

SENATE BILL NO. 227—COMMITTEE ON GOVERNMENT AFFAIRS

(ON BEHALF OF THE INTERIM STUDY CONCERNING DISTRIBUTION
AMONG LOCAL GOVERNMENTS OF REVENUE FROM
STATE AND LOCAL TAXES (NRS 218.53881))

FEBRUARY 21, 2001

Referred to Committee on Taxation

SUMMARY—Revises and repeals provisions that exempt certain property from taxation.
(BDR 32-892)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

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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 taxation; revising the requirements for certain property of recycling businesses to be exempt from taxation; repealing the provisions that exempt from taxation certain property of recycling businesses; repealing the provisions that exempt from taxation certain property of businesses that use a facility for the production of electrical energy from solar energy; and providing other matters properly relating thereto.

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

- 1 **Section 1.** NRS 361.0685 is hereby amended to read as follows:
2 361.0685 1. Except as otherwise provided in this section, if a:
3 (a) Business that engages in the primary trade of preparing, fabricating,
4 manufacturing or otherwise processing raw material or an intermediate
5 product through a process in which at least 50 percent of the material or
6 product is recycled on site; or
7 (b) Business that includes as a primary component a facility for the
8 production of electrical energy from recycled material,
9 is found by the commission on economic development , *on or before*
10 *July 1, 2001*, to have as a primary purpose the conservation of energy or
11 the substitution of other sources of energy for fossil sources of energy and
12 obtains certification from the commission on economic development
13 pursuant to NRS 231.139, 75 percent of the personal and real property of
14 the business is exempt from taxation.



1 2. Before an exemption may be granted pursuant to subsection 1, the
2 business must execute an agreement with the commission on economic
3 development which states that the business will continue in operation in
4 this state for 30 or more years after the date on which the exemption is
5 granted. The agreement must bind the successors in interest of the
6 business. The exemption pursuant to this section continues until the
7 expiration of the period for which the exemption was granted or until the
8 business discontinues in operation in this state, whichever occurs first.

9 3. The exemption provided in this section applies only to the business
10 for which certification was granted pursuant to NRS 231.139 and the
11 property used in connection with that business. The exemption does not
12 apply to property in this state that is not related to the business for which
13 the certification was granted pursuant to NRS 231.139 or to property in
14 existence and subject to taxation before the certification was granted.

15 4. Personal property exempted pursuant to subsection 1 may not
16 receive an exemption for more than 10 consecutive years ~~+~~ *after the date*
17 *the exemption was originally granted.* Real property exempted pursuant to
18 subsection 1 may not receive an exemption for more than 20 consecutive
19 years ~~+~~ *after the date the exemption was originally granted.*

20 5. As used in this section, a "facility for the production of electrical
21 energy from recycled material" is a facility which uses recycled material as
22 its primary fuel including material from:

23 (a) Industrial or domestic waste, other than hazardous waste, even
24 though it includes a product made from oil, natural gas or coal, such as
25 plastics, asphalt shingles or tires;

26 (b) Agricultural crops, whether terrestrial or aquatic, and agricultural
27 waste, such as manure and residue from crops; and

28 (c) Municipal waste, such as sewage and sludge.

29 The term includes all the equipment in the facility used to process and
30 convert into electricity the energy derived from a recycled material fuel.

31 **Sec. 2.** NRS 231.139 is hereby amended to read as follows:

32 231.139 1. The commission on economic development shall certify a
33 business for the benefits provided pursuant to NRS 704.223 if the
34 commission finds that:

35 (a) The business is consistent with the state plan for industrial
36 development and diversification and any guidelines adopted pursuant to the
37 plan;

38 (b) The business is engaged in the primary trade of preparing,
39 fabricating, manufacturing or otherwise processing raw material or an
40 intermediate product through a process in which at least 50 percent of the
41 material or product is recycled on site;

42 (c) Establishing the business will require the business to make a capital
43 investment of \$50,000,000 in Nevada; and

44 (d) The economic benefit to the state of approving the certification
45 exceeds the cost to the state.

46 2. ~~The commission on economic development shall certify a business~~
47 ~~for the benefits provided pursuant to NRS 361.0685 if the commission~~
48 ~~finds that:~~



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1 ~~— (a) The business is consistent with the state plan for industrial~~
2 ~~development and diversification and any guidelines adopted pursuant to the~~
3 ~~plan;~~
4 ~~— (b) Establishing the business will require the business to make a capital~~
5 ~~investment of \$15,000,000 in Nevada; and~~
6 ~~— (c) The economic benefit to the state of approving the certification~~
7 ~~exceeds the cost to the state.~~
8 ~~— 3.1~~ The commission on economic development may:
9 (a) Request an allocation from the contingency fund pursuant to NRS
10 353.266, 353.268 and 353.269 to cover the costs incurred by the
11 commission pursuant to this section and NRS 704.032.
12 (b) Impose a reasonable fee for an application for certification pursuant
13 to this section to cover the costs incurred by the commission in
14 investigating and ruling on the application.
15 (c) Adopt such regulations as it deems necessary to carry out the
16 provisions of this section.
17 **Sec. 3.** 1. NRS 361.0685 is hereby repealed.
18 2. NRS 361.0785 is hereby repealed.
19 **Sec. 4.** 1. This section, section 1 and subsection 2 of section 3
20 become effective on July 1, 2001.
21 2. Section 2 and subsection 1 of section 3 of this act become effective
22 on July 1, 2021.

TEXT OF REPEALED SECTIONS

361.0685 Exemption of percentage of personal and real property of certain businesses certified by commission on economic development.

361.0685 1. Except as otherwise provided in this section, if a:

(a) Business that engages in the primary trade of preparing, fabricating, manufacturing or otherwise processing raw material or an intermediate product through a process in which at least 50 percent of the material or product is recycled on site; or

(b) Business that includes as a primary component a facility for the production of electrical energy from recycled material, is found by the commission on economic development, on or before July 1, 2001, to have as a primary purpose the conservation of energy or the substitution of other sources of energy for fossil sources of energy and obtains certification from the commission on economic development pursuant to NRS 231.139, 75 percent of the personal and real property of the business is exempt from taxation.

2. Before an exemption may be granted pursuant to subsection 1, the business must execute an agreement with the commission on economic development which states that the business will continue in operation in this state for 30 or more years after the date on which the exemption is granted. The agreement must bind the successors in interest of the business. The exemption pursuant to this section continues until the



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expiration of the period for which the exemption was granted or until the business discontinues in operation in this state, whichever occurs first.

3. The exemption provided in this section applies only to the business for which certification was granted pursuant to NRS 231.139 and the property used in connection with that business. The exemption does not apply to property in this state that is not related to the business for which the certification was granted pursuant to NRS 231.139 or to property in existence and subject to taxation before the certification was granted.

4. Personal property exempted pursuant to subsection 1 may not receive an exemption for more than 10 consecutive years after the date the exemption was originally granted. Real property exempted pursuant to subsection 1 may not receive an exemption for more than 20 consecutive years after the date the exemption was originally granted.

5. As used in this section, a “facility for the production of electrical energy from recycled material” is a facility which uses recycled material as its primary fuel including material from:

(a) Industrial or domestic waste, other than hazardous waste, even though it includes a product made from oil, natural gas or coal, such as plastics, asphalt shingles or tires;

(b) Agricultural crops, whether terrestrial or aquatic, and agricultural waste, such as manure and residue from crops; and

(c) Municipal waste, such as sewage and sludge.
The term includes all the equipment in the facility used to process and convert into electricity the energy derived from a recycled material fuel.

361.0785 Exemption of property used as facility for production of electrical energy from solar energy.

1. Except as otherwise provided in this section, all property, both real and personal, is exempt from taxation as set forth in this section to the extent that the property is used as a facility for the production of electrical energy from solar energy.

2. Personal property exempted pursuant to subsection 1 may not receive an exemption for more than 10 consecutive years.

3. Real property exempted pursuant to subsection 1 may not receive an exemption for more than 20 consecutive years.

4. The provisions of this section do not apply to:

(a) Residential property; and

(b) Property that is used as a facility for the production of electrical energy from solar energy before July 1, 1997.

5. As used in this section, “facility for the production of electrical energy from solar energy” means a facility which uses solar energy as its primary fuel in the production of electricity. The term includes all the equipment in the facility used to collect, store and convert into electricity the energy derived from solar energy.

