against alienation pursuant to federal law; and

(b) Over which an Indian tribe exercises governmental power.

**Sec. 10.** 1. There is hereby appropriated from the State General Fund to the Elko County School District the sum of \$64,500,000 for the construction of a school on the Duck Valley Indian Reservation to replace the Owyhee Combined School.

2. All money appropriated by subsection 1 must be used only for the purposes specified in subsection 1 and no portion of the money may be set aside, distributed or otherwise committed or used for any other purpose, including, without limitation, any costs related to other buildings or facilities.

3. Any remaining balance of the appropriation made by subsection 1 must not be committed for expenditure after June 30, 2028, by the entity to which the appropriation is made or any entity to which money from the appropriation is granted or otherwise transferred in any manner, and any portion of the appropriated money remaining must not be spent for any purpose after September 15, 2028, by either the entity to which the money was appropriated or the entity to which the money was subsequently granted or transferred, and must be reverted to the State General Fund on or before September 15, 2028.

**Sec. 11.** 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 May 21, 2023.

**Sec. 12.** This act becomes effective on July 1, 2023.