
ASSEMBLY BILL NO. 519—COMMITTEE ON WAYS AND MEANS

MAY 22, 2023

Referred to Committee on Ways and Means

SUMMARY—Establishes provisions governing capital projects of school districts. (BDR 34-1202)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.
Effect on the State: Contains Appropriation not included in Executive Budget.

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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 capital projects; requiring the board of county commissioners of certain counties to levy a property tax for capital projects of school districts; authorizing the board of county commissioners of certain counties to levy a property tax for capital projects of school districts for which a grant is available from the Account to Assist Rural School Districts in Financing Capital Improvements; creating the Account to Assist Rural School Districts in Financing Capital Improvements; making appropriations to the Account; making an appropriation to the Elko County School District for the construction of a school on the Duck Valley Indian Reservation; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

- 1 Existing law requires the board of trustees of each school district to establish a
- 2 fund for capital projects. (NRS 387.328) Existing law also creates the Fund to
- 3 Assist School Districts in Financing Capital Improvements from which a grant of
- 4 money may be obtained if certain emergency conditions exist within the school
- 5 district. (NRS 387.333, 387.3335)
- 6 **Section 2** of this bill requires the board of county commissioners of a county
- 7 whose population is 52,500 or more and less than 57,500 (currently Elko County),
- 8 to levy a tax at a rate of not less than 1 cent and not more than 25 cents on each
- 9 \$100 of assessed valuation of taxable property within the county. **Section 2** requires
- 10 any money collected from such a tax to be deposited in the county treasury for
- 11 credit to the fund for capital projects to be held and expended in the same manner
- 12 as other money deposited in that fund. **Section 6** of this bill authorizes the school



13 district of a county where such a tax is imposed to pledge the proceeds of the tax,
14 and the portion of the governmental services tax whose allocation to the school
15 district is based on the amount of the property tax levy attributable to its debt
16 service, to the payment of any bonds or other obligations the school district issued
17 for capital projects. **Section 8** of this bill provides that, if the board of county
18 commissioners of a county which is required to levy such a tax does not adopt an
19 ordinance levying the tax on or before June 30, 2024, the tax is levied at a rate of
20 25 cents on each \$100 of assessed valuation of taxable property within the county.

21 **Section 4** of this bill creates the Account to Assist Rural School Districts in
22 Financing Capital Improvements and requires the money in the Account to be used
23 to make grants to school districts in counties whose population is less than 100,000
24 (currently all counties other than Clark and Washoe Counties) for certain capital
25 projects.

26 **Section 3** of this bill authorizes the board of county commissioners of a county
27 whose population is less than 100,000, other than a board which is required to levy
28 a tax pursuant to **section 2**, to levy a tax on all taxable property in the county for a
29 capital project for which a grant may be obtained from the Account. **Section 3**
30 requires the board of county commissioners to determine the amount of money
31 required for the capital project, excluding any amount that the board anticipates will
32 be covered by a grant from the Account, and fix a rate of taxation which will raise
33 that amount. **Section 3** requires the revenue from the tax to be expended for: (1) a
34 capital project for which a grant was made from the Account; or (2) if the amount
35 collected for a fiscal year exceeds the amount of the grant for that year, in the same
36 manner as other money in the fund for capital projects established by the school
37 district.

38 **Section 5** of this bill requires the board of trustees of a school district in a
39 county which levies a tax pursuant to **section 3** and authorizes the board of trustees
40 of a school district in a county which levies a tax pursuant to **section 2** during a
41 fiscal year to apply to the Director of the Office of Finance in the Office of the
42 Governor for a grant of money from the Account. **Section 5** requires the Director of
43 the Office of Finance to make a grant of money from the Account in an amount
44 which is equal to: (1) the total amount of tax assessed pursuant to **section 3** by the
45 county for the capital project during the immediately preceding fiscal year; or (2)
46 the amount of the proceeds of the tax imposed pursuant to **section 2** for the
47 immediately preceding fiscal year which the board of trustees of the school district
48 has certified will be dedicated to the capital project.

49 **Section 9** of this bill makes appropriations from the State General Fund to the
50 Account for grants to school districts in counties whose population is less than
51 100,000 (currently all counties other than Clark and Washoe Counties), including
52 grants for capital projects for schools located on qualified tribal land. **Section 10** of
53 this bill makes an appropriation to the Elko County School District for the
54 construction of a school on the Duck Valley Indian Reservation.

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

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

4 **Sec. 2. 1. *The board of county commissioners of a county***
5 ***whose population is 52,500 or more and less than 57,500 shall, in***
6 ***addition to any taxes levied in accordance with NRS 387.195, levy***



1 *a tax at a rate of not less than 1 cent and not more than 25 cents*
2 *on each \$100 of assessed valuation of taxable property within the*
3 *county for capital projects of a school district, including, without*
4 *limitation, capital projects for schools located on qualified tribal*
5 *land.*

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

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

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

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

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

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

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

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



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

5 3. The proceeds of the tax collected pursuant to this section
6 may be pledged to the payment of principal and interest on bonds
7 or other obligations issued for one or more of the purposes set
8 forth in subsection 5 of section 4 of this act. The proceeds of such
9 taxes so pledged may be treated as pledged revenues for the
10 purposes of subsection 3 of NRS 350.020, and the board of
11 trustees of the school district may issue bonds for those purposes
12 in accordance with the provisions of chapter 350 of NRS.

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

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

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

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

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

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

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

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

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

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



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

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

9 (a) *A description of the capital project for which the grant is*
10 *requested, which must be a capital project described by subsection*
11 *5 of section 4 of this act; and*

12 (b) *Either:*

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

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

21 4. *To the extent that money is available for that purpose in*
22 *the Account and if the Director of the Office of Finance*
23 *determines that the capital project for which the grant is requested*
24 *is a project for which a grant may be made from the Account, the*
25 *Director shall make a grant of money from the Account to a*
26 *school district that submits an application pursuant to subsection*
27 *1 or 2 in an amount that is equal to:*

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

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

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

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

42 387.328 1. The board of trustees of each school district shall
43 establish a fund for capital projects for the purposes set forth in
44 subsection 1 of NRS 387.335. The money in the fund for capital



1 projects may be transferred to the debt service fund to pay the cost
2 of the school district's debt service.

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

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

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

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

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

29 361.453 1. Except as otherwise provided in this section and
30 NRS 354.705, 354.723, 387.3288 and 450.760, *and sections 2 and*
31 *3 of this act*, the total ad valorem tax levy for all public purposes
32 must not exceed \$3.64 on each \$100 of assessed valuation, or a
33 lesser or greater amount fixed by the State Board of Examiners if
34 the State Board of Examiners is directed by law to fix a lesser or
35 greater amount for that fiscal year.

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



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

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

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

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

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

20 4. A special election may be held pursuant to subsection 2 only
21 if the governing body of the county, city or unincorporated town
22 determines, by a unanimous vote, that an emergency exists. The
23 determination made by the governing body is conclusive unless it is
24 shown that the governing body acted with fraud or a gross abuse of
25 discretion. An action to challenge the determination made by the
26 governing body must be commenced within 15 days after the
27 governing body's determination is final. As used in this subsection,
28 "emergency" means any unexpected occurrence or combination of
29 occurrences which requires immediate action by the governing body
30 of the county, city or unincorporated town to prevent or mitigate a
31 substantial financial loss to the county, city or unincorporated town
32 or to enable the governing body to provide an essential service to
33 the residents of the county, city or unincorporated town.

34 **Sec. 8.** If the board of county commissioners of a county
35 whose population is 52,500 or more and less than 57,500, has not
36 adopted an ordinance levying the tax pursuant to section 2 of this act
37 on or before June 30, 2024, a tax shall be levied pursuant to section
38 2 of this act at a rate of 25 cents on each \$100 of assessed valuation
39 of taxable property within the county. The tax shall be collected and
40 administered in the same manner as though the board of county
41 commissioners had adopted an ordinance levying the tax pursuant to
42 section 2 of this act at that rate.

43 **Sec. 9.** 1. There is hereby appropriated from the State
44 General Fund to the Account to Assist Rural School Districts in
45 Financing Capital Improvements created by section 4 of this act the



1 sum of \$25,000,000, for grants to school districts, and the sum of
2 \$25,000,000, for grants to school districts for capital projects for
3 schools located on qualified tribal land.

4 2. As used in this section, “qualified tribal land” means any
5 real property:

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

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

11 **Sec. 10.** 1. There is hereby appropriated from the State
12 General Fund to the Elko County School District the sum of
13 \$64,500,000 for the construction of a school on the Duck Valley
14 Indian Reservation to replace the Owyhee Combined School.

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

20 3. Any remaining balance of the appropriation made by
21 subsection 1 must not be committed for expenditure after June 30,
22 2028, by the entity to which the appropriation is made or any entity
23 to which money from the appropriation is granted or otherwise
24 transferred in any manner, and any portion of the appropriated
25 money remaining must not be spent for any purpose after
26 September 15, 2028, by either the entity to which the money was
27 appropriated or the entity to which the money was subsequently
28 granted or transferred, and must be reverted to the State General
29 Fund on or before September 15, 2028.

30 **Sec. 11.** Notwithstanding the provisions of NRS 218D.430 and
31 218D.435, a committee may vote on this act before the expiration of
32 the period prescribed for the return of a fiscal note in NRS
33 218D.475. This section applies retroactively from and after May 21,
34 2023.

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

