

SENATE BILL NO. 331—COMMITTEE ON COMMERCE AND LABOR

MARCH 19, 2009

Referred to Committee on Taxation

SUMMARY—Provides a partial abatement of property taxes and certain sales and use taxes imposed on facilities that use solar or wind energy to generate electricity or process heat. (BDR 58-289)

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 energy; providing a partial abatement of property taxes and certain sales and use taxes imposed on facilities that use solar or wind energy to generate electricity or process heat; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

- 1 This bill partially abates the property taxes imposed on a facility that uses solar
2 or wind energy to generate electricity or process heat by 75 percent for 25 years,
3 and abates the local school support taxes imposed on property used in the
4 construction or operation of such a facility by 75 percent for 10 years. These
5 abatements will cease to be effective in 30 years.

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

- 1 **Section 1.** The Legislature hereby finds that each exemption
2 provided by this act from any ad valorem tax on property or excise
3 tax on the sale, storage, use or consumption of tangible personal
4 property sold at retail:
5 1. Will achieve a bona fide social or economic purpose and that
6 the benefits of the exemption are expected to exceed any adverse
7 effect of the exemption on the provision of services to the public by
8 the State or a local government that would otherwise receive



1 revenue from the tax from which the exemption would be granted;
2 and

3 2. Will not impair adversely the ability of the State or a local
4 government to pay, when due, all interest and principal on any
5 outstanding bonds or any other obligations for which revenue
6 from the tax from which the exemption would be granted was
7 pledged.

8 **Sec. 2.** Chapter 701A of NRS is hereby amended by adding
9 thereto a new section to read as follows:

10 *1. The owner of a facility for the generation of electricity or*
11 *process heat from solar or wind energy is entitled to a partial*
12 *abatement of the taxes imposed on that facility pursuant to chapter*
13 *361 of NRS in the annual amount of 75 percent of those taxes.*
14 *The partial abatement applies for the first 25 fiscal years that*
15 *begin after an application for a permit to construct the facility is*
16 *filed with the governmental entity having jurisdiction to issue that*
17 *permit.*

18 *2. A person who locates or maintains a facility for the*
19 *generation of electricity or process heat from solar or wind energy*
20 *in this State is entitled to a partial abatement of the taxes imposed*
21 *by NRS 374.110 and 374.190 on the sale, storage, use or other*
22 *consumption of property used in the construction or operation of*
23 *that facility, in the amount of 75 percent of those taxes. The*
24 *partial abatement applies for the period of 10 years beginning on*
25 *the date an application for a permit to construct the facility is filed*
26 *with the governmental entity having jurisdiction to issue that*
27 *permit.*

28 *3. The Department of Taxation shall adopt such regulations*
29 *as it determines to be necessary for the administration of this*
30 *section.*

31 *4. As used in this section, "facility for the generation of*
32 *electricity or process heat from solar or wind energy" means a*
33 *facility that:*

34 *(a) Uses solar or wind energy as its primary source of energy;*
35 *and*

36 *(b) Generates:*

37 *(1) Electricity that is sold to another person for resale; or*

38 *(2) Process heat.*

39 *↪ The term includes all the machinery and equipment that is used*
40 *in the facility to collect and store the solar or wind energy and to*
41 *convert that energy into electricity or process heat.*

42 **Sec. 3.** Notwithstanding the provisions of section 2 of this act,
43 a person is not entitled to any partial abatement of taxes pursuant to
44 that section after June 30, 2039.



* S B 3 3 1 R 1 *

1 **Sec. 4.** This act becomes effective on July 1, 2009, and expires
2 by limitation on June 30, 2039.

