

Amendment No. 495

Senate Amendment to Senate Bill No. 399

(BDR 51-1052)

Proposed by: Senate Committee on Natural Resources**Amends:** Summary: No Title: No Preamble: No Joint Sponsorship: No Digest: No

ASSEMBLY ACTION			Initial and Date	SENATE ACTION			Initial and Date
Adopted	☐	Lost	☐ _____	Adopted	☐	Lost	☐ _____
Concurred In	☐	Not	☐ _____	Concurred In	☐	Not	☐ _____
Receded	☐	Not	☐ _____	Receded	☐	Not	☐ _____

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) *green bold italic underlining* is new language proposed in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill that is proposed to be retained in this amendment; and (6) *green bold underlining* is newly added transitory language.

SJA/HAC



Date: 4/18/2013

S.B. No. 399—Revises provisions relating to special fuels. (BDR 51-1052)



SENATE BILL NO. 399—SENATOR KIHUEN

MARCH 18, 2013

Referred to Committee on Natural Resources

SUMMARY—Revises provisions relating to special fuels. (BDR 51-1052)

FISCAL NOTE: Effect on Local Government: Increases or Newly Provides for Term of Imprisonment in County or City Jail or Detention Facility.

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 special fuels; prohibiting certain conduct related to the sale of biodiesel that does not conform to certain specifications; amending the definition of “biodiesel” for the purpose of provisions relating to taxes imposed on special fuels; specifying that the sale or use of certain special fuels is taxed at a certain rate; providing a penalty; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law provides that it is a misdemeanor to sell, offer for sale, assist in the sale of, deliver or permit to be sold or offered for sale, any petroleum or petroleum product as, or purporting to be, motor vehicle fuel, unless it conforms with the regulations adopted by the State Board of Agriculture. (NRS 590.070, 590.150) **Section 1** of this bill provides that it is also a misdemeanor to sell, offer for sale, assist in the sale of, deliver or permit to be sold or offered for sale biodiesel that does not conform to certain standards of ASTM International.

Under existing law, special fuels which include, without limitation, biodiesel, biodiesel blend and an emulsion of water-phased hydrocarbon fuel, are taxed at the rate of 27 cents per gallon. (NRS 366.060, 366.190) **Section 3** of this bill specifies that diesel, biodiesel and biodiesel blend are the fuels taxed at that rate.

Existing law defines “biodiesel” as any fuel composed of mono-alkyl esters of long-chain fatty acids or any other fuel sold or labeled as biodiesel which is suitable for use as a fuel in a motor vehicle. (NRS 366.022) Biodiesel fuels are considered “special fuels” for the purpose of taxes imposed on fuels. (NRS 366.060, 366.190) **Section 2** of this bill revises the definition of “biodiesel” so that fuels other than those composed of mono-alkyl esters of long-chain fatty acids must be derived from renewable resources and must be suitable for use in a diesel engine to be considered a biodiesel fuel.

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

Section 1. NRS 590.070 is hereby amended to read as follows:

590.070 1. The State Board of Agriculture shall adopt by regulation specifications for motor vehicle fuel ~~;~~ ~~other than biodiesel~~;

(a) Based upon scientific evidence which demonstrates that any motor vehicle fuel which is produced in accordance with the specifications is of sufficient quality to ensure appropriate performance when used in a motor vehicle in this State; or

(b) Proposed by an air pollution control agency to attain or maintain national ambient air quality standards in any area of this State. As used in this paragraph, "air pollution control agency" means any federal air pollution control agency or any state, regional or local agency that has the authority pursuant to chapter 445B of NRS to regulate or control air pollution or air quality in any area of this State.

2. The State Board of Agriculture shall adopt by regulation procedures for allowing variances from the specifications for motor vehicle fuel adopted pursuant to this section.

3. It is unlawful for any person, or any officer, agent or employee thereof, to sell, offer for sale, assist in the sale of, deliver or permit to be sold or offered for sale ~~any~~:

(a) Any petroleum or petroleum product as, or purporting to be, motor vehicle fuel, unless it conforms with the regulations adopted by the State Board of Agriculture pursuant to this section.

(b) Any biodiesel unless it:

(1) Is composed of mono-alkyl esters of long-chain fatty acids and conforms to ASTM International Standard D6751, "Standard Specification for Biodiesel Fuel Blend Stock (B100) for Middle Distillate Fuels"; ~~for~~

(2) Conforms to ASTM International Standard D975, "Standard Specification for Diesel Fuel Oils ~~for~~"; or

(3) Conforms to a current standard of ASTM International for biodiesel.

4. This section does not apply to aviation fuel.

5. In addition to any criminal penalty that is imposed pursuant to the provisions of NRS 590.150, any person who violates any provision of this section may be further punished as provided in NRS 590.071.

6. *As used in this section, "biodiesel" has the meaning ascribed to it in NRS 366.022.*

Sec. 2. NRS 366.022 is hereby amended to read as follows:

366.022 "Biodiesel" means a fuel composed of mono-alkyl esters of long-chain fatty acids or any other fuel ~~sold or labeled as biodiesel~~ derived from renewable resources which is suitable for use as a fuel in a ~~motor vehicle~~ diesel engine.

Sec. 3. NRS 366.190 is hereby amended to read as follows:

366.190 ~~1. Except as otherwise provided in subsection 2, a tax is hereby imposed at the rate of 27 cents per gallon on the sale or use of special fuels.~~

~~2.~~ A tax is hereby imposed at:

~~(a)~~ 1. The rate of 19 cents per gallon on the sale or use of an emulsion of water-phased hydrocarbon fuel;

~~(b)~~ 2. The rate of 22 cents per gallon on the sale or use of liquefied petroleum gas; ~~and~~

~~(c)~~ 3. The rate of 21 cents per gallon on the sale or use of compressed natural gas ~~;~~ ~~and~~

4. *The rate of 27 cents per gallon on the sale or use of:*

1 *(a) Diesel;*

2 *(b) Biodiesel; and*

3 *(c) Biodiesel blend.*

4 **Sec. 4.** This act becomes effective upon passage and approval for the purpose
5 of adopting regulations and performing any other preparatory administrative tasks
6 that are necessary to carry out the provisions of this act, and on January 1, 2014, for
7 all other purposes.