

SENATE BILL NO. 321—SENATOR COFFIN

MARCH 19, 2007

Referred to Committee on Taxation

SUMMARY—Provides certain economic incentives for registered motion picture companies. (BDR 18-1182)

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 economic development; providing that certain fees relating to the operation of motor vehicles do not apply to a registered motion picture company; clarifying that certain sales to a registered motion picture company are not taxable; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law requires a motion picture company to register with the Division of Motion Pictures of the Commission on Economic Development before engaging in the production of a motion picture in this State. (NRS 231.128) **Section 1** of this bill requires the issuance of a letter of registration to a motion picture company that complies with the requirements for registration.

Existing law requires a person who uses certain special fuels for the propulsion of motor vehicles in this State to obtain a license or temporary permit, and provides for the collection of fees for that purpose. (NRS 366.220, 366.223) **Sections 2 and 3** of this bill exempt registered motion picture companies from the payment of those fees.

Existing law provides for the administration of the sales and use taxes imposed in this State by the Department of Taxation. (Chapters 372 and 374 of NRS) **Sections 4 and 5** of this bill prohibit the Department from considering as taxable the sale of property to or the use of property by a registered motion picture company.

Existing law authorizes the Board of Directors of the Department of Transportation to allow the movement of oversize or overweight vehicles on the public highways of this State pursuant to permits issued by the Department, and to establish reasonable fees for those permits. (NRS 484.743) Existing law requires the imposition of an additional fee for the issuance of a continuous permit for the movement of such a vehicle to cover the expenses of conducting an initial



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22 investigation of the highways involved. (NRS 484.765) **Sections 6 and 7** of this bill
23 exempt registered motion picture companies from the payment of those fees.

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

1 **Section 1.** NRS 231.128 is hereby amended to read as follows:
2 231.128 1. Before a motion picture company begins
3 production of a motion picture in this State, the motion picture
4 company must:

5 (a) Register with the Division of Motion Pictures; and
6 (b) Obtain any applicable permits otherwise required by other
7 agencies and political subdivisions of this State.

8 2. The registration filed with the Division of Motion Pictures
9 must:

10 (a) Contain a provision which provides that the motion picture
11 company agrees to pay, within 30 days after the filming of the
12 motion picture is completed in this State, all of the debts and
13 obligations incurred by the motion picture company in the
14 production of the motion picture in this State.

15 (b) Be signed by:

16 (1) A person who is authorized to enter into an agreement on
17 behalf of the motion picture company; and

18 (2) The Administrator of the Division of Motion Pictures or,
19 in a county whose population is 400,000 or more, by the head of the
20 department or agency within that county which is authorized to
21 issue business licenses on behalf of the county.

22 **3. *After the registration is filed with the Division of Motion***
23 ***Pictures pursuant to subsection 2, the Division shall issue a letter***
24 ***of registration to the motion picture company.***

25 **Sec. 2.** NRS 366.220 is hereby amended to read as follows:

26 366.220 1. Except as otherwise provided in this chapter, it is
27 unlawful for any:

28 (a) Special fuel supplier, special fuel dealer or special fuel user
29 to sell or use special fuel within this State unless the special fuel
30 supplier, special fuel dealer or special fuel user is the holder of a
31 special fuel supplier's, special fuel dealer's or special fuel user's
32 license issued to him by the Department.

33 (b) Person to be a:

34 (1) Special fuel exporter unless the person is the holder of a
35 special fuel exporter's license issued to him by the Department.

36 (2) Special fuel transporter unless the person is the holder of
37 a special fuel transporter's license issued to him by the Department.



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(c) Retailer or other person to sell or distribute dyed special fuel unless the retailer or person controls the access to the dyed special fuel.

2. ~~¶The~~ *Except as otherwise provided in subsection 3, the Department may adopt regulations relating to the issuance of any special fuel supplier's, special fuel dealer's, special fuel exporter's, special fuel transporter's or special fuel user's license and the collection of fees therefor.*

3. *A motion picture company that is registered pursuant to NRS 231.128 and engaged in the making of a motion picture is exempt from the imposition of any fees for a special fuel user's license. If the motion picture company or a person affiliated with the motion picture company wishes to claim the exemption from the fee, the motion picture company or person claiming the exemption must give a copy of the letter of registration of the motion picture company to the Department when applying for the special fuel user's license.*

Sec. 3. NRS 366.223 is hereby amended to read as follows:

366.223 1. A special fuel user may, in lieu of causing a motor vehicle that has a declared gross weight in excess of 26,000 pounds to be licensed pursuant to the provisions of NRS 366.220, obtain a temporary permit for special fuel from a vendor authorized to issue permits pursuant to NRS 481.051 before entering the State or immediately upon entering the State. ~~¶The~~ *Except as otherwise provided in subsection 2, the fee for a temporary permit for special fuel is \$30 and is not refundable.*

2. *A motion picture company that is registered pursuant to NRS 231.128 and engaged in the making of a motion picture is exempt from the imposition of the \$30 fee imposed pursuant to subsection 1 for any motor vehicle used in the making of the motion picture. If the motion picture company or a person affiliated with the motion picture company wishes to claim the exemption from the fee, the motion picture company or person claiming the exemption must give a copy of the letter of registration of the motion picture company to the vendor issuing the temporary permit for special fuel.*

3. Except as otherwise provided in subsection ~~3~~ 4, a temporary permit for special fuel authorizes the operation of such a motor vehicle over the highways of this State from point of entry to point of exit for not more than 24 consecutive hours.

~~3~~ 4. The Department may issue to the owner or operator of a common motor carrier of passengers a temporary permit for special fuel that authorizes the operation of the motor carrier for not more than 120 consecutive hours.



~~[4.]~~ 5. The Department may adopt regulations relating to the issuance of a temporary permit for special fuel pursuant to this section.

Sec. 4. Chapter 372 of NRS is hereby amended by adding thereto a new section to read as follows:

1. *In administering the provisions of this chapter, the Department shall not consider the sale of tangible personal property to or the storage, use or other consumption of tangible personal property by a motion picture company that is registered pursuant to NRS 231.128 and engaged in the making of a motion picture to be taxable pursuant to the provisions of this chapter.*

2. *As evidence of its qualifications pursuant to subsection 1, a motion picture company or person affiliated with the motion picture company may give a copy of the letter of registration of the motion picture company to a retailer who sells tangible personal property to the motion picture company.*

Sec. 5. Chapter 374 of NRS is hereby amended by adding thereto a new section to read as follows:

1. *In administering the provisions of this chapter, the Department shall not consider the sale of tangible personal property to or the storage, use or other consumption of tangible personal property by a motion picture company that is registered pursuant to NRS 231.128 and engaged in the making of a motion picture to be taxable pursuant to the provisions of this chapter.*

2. *As evidence of its qualifications pursuant to subsection 1, a motion picture company or person affiliated with the motion picture company may give a copy of the letter of registration of the motion picture company to a retailer who sells tangible personal property to the motion picture company.*

Sec. 6. NRS 484.743 is hereby amended to read as follows:

484.743 1. The Board of Directors of the Department of Transportation may by resolution authorize the movement of vehicles upon the public highways, including , without limitation , motor vehicles, tractors, trailers, semitrailers and combinations thereof, of a size and weight in excess of the limits prescribed by this chapter, to such extent as may be authorized by any legislation enacted by the Congress of the United States permitting such increases without forfeiture of this State's eligibility for federal aid in highway construction and maintenance.

2. ~~[The]~~ *Except as otherwise provided in subsection 3, the Board of Directors of the Department of Transportation may by resolution establish a reasonable fee or fees to be charged by the Department for the issuance of permits authorizing the operation of oversize or overweight vehicles as provided in this chapter. The fee or fees so established must be in an amount set so that the aggregate*



1 amounts received from the fee or fees do not exceed the estimated
2 costs of administering the permit system.

3 *3. A motion picture company that is registered pursuant to*
4 *NRS 231.128 and engaged in the making of a motion picture is*
5 *exempt from the imposition of any fees for the issuance of a*
6 *permit authorizing the operation of an oversize or overweight*
7 *vehicle used in the making of the motion picture. If the motion*
8 *picture company or a person affiliated with the motion picture*
9 *company wishes to claim the exemption from the fee, the motion*
10 *picture company or person claiming the exemption must give a*
11 *copy of the letter of registration of the motion picture company to*
12 *the Department when applying for the permit.*

13 **Sec. 7.** NRS 484.765 is hereby amended to read as follows:

14 484.765 1. No vehicle operated or moved upon any public
15 highway under the authority of a continuous or multiple trip-limited
16 time permit may exceed a maximum weight of 20,000 pounds on
17 any single axle. ~~{Before}~~ *Except as otherwise provided in*
18 *subsection 3, before* any continuous permit is issued, the applicant
19 shall pay a reasonable fee to be determined by the Department of
20 Transportation or the governing body of any city or county to pay
21 the costs and expenses of conducting an initial investigation of the
22 highway or highways involved.

23 2. If, after issuance of a continuous or multiple trip-limited
24 time permit by the Department of Transportation or the governing
25 body of any city or county, the Department or governing body finds
26 that the traffic authorized by such continuous or multiple trip-
27 limited time permit has caused substantial highway distress, the
28 permit may be revoked summarily, but the revocation does not
29 operate to prevent a subsequent filing of a new application for
30 another continuous or multiple trip-limited time permit.

31 *3. A motion picture company that is registered pursuant to*
32 *NRS 231.128 and engaged in the making of a motion picture is*
33 *exempt from the imposition of any fees established pursuant to*
34 *subsection 1 for any vehicle used in the making of the motion*
35 *picture. If the motion picture company or a person affiliated with*
36 *the motion picture company wishes to claim the exemption from*
37 *the fee, the motion picture company or person claiming the*
38 *exemption must give a copy of the letter of registration of the*
39 *motion picture company to the Department when applying for*
40 *the continuous permit.*

41 **Sec. 8.** This act becomes effective on July 1, 2007.

