

Elko and Eureka Counties, Nevada | Case Studies

Gold is a precious mineral highly valued for its durability and beauty. Used to make jewelry and art, it also has technological uses, such as memory chip conductors and reflective satellite coverings. In 2015, the U.S. was the fourth-largest producer of gold, extracting 200 tons valued at \$7.6 billion.ⁱ The U.S. gold reserves, with an estimated size of 3,000 tons, are the fifth largest in the world.ⁱⁱ Nevada accounts for 74% of total U.S. gold production.ⁱⁱⁱ

Geology and history

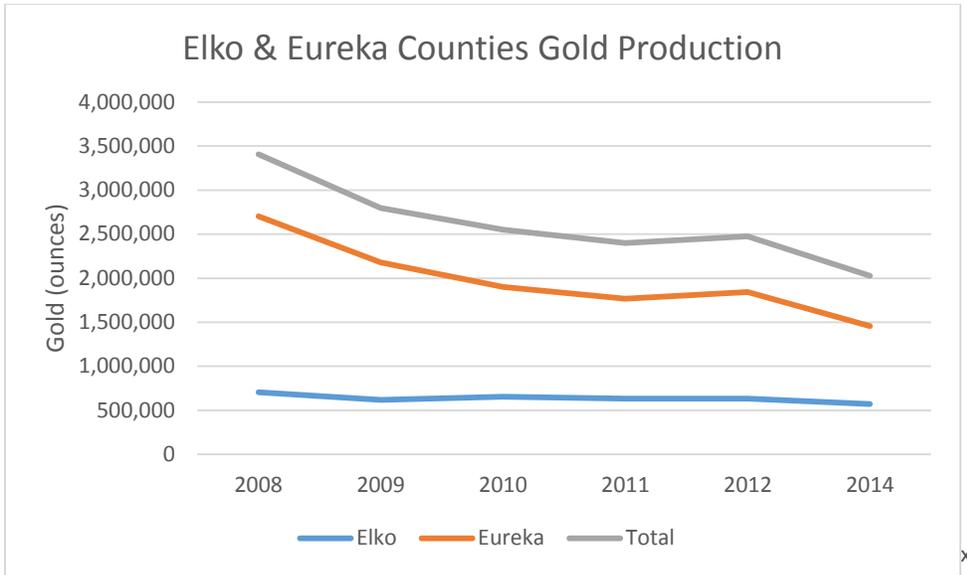
Mineral mining in Nevada began shortly after the onset of the California Gold Rush in 1849. The 1859 discovery of the Comstock Lode silver deposit in the Virginia Range of western Nevada was the first major discovery of silver ore in the country.^{iv} All told, the Great Basin geological region, which covers most of Nevada and crosses into Oregon, Utah, and California, has a total resource potential that exceeds 3,200 metric tons (100,000,000 ounces) of gold.^v

In 1962, Newmont Mining Corporation discovered large deposits of gold ore along the Carlin Trend, a mineral-rich belt stretching 40 miles across Elko and Eureka counties that soon became one of the largest gold-producing regions in the world. This discovery marked the beginning of a robust gold-mining industry in the region: As of 2012, 87% of Nevada's total historical gold output had been generated since the Carlin Trend discovery.^{vi}

Production

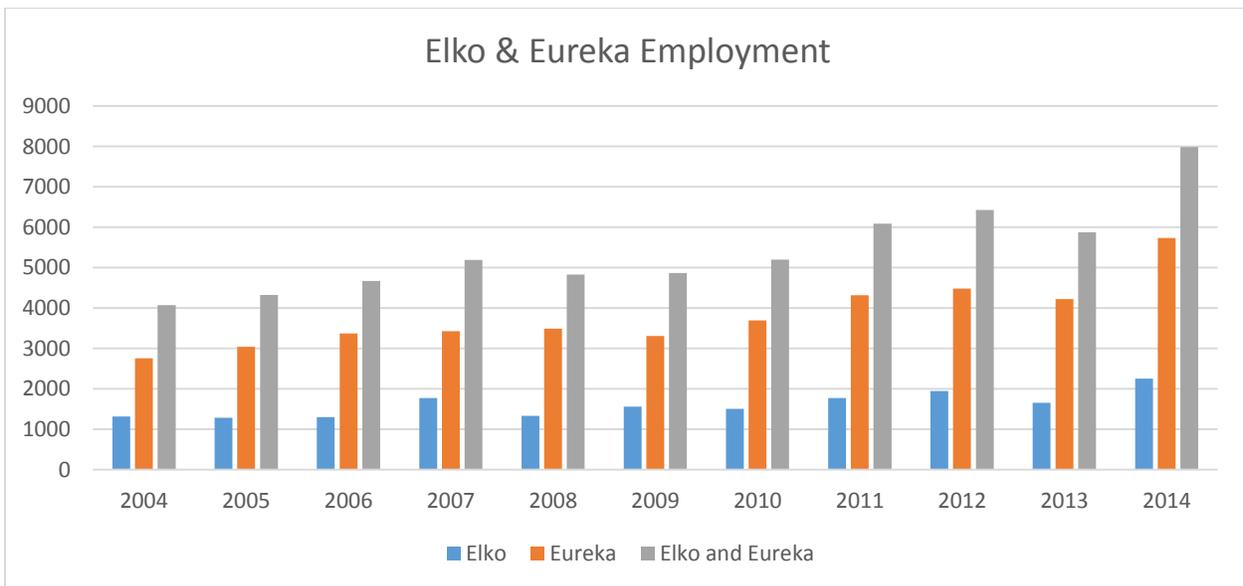
Nevada is in the midst of the biggest gold boom in U.S. history, which began in 1981 and has produced over 240 million ounces, often from public lands. This surge in production is largely the result of discovering sediment-hosted deposits that contain microscopic gold particles.^{vii} These deposits occur when gold is deposited quickly and disseminated into the surrounding rock.

The two major gold-mining companies driving this development are Newmont Mining Corporation and Barrick Gold Corporation, which operate both open-pit and underground mining operations.^{viii} In 2014, gold production in Elko and Eureka counties totaled 2,027,973 ounces.^{ix} In Eureka County, the top-producing mine was the Eastern Nevada Operations (Newmont), while the Meikle Mine (Goldstrike – Barrick Corporation) led production in Elko County.



Employment

In these two counties, gold-mining operations employed approximately 4% of the total population in 2014, or 2,138 workers and 1,121 contractors within a two-county population of 54,784.^{xi} Gold-mining employment represented 9% of total employment in the counties in 2014.^{xii}



xiii

Revenue

Gold mining is a key driver of funding for local governments across the state. In addition to various property and sales taxes, counties receive annual revenue from the gold industry, largely from the state's Net Proceeds of Minerals Tax.

The tax rate applied to net proceeds is on a sliding scale from 2%-5%. Eureka County's general fund received \$3.9 million in Net Proceeds of Minerals tax in 2015, up from \$1.2 million in 2014, while The Road Fund received \$817, 282.^{xiv} This is a decrease from 2013, when Eureka County received \$8.5 million into its general fund and \$1.8 million into the Road Fund.^{xv}

In 2015, Elko County received \$2.5 million in Royalties and Net Proceeds of Minerals Tax. Of that, \$2.2 million (88%) came from gold mines.^{xvi} In the same period, Eureka County received \$10.6 million in Royalties and Net Proceeds of Minerals tax, \$10.5 million (99%) came from gold mines.^{xvii}

Costs

A number of state-level resources shed light on Elko and Eureka counties' transportation systems, reclamation procedures, and emergency services. While these government publications discuss costs to the state government, they do not specify the fiscal costs of gold extraction to Elko and Eureka county governments.

- [Nevada Department of Transportation: Reports and Publications](#)
- [Nevada Bureau of Mining Regulation & Reclamation Cost Estimator](#)

Data availability

The table below highlights the data sources used to compile this narrative, as well as any gaps in publicly available data.

Measure	Data availability	Data gaps
Production	The U.S. Geological Survey published gold extraction data at the county level for 2008–2012.	
Employment	The Bureau of Labor Statistics has county-wide employment figures for NAICS codes 212 and 213.	Neither the Bureau of Labor Statistics nor the U.S. Census Bureau has ten-year employment trend data for the mining industry at the Elko or Eureka County level for 2004–2013. There are several years and subindustries without data.

Measure	Data availability	Data gaps
Revenue	<p>The Nevada Department of Taxation published revenue information. Elko County Fiscal Affairs Department publishes an annual county audit, containing revenue information. The Eureka County Comptroller publishes a Comprehensive Annual Fiscal Year report with revenue information.</p> <p>Note: Elko and Eureka Counties' financial information is based on Fiscal Years which run from July 1 to June 30 of the following year.</p>	<p>Information on production taxes or sales and use taxes related to the extractive industries was not found.</p>
Costs		<p>Data on connections between county transportation, emergency services, reclamation, and water-infrastructure investments and extractive industries was not found.</p>

Notes

ⁱ U.S. Geological Survey, Gold Commodity Summary (PDF), 2016

ⁱⁱ Ibid.

ⁱⁱⁱ U.S. Geological Survey, Western Region Gold Deposits

^{iv} Nevada Bureau of Mines and Geology, The Nevada Mineral Industry 2011, p. 5

^v Ibid.

^{vi} Ibid

^{vii} Ibid.

^{viii} Ibid.

^{ix} Nevada Bureau of Mines and Geology, Major Mines of Nevada 2014 (PDF)

^x Ibid.

^{xi} http://www.bls.gov/cew/apps/data_views/data_views.htm#tab=Tables

^{xii} Ibid.

^{xiii} Ibid.

^{xiv} [Eureka County Financial Statements, June 30, 2015](#) , page 50, 62

^{xv} [Eureka County Financial Statements, June 30, 2015](#)

^{xvi} Nevada Department of Taxation, [2014-2015 Net Proceeds of Minerals Bulletin](#)

^{xvii} Ibid.