# FINANCIAL IMPACT OF THE EDUCATION ENHANCEMENT ACT INITIATIVE

The Education Enhancement Act Initiative (Initiative) proposes to amend Article 11 of the *Nevada Constitution* to provide an additional funding source for Nevada's State Distributive School Account. The Initiative requires the county fair and recreation board in a county whose population is 800,000 or more (currently, the Las Vegas Convention and Visitors Authority (LVCVA)) to transfer any portion of the proceeds from a county or city license fee or license tax that exceeds the amount collected for or by the board during Fiscal Year 2006-07 to the State Treasurer, for credit to the State Distributive School Account. The revenue threshold set forth in the Initiative is to be adjusted annually for changes in inflation and deflation.

The Fiscal Analysis Division has determined that the Initiative may have a financial impact on the LVCVA, depending on whether future license fee and license tax collections exceed the threshold provided in the Initiative, thereby requiring a transfer of any excess proceeds from the LVCVA to the State Distributive School Account, if approved by the voters. The Initiative may also have a financial impact on school districts and state government, depending on the amount of money generated from the provisions of the Initiative for credit to the State Distributive School Account and the decisions made by the Legislature regarding the funding of elementary and secondary education. The Fiscal Analysis Division has not completed the analysis required to estimate the potential financial impact of the Initiative. A fiscal note that includes an explanation of the financial impact will be provided to the Secretary of State when completed for posting on their Internet website, pursuant to NRS 295.105.

Prepared by the Fiscal Analysis Division of the Legislative Counsel Bureau – March 14, 2008