

Assembly Bill No. 639—Committee on Transportation

CHAPTER.....

AN ACT relating to taxes; exempting from the tax on special fuel sales of special fuel for use in operating special mobile equipment; limiting the circumstances under which special fuel must be dyed before it is removed for distribution from a rack; authorizing a person to operate or maintain on certain highways special mobile equipment or farm equipment using dyed special fuel under certain circumstances; and providing other matters properly relating thereto.

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

Section 1. NRS 366.110 is hereby amended to read as follows:

366.110 The department:

1. Shall enforce the provisions of this chapter.
2. May adopt and enforce regulations relating to the administration and enforcement of this chapter.
3. *Shall, by regulation, define “incidentally operated or moved upon a highway” for the purpose of NRS 366.085.*
4. May determine whether any particular vehicle not specified in NRS 366.085 is special mobile equipment.

~~{4. Shall, on or before March 1, 2001, prepare and submit a written report concerning the administration and enforcement, during the immediately preceding biennium, of the provisions of this chapter as those provisions relate to the use of special fuel, to the director of the legislature counsel bureau for transmittal to the 71st session of the legislature.}~~

Sec. 2. NRS 366.200 is hereby amended to read as follows:

366.200 1. The sale or use of special fuel for any purpose other than to propel a motor vehicle upon the public highways of Nevada is exempt from the application of the tax imposed by NRS 366.190. The exemption provided in this subsection applies only in those cases where the purchasers or the users of special fuel establish to the satisfaction of the department that the special fuel purchased or used was used for purposes other than to propel a motor vehicle upon the public highways of Nevada.

2. Sales made to the United States Government or any instrumentality thereof are exempt from the tax imposed by this chapter.

3. Sales made to any state, county, municipality, district or other political subdivision thereof are exempt from the tax imposed by this chapter.

4. Sales made to any person to be used to propel a motor vehicle which is dedicated for exclusive use as part of a system which:

- (a) Operates motor vehicles for public transportation in an urban area;
- (b) Transports persons who pay the established fare; and
- (c) Uses public money to operate the system or acquire new equipment,

are ~~exempted~~ *exempt* from the tax imposed by this chapter.

5. Sales made to any person for use in operating special mobile equipment are exempt from the tax imposed by this chapter.

Sec. 3. NRS 366.203 is hereby amended to read as follows:

366.203 1. Special fuel, other than compressed natural gas, liquefied petroleum gas or kerosene, which is exempt from the tax pursuant to

subsection 3 or 4 of NRS 366.200 must be dyed before it is removed for distribution from a rack. The dye added to the exempt special fuel must be of the color and concentration required by the regulations adopted by the Secretary of the Treasury pursuant to 26 U.S.C. § 4082.

2. Except as otherwise provided in ~~subsection 3,~~ *subsections 3 and 4*, a person shall not operate or maintain on any highway in this state a motor vehicle which contains in the fuel tank of that vehicle special fuel which has been dyed.

3. A person who, pursuant to subsection 2, 3 or 4 of NRS 366.200 is exempt from the tax imposed by this chapter, may operate or maintain a motor vehicle on a highway in this state which contains in the fuel tank of that vehicle special fuel which has been dyed.

4. *A person may operate or maintain on a highway in this state any special mobile equipment or farm equipment that contains in the fuel tank of the special mobile equipment or farm equipment special fuel which has been dyed. As used in this subsection:*

(a) "Farm equipment" means any self-propelled machinery or motor vehicle that is designed solely for tilling soil or for cultivating, harvesting or transporting crops or other agricultural products from a field or other area owned or leased by the operator of the farm equipment and in which the crops or agricultural products are grown, to a field, yard, silo, cellar, shed or other facility which is:

(1) Owned or leased by the operator of the farm equipment; and

(2) Used to store or process the crops or agricultural products.

The term includes a tractor, baler or swather or any implement used to retrieve hay.

(b) "Highway" does not include a controlled-access highway as defined in NRS 484.041.

5. There is a rebuttable presumption that all special fuel which has not been dyed and which is sold or distributed in this state is for the purpose of propelling a motor vehicle.

Sec. 4. This act becomes effective on July 1, 2001.