

ASSEMBLY BILL NO. 277—ASSEMBLYMAN CARPENTER

MARCH 9, 2007

Referred to Committee on Commerce and Labor

SUMMARY—Makes changes concerning the abatement of property taxes. (BDR 32-948)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.
Effect on the State: Yes.

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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 provisions concerning the partial abatement from property taxes for a new or expanded business that includes a facility that generates electricity from renewable energy; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

1 Existing law provides a partial abatement from property taxes for a business
2 that intends to locate or expand in this State. If this partial abatement is for a facility
3 that generates electricity from renewable energy, the partial abatement must be for
4 a duration of 10 years and equal to 50 percent of the property taxes payable by the
5 facility each year. (NRS 361.0687) This bill includes geothermal energy in the
6 definition of renewable energy so that, for the purpose of the partial abatement
7 from property taxes for a business that intends to locate or expand in this State, a
8 facility that generates electricity from geothermal energy is considered a facility
9 that generates electricity from renewable energy.

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

1 **Section 1.** NRS 361.0687 is hereby amended to read as
2 follows:

3 361.0687 1. A person who intends to locate or expand a
4 business in this State may, pursuant to NRS 360.750, apply to the
5 Commission on Economic Development for a partial abatement
6 from the taxes imposed by this chapter.

7 2. For a business to qualify pursuant to NRS 360.750 for a
8 partial abatement from the taxes imposed by this chapter, the



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1 Commission on Economic Development must determine that, in
2 addition to meeting the other requirements set forth in subsection 2
3 of that section:

4 (a) If the business is a new business in a county whose
5 population is 100,000 or more or a city whose population is 60,000
6 or more:

7 (1) The business will make a capital investment in the county
8 of at least \$50,000,000 if the business is an industrial or
9 manufacturing business or at least \$2,000,000 if the business is not
10 an industrial or manufacturing business; and

11 (2) The average hourly wage that will be paid by the new
12 business to its employees in this State is at least 100 percent of the
13 average statewide hourly wage as established by the Employment
14 Security Division of the Department of Employment, Training and
15 Rehabilitation on July 1 of each fiscal year.

16 (b) If the business is a new business in a county whose
17 population is less than 100,000 or a city whose population is less
18 than 60,000:

19 (1) The business will make a capital investment in the county
20 of at least \$500,000; and

21 (2) The average hourly wage that will be paid by the new
22 business to its employees in this State is at least 100 percent of the
23 average statewide hourly wage or the average countywide hourly
24 wage, whichever is less, as established by the Employment Security
25 Division of the Department of Employment, Training and
26 Rehabilitation on July 1 of each fiscal year.

27 3. Except as otherwise provided in NRS 361.0685 and
28 subsection 4, if a partial abatement from the taxes imposed by this
29 chapter is approved by the Commission on Economic Development
30 pursuant to NRS 360.750:

31 (a) The partial abatement must:

32 (1) Be for a duration of at least 1 year but not more than 10
33 years;

34 (2) Not exceed 50 percent of the taxes on personal property
35 payable by a business each year pursuant to this chapter; and

36 (3) Be administered and carried out in the manner set forth in
37 NRS 360.750.

38 (b) The Executive Director of the Commission on Economic
39 Development shall notify the county assessor of the county in which
40 the business is located of the approval of the partial abatement,
41 including, without limitation, the duration and percentage of the
42 partial abatement that the Commission granted. The Executive
43 Director shall, on or before April 15 of each year, advise the county
44 assessor of each county in which a business qualifies for a partial
45 abatement during the current fiscal year as to whether the business is



1 still eligible for the partial abatement in the next succeeding fiscal
2 year.

3 4. If a partial abatement from the taxes imposed by this chapter
4 is approved by the Commission on Economic Development
5 pursuant to NRS 360.750 for a facility for the generation of
6 electricity from renewable energy or a facility for the production of
7 an energy storage device:

8 (a) The partial abatement must be:

9 (1) For a duration of 10 years;

10 (2) Equal to 50 percent of the taxes on real and personal
11 property payable by the facility each year pursuant to this chapter;
12 and

13 (3) Administered and carried out in the manner set forth in
14 NRS 360.750.

15 (b) The Executive Director of the Commission on Economic
16 Development shall:

17 (1) Notify the county assessor of the county in which the
18 facility is located of the approval of the partial abatement; and

19 (2) Advise the county assessor of the county in which the
20 facility is located as to the dates on which the partial abatement will
21 begin and end.

22 5. As used in this section:

23 (a) "Biomass" means any organic matter that is available on a
24 renewable basis, including, without limitation:

25 (1) Agricultural crops and agricultural wastes and residues;

26 (2) Wood and wood wastes and residues;

27 (3) Animal wastes;

28 (4) Municipal wastes; and

29 (5) Aquatic plants.

30 (b) "Energy storage device" means a device for use and storage
31 of electrical energy that alleviates the consumption of fossil fuel and
32 does not produce fossil fuel emissions.

33 (c) "Facility for the generation of electricity from renewable
34 energy" means a facility for the generation of electricity that:

35 (1) Uses renewable energy as its primary source of energy;
36 and

37 (2) Has a generating capacity of at least 10 kilowatts.

38 ➤ The term includes all the machinery and equipment that is used in
39 the facility to collect and store the renewable energy and to convert
40 the renewable energy into electricity. The term does not include a
41 facility that is located on residential property.

42 (d) "Industrial or manufacturing business" does not include a
43 facility for the generation of electricity from renewable energy.

44 (e) "Renewable energy" means:

45 (1) Biomass;



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1 (2) Solar energy; ~~for~~

2 (3) Wind ~~H~~ ; or

3 (4) *Geothermal energy.*

4 ↳ The term does not include coal, natural gas, oil, propane or any
5 other fossil fuel, or nuclear energy.

6 **Sec. 2.** This act becomes effective on July 1, 2007, and expires
7 by limitation on June 30, 2009.

