

---

ASSEMBLY BILL NO. 289—ASSEMBLYMEN WHEELER, ELLISON,  
KRAMER, OSCARSON, HAMBRICK; EDWARDS, MARCHANT  
AND TOLLES

MARCH 14, 2017

---

JOINT SPONSORS: SENATORS SPEARMAN; AND SETTELMAYER

---

Referred to Committee on Taxation

SUMMARY—Enacts provisions to provide partial abatements and expedited permits for the development of facilities for smelting, processing or refining ores or metal in this State. (BDR 32-201)

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

~

EXPLANATION – Matter in ***bolded italics*** is new; matter between brackets ~~omitted material~~ is material to be omitted.

---

AN ACT relating to mining; authorizing a person who intends to locate or expand a facility for smelting, processing or refining ores or metal to apply to the Office of Economic Development for a partial abatement of certain property or sales and use taxes; establishing criteria by which such a facility may qualify for such a partial abatement; establishing the maximum duration and percentage of such partial abatements; requiring the State Environmental Commission to adopt regulations providing for the reimbursement of certain permit fees and establishing an expedited process for the issuance of certain permits by the State Department of Conservation and Natural Resources and the Division of Environmental Protection of the Department; and providing other matters properly relating thereto.



\* A B 2 8 9 \*

**Legislative Counsel's Digest:**

Existing law authorizes the Office of Economic Development to grant a partial abatement of property taxes, business taxes and sales and use taxes to a business that locates or expands in this State and meets certain qualifications for the abatement. (NRS 274.310, 274.320, 360.750, 361.0687, 363B.120, 374.357, 701A.210) **Section 1** of this bill authorizes the Office of Economic Development to grant a partial abatement of property taxes and local sales and use taxes to a business that intends to locate or expand in this State by locating or expanding in this State a facility for the smelting, processing or refining of ores or metals. **Section 1** establishes the criteria by which a facility must demonstrate eligibility for a partial abatement, including requirements concerning the number of full-time employees employed on the construction or expansion of the facility and the wages that must be paid to such employees. **Section 4** of this bill specifies that the abatement of property taxes must not be for a duration of more than 20 years and must not exceed 55 percent of the amount of real and personal property taxes payable by a facility. **Section 5** of this bill specifies that the abatement of local sales and use taxes must not be for a duration of more than 3 years and must require the facility to pay sales and use taxes at a rate of 2.6 percent for tangible personal property purchased for use by the facility.

Existing law requires certain persons to obtain a permit from the State Department of Conservation and Natural Resources to authorize the discharge or injection of certain fluids into the waters of this State. (NRS 445A.300-445A.730) Existing law also requires the State Environmental Commission to adopt regulations requiring a person operating or responsible for a source of certain air contaminants to obtain an operating permit for that source. (NRS 445B.300) **Sections 10 and 17** of this bill require the Commission to adopt regulations establishing an expedited process for the review and approval of these permits for a person who operates a facility for the smelting, processing or refining of ores or metals in this State. The regulations must: (1) ensure that environmental safety standards are met; (2) ensure that applications submitted by a person who operates a facility are given priority; (3) provide for a partial reimbursement of certain fees for a permit to discharge certain fluids into the waters of this State; and (4) be consistent with the intent of the Legislature regarding the expansion of the processing of minerals in this State in a manner that is safe for the environment and the public, as set forth in **section 24** of this bill.

Existing law requires a person who wishes to engage in a mining exploration project or mining operation to obtain a permit from Division of Environmental Protection of the State Department of Conservation and Natural Resources. (NRS 519A.180, 519A.200) **Section 25** of this bill requires the State Environmental Commission to adopt regulations establishing an expedited process for the review and approval of these permits for a person who operates a facility for the smelting, processing or refining of ores or metals in this State. The regulations must: (1) ensure that environmental safety standards are met; (2) ensure that applications submitted by a person who operates a facility are given priority; and (3) be consistent with the intent of the Legislature regarding the expansion of the processing of minerals in this State in a manner that is safe for the environment and the public, as set forth in **section 24** of this bill.

---



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

**Section 1.** Chapter 360 of NRS is hereby amended by adding thereto a new section to read as follows:

*1. A person who intends to locate or expand a business in this State by locating or expanding a facility for smelting, processing or refining ores or metals in this State may apply to the Office of Economic Development pursuant to this section for a partial abatement of one or more of the taxes imposed on the facility pursuant to chapter 361 or 374 of NRS.*

*2. As soon as practicable after the Office of Economic Development receives an application for a partial abatement pursuant to this section, the Office shall forward a copy of the application to:*

- (a) The Chief of the Budget Division of the Office of Finance;*
- (b) The Department;*
- (c) The board of county commissioners;*
- (d) The county assessor; and*
- (e) The county treasurer.*

*3. The Office of Economic Development must include with the copy of the application for a partial abatement forwarded to the county treasurer a notice that the local jurisdiction may request a presentation regarding the facility. A request for a presentation must be made within 30 days after receipt of the application.*

*4. As soon as practicable after receiving a copy of an application pursuant to subsection 2:*

*(a) The Chief of the Budget Division of the Office of Finance shall publish a fiscal note that indicates an estimate of the fiscal impact of the partial abatement on the State and forward a copy to the Office of Economic Development; and*

*(b) The Department shall publish a fiscal note that indicates an estimate of the fiscal impact of the partial abatement on each affected local government, and forward a copy of the fiscal note to each affected local government and to the Office of Economic Development.*

*5. Notwithstanding any other provision of law to the contrary and except as otherwise provided in subsections 6, 7 and 8, the Office of Economic Development shall approve an application for a partial abatement pursuant to this section if the Office makes the following determinations:*

*(a) The applicant has executed an agreement with the Office that must:*

- (1) Comply with the requirements of NRS 360.755;*



1       (2) State the date on which the abatement becomes  
2 effective, as agreed to by the applicant and the Office, which must  
3 not be earlier than the date on which the Office received the  
4 application;

5       (3) State that the facility will, after the date on which the  
6 abatement becomes effective, continue in operation in this State  
7 for a period specified by the Office, which must be at least 10  
8 years, and will continue to meet the eligibility requirements set  
9 forth in this subsection; and

10       (4) Bind the successors in interest of the facility for the  
11 specified period.

12       (b) No funding is or will be provided by any governmental  
13 entity in this State for the acquisition, design or construction of  
14 the facility or for the acquisition of any land therefor, except any  
15 private activity bonds as defined in 26 U.S.C. § 141.

16       (c) The facility is registered pursuant to the laws of this State  
17 or the applicant commits to obtain a valid business license and all  
18 other permits required by the county, city or town in which the  
19 facility operates.

20       (d) The facility meets the following requirements:

21       (1) The facility will have 50 or more full-time employees  
22 working on the construction or expansion of the facility during the  
23 second quarter of the construction or expansion, including, unless  
24 waived by the Executive Director of the Office of Economic  
25 Development for good cause, at least 30 percent who are residents  
26 of Nevada;

27       (2) The average hourly wage that will be paid by the facility  
28 to its employees in this State is at least 110 percent of the average  
29 statewide hourly wage, excluding management and administrative  
30 employees, as established by the Employment Security Division of  
31 the Department of Employment, Training and Rehabilitation on  
32 July 1 of each fiscal year; and

33       (3) The average hourly wage of the employees working on  
34 the construction or expansion of the facility will be at least 150  
35 percent of the average statewide hourly wage, excluding  
36 management and administrative employees, as established by the  
37 Employment Security Division of the Department of Employment,  
38 Training and Rehabilitation on July 1 of each fiscal year, and:

39       (I) The employees working on the construction or  
40 expansion of the facility must be provided a health insurance plan  
41 that includes an option for health insurance coverage for  
42 dependents of the employees; and

43       (II) The health care benefits provided to the employees  
44 working on the construction or expansion of the facility will meet



1 *the minimum requirements for health care benefits established by*  
2 *the Office.*

3 *(e) The financial benefits that will result to this State from the*  
4 *employment by the facility of the residents of this State by the*  
5 *facility in this State will exceed the loss of tax revenue that will*  
6 *result from the abatement.*

7 *6. Notwithstanding the provisions of subsection 5, the Office*  
8 *of Economic Development may, if the Office determines that such*  
9 *action is necessary:*

10 *(a) Approve an application for a partial abatement for a*  
11 *facility that does not meet the requirements set forth in paragraph*  
12 *(d) of subsection 5; and*

13 *(b) Add additional requirements that a facility must meet to*  
14 *qualify for a partial abatement.*

15 *7. Notwithstanding any other provision of law, a facility is not*  
16 *eligible for a partial abatement pursuant to this section unless the*  
17 *application for the abatement is approved pursuant to this*  
18 *subsection. The board of county commissioners of a county must*  
19 *approve or deny the application not later than 30 days after the*  
20 *board receives a copy of the application pursuant to subsection 2.*  
21 *The board of county commissioners must not condition the*  
22 *approval of the application on a requirement that the facility agree*  
23 *to purchase, lease or otherwise acquire in its own name or on*  
24 *behalf of the county any infrastructure, equipment, facilities or*  
25 *other property in the county that is not directly related to or*  
26 *otherwise necessary for the construction and operation of the*  
27 *facility. If the board of county commissioners does not approve or*  
28 *deny the application within 30 days after the board receives the*  
29 *application, the application shall be deemed denied.*

30 *8. Notwithstanding any other provision of law, a facility that*  
31 *is owned, operated or otherwise controlled by a governmental*  
32 *entity is not eligible for a partial abatement pursuant to this*  
33 *section.*

34 *9. If the Office of Economic Development approves an*  
35 *application for a partial abatement pursuant to this section, the*  
36 *Office shall immediately forward a certificate of eligibility for the*  
37 *abatement to:*

38 *(a) The Department;*

39 *(b) The Nevada Tax Commission; and*

40 *(c) If the partial abatement is from the property tax imposed*  
41 *pursuant to chapter 361 of NRS, the county treasurer.*

42 *10. An applicant for a partial abatement pursuant to this*  
43 *section or an existing facility whose partial abatement is in effect*  
44 *shall, upon the request of the Executive Director of the Office of*  
45 *Economic Development, furnish the Executive Director with*



1 *copies of all records necessary to verify that the applicant meets*  
2 *the requirements of subsection 5.*

3 *11. The Nevada Tax Commission may adopt such other*  
4 *regulations as the Nevada Tax Commission determines to be*  
5 *necessary to carry out the provisions of this section.*

6 *12. An applicant for a partial abatement pursuant to this*  
7 *section who is aggrieved by a final decision of the Office of*  
8 *Economic Development may petition for judicial review in the*  
9 *manner provided in chapter 233B of NRS.*

10 *13. As used in this section, "full-time employee" means a*  
11 *person who is in a permanent position of employment and works*  
12 *an average of 30 hours per week during the applicable period set*  
13 *forth in paragraph (d) of subsection 4.*

14 **Sec. 2.** NRS 360.225 is hereby amended to read as follows:

15 360.225 1. During the course of an investigation undertaken  
16 pursuant to NRS 360.130 of a person claiming:

17 (a) A partial abatement of property taxes pursuant to  
18 NRS 361.0687;

19 (b) An exemption from taxes pursuant to NRS 363B.120;

20 (c) A deferral of the payment of taxes on the sale of eligible  
21 property pursuant to NRS 372.397 or 374.402;

22 (d) An abatement of taxes on the gross receipts from the sale,  
23 storage, use or other consumption of eligible machinery or  
24 equipment pursuant to NRS 374.357;

25 (e) A partial abatement of taxes pursuant to NRS 360.752 on or  
26 before June 30, 2023;

27 (f) A partial abatement of taxes pursuant to NRS 360.754 on or  
28 before December 31, 2056;

29 (g) A partial abatement of taxes pursuant to NRS 360.890 on or  
30 before June 30, 2032; ~~for~~

31 (h) *A partial abatement of taxes pursuant to section 1 of this*  
32 *act; or*

33 (i) An abatement of taxes pursuant to NRS 360.950 on or before  
34 June 30, 2036,

35 ➡ the Department shall investigate whether the person meets the  
36 eligibility requirements for the abatement, partial abatement,  
37 exemption or deferral that the person is claiming.

38 2. If the Department finds that the person does not meet the  
39 eligibility requirements for the abatement, exemption or deferral  
40 which the person is claiming, the Department shall report its  
41 findings to the Office of Economic Development and take any other  
42 necessary actions.

43 **Sec. 3.** NRS 360.755 is hereby amended to read as follows:

44 360.755 1. If the Office of Economic Development approves  
45 an application by a business for an abatement of taxes pursuant to



1 NRS 360.950 or a partial abatement pursuant to NRS 360.750,  
2 360.752, 360.753, 360.754 or 360.890, *or section 1 of this act*, the  
3 agreement with the Office must provide that the business:

4 (a) Agrees to allow the Department to conduct audits of the  
5 business to determine whether the business is in full compliance  
6 with the requirements for the abatement or partial abatement; and

7 (b) Consents to the disclosure of the audit reports in the manner  
8 set forth in this section.

9 2. If the Department conducts an audit of the business to  
10 determine whether the business is in full compliance with the  
11 requirements for the abatement or partial abatement, the Department  
12 shall, upon request, provide the audit report to the Office of  
13 Economic Development.

14 3. Until the business has exhausted all appeals to the  
15 Department and the Nevada Tax Commission relating to the audit,  
16 the information contained in the audit report provided to the Office  
17 of Economic Development:

18 (a) Is confidential proprietary information of the business;

19 (b) Is not a public record; and

20 (c) Must not be disclosed to any person who is not an officer or  
21 employee of the Office of Economic Development unless the  
22 business consents to the disclosure.

23 4. After the business has exhausted all appeals to the  
24 Department and the Nevada Tax Commission relating to the audit:

25 (a) The audit report provided to the Office of Economic  
26 Development is a public record; and

27 (b) Upon request by any person, the Executive Director of the  
28 Office of Economic Development shall disclose the audit report to  
29 the person who made the request, except for any information in  
30 the audit report that is protected from disclosure pursuant to  
31 subsection 5.

32 5. Before the Executive Director of the Office of Economic  
33 Development discloses the audit report to the public, the business  
34 may submit a request to the Executive Director to protect from  
35 disclosure any information in the audit report which, under  
36 generally accepted business practices, would be considered a trade  
37 secret or other confidential proprietary information of the business.  
38 After consulting with the business, the Executive Director shall  
39 determine whether to protect the information from disclosure. The  
40 decision of the Executive Director is final and is not subject to  
41 judicial review. If the Executive Director determines to protect the  
42 information from disclosure, the protected information:

43 (a) Is confidential proprietary information of the business;

44 (b) Is not a public record;



\* A B 2 8 9 \*

(c) Must be redacted by the Executive Director from any audit report that is disclosed to the public; and

(d) Must not be disclosed to any person who is not an officer or employee of the Office of Economic Development unless the business consents to the disclosure.

**Sec. 4.** Chapter 361 of NRS is hereby amended by adding thereto a new section to read as follows:

*1. A person who intends to locate or expand a business in this State by locating or expanding a facility for smelting, processing or refining ores or metals in this State may, pursuant to section 1 of this act, apply to the Office of Economic Development for a partial abatement from the taxes imposed by this chapter on the facility.*

*2. If a partial abatement from the taxes imposed by this chapter is approved by the Office of Economic Development pursuant to section 1 of this act, the partial abatement must:*

*(a) Be for a duration of not more than 20 years immediately following the date of approval of the application;*

*(b) Be equal to 55 percent of the taxes on real and personal property taxes payable by the facility each year;*

*(c) Not apply during any period in which the facility is receiving another abatement or exemption from property taxes imposed pursuant to this chapter, other than any partial abatement provided pursuant to NRS 361.4722; and*

*(d) Be administered and carried out in the manner set forth in section 1 of this act.*

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

*1. A person who intends to locate or expand a business in this State by locating or expanding a facility for smelting, processing or refining ores or metals in this State may, pursuant to section 1 of this act, apply to the Office of Economic Development for a partial abatement from the taxes imposed by this chapter on the gross receipts from the sale, and the storage, use or other consumption, of tangible personal property for use by the facility that has been approved for a partial abatement pursuant to section 1 of this act.*

*2. If an application for a partial abatement is approved pursuant to section 1 of this act:*

*(a) The partial abatement must:*

*(1) Be for the 3 years beginning on the date of approval of the application;*

*(2) Be equal to that portion of the taxes imposed by this chapter payable by the facility each year which exceeds 0.6 percent;*





1       (3) *Not apply during any period in which the facility is*  
2 *receiving another abatement or exemption from local sales and*  
3 *use taxes; and*

4       (4) *Be administered and carried out in the manner set forth*  
5 *in section 1 of this act.*

6       (b) *The Department of Taxation must issue to the facility a*  
7 *document certifying the abatement which can be presented to*  
8 *retailers at the time of sale. The document must clearly state that*  
9 *the purchaser is only required to pay sales and use taxes imposed*  
10 *in this State at the rate of 2.6 percent.*

11       (c) *The amount of the taxes imposed by this chapter collected*  
12 *from the facility for the period of the abatement must be*  
13 *distributed in the same manner as if that amount consisted solely*  
14 *of the proceeds of taxes imposed by NRS 374.110 and 374.190.*

15       **Sec. 6.** NRS 218D.355 is hereby amended to read as follows:

16       218D.355 1. Except as otherwise provided in NRS 360.753,  
17 360.754, 360.893 and 360.965, *and section 1 of this act*, any state  
18 legislation enacted on or after July 1, 2012, which authorizes or  
19 requires the Office of Economic Development to approve any  
20 abatement of taxes or increases the amount of any abatement of  
21 taxes which the Office is authorized or required to approve:

22       (a) Expires by limitation 10 years after the effective date of that  
23 legislation.

24       (b) Does not apply to:

25       (1) Any taxes imposed pursuant to NRS 374.110 and  
26 374.111 or 374.190 and 374.191; or

27       (2) Any entity that receives:

28       (I) Any funding from a governmental entity, other than  
29 any private activity bonds as defined in 26 U.S.C. § 141; or

30       (II) Any real or personal property from a governmental  
31 entity at no cost or at a reduced cost.

32       (c) Requires each recipient of the abatement to submit to the  
33 Department of Taxation, on or before the last day of each even-  
34 numbered year, a report on whether the recipient is in compliance  
35 with the terms of the abatement. The Department of Taxation shall  
36 establish a form for the report and may adopt such regulations as it  
37 determines to be appropriate to carry out this paragraph. The report  
38 must include, without limitation:

39       (1) The date the recipient commenced operation in this State;

40       (2) The number of employees actually employed by the  
41 recipient and the average hourly wage of those employees;

42       (3) An accounting of any fees paid by the recipient to the  
43 State and to local governmental entities;



(4) An accounting of the property taxes paid by the recipient and the amount of those taxes that would have been due if not for the abatement;

(5) An accounting of the sales and use taxes paid by the recipient and the amount of those taxes that would have been due if not for the abatement;

(6) An accounting of the total capital investment made in connection with the project to which the abatement applies; and

(7) An accounting of the total investment in personal property made in connection with the project to which the abatement applies.

2. On or before January 15 of each odd-numbered year, the Department of Taxation shall:

(a) Based upon the information submitted to the Department of Taxation pursuant to paragraph (c) of subsection 1, prepare a written report of its findings regarding whether the costs of the abatement exceed the benefits of the abatement; and

(b) Submit the report to the Director for transmittal to the Legislature.

**Sec. 7.** NRS 231.0685 is hereby amended to read as follows:

231.0685 The Office shall, on or before January 15 of each odd-numbered year, prepare and submit to the Director of the Legislative Counsel Bureau for transmission to the Legislature a report concerning the abatements from taxation that the Office approved pursuant to NRS 274.310, 274.320, 274.330, 360.750, 360.752, 360.753 or 360.754 **or section 1 of this act**. The report must set forth, for each abatement from taxation that the Office approved during the fiscal years which are 3 fiscal years and 6 fiscal years immediately preceding the submission of the report:

1. The dollar amount of the abatement;

2. The location of the business for which the abatement was approved;

3. The value of infrastructure included as an incentive for the business;

4. If applicable, the number of employees that the business for which the abatement was approved employs or will employ;

5. Whether the business for which the abatement was approved is a new business or an existing business;

6. The economic sector in which the business operates, the number of primary jobs related to the business, the average wage paid to employees of the business and the assessed values of personal property and real property of the business;

7. Any information concerning whether the business for which the abatement was approved participates or has participated in a



1 program of workforce development, as defined in NRS 231.146,  
2 implemented by the Executive Director; and

3 8. Any other information that the Office determines to be  
4 useful.

5 **Sec. 8.** NRS 231A.170 is hereby amended to read as follows:

6 231A.170 1. For the purpose of NRS 231A.110, a qualified  
7 active low-income community business is limited to those  
8 businesses meeting the Small Business Administration size  
9 eligibility standards established in 13 C.F.R. §§ 121.101 to 201,  
10 inclusive, at the time the qualified low-income community  
11 investment is made. A business must be considered a qualified  
12 active low-income community business for the duration of the  
13 qualified community development entity's investment in, or loan to,  
14 the business if the entity reasonably expects, at the time it makes the  
15 investment or loan, that the business will continue to satisfy the  
16 requirements for being a qualified active low-income community  
17 business, other than the Small Business Administration size  
18 standards, throughout the entire period of the investment or loan.

19 2. Except as otherwise provided in this subsection, the  
20 businesses limited by this section do not include any business that  
21 derives or projects to derive 15 percent or more of its annual  
22 revenue from the rental or sale of real estate. This exclusion does  
23 not apply to a business that is controlled by, or under common  
24 control with, another business if the second business:

25 (a) Does not derive or project to derive 15 percent or more of its  
26 annual revenue from the rental or sale of real estate; and

27 (b) Is the primary tenant of the real estate leased from the first  
28 business.

29 3. The following businesses are not qualified active low-  
30 income community businesses:

31 (a) A business that has received an abatement from taxation  
32 pursuant to NRS 274.310, 274.320, 274.330, 360.750, 360.753 or  
33 360.754 **H or section 1 of this act.**

34 (b) An entity that has liability for insurance premium tax on a  
35 premium tax report filed pursuant to NRS 680B.030.

36 (c) A business engaged in banking or lending.

37 (d) A massage parlor.

38 (e) A bath house.

39 (f) A tanning salon.

40 (g) A country club.

41 (h) A business operating under a nonrestricted license for  
42 gaming issued pursuant to NRS 463.170.

43 (i) A liquor store.

44 (j) A golf course.



**Sec. 9.** NRS 353.207 is hereby amended to read as follows:  
353.207 1. The Chief shall:

(a) Require the Office of Economic Development and the Office of Energy each periodically to conduct an analysis of the relative costs and benefits of each incentive for economic development previously approved by the respective office and in effect during the immediately preceding 2 fiscal years, including, without limitation, any abatement of taxes approved by the Office of Economic Development pursuant to NRS 274.310, 274.320, 274.330, 360.750, 360.752, 360.753, 360.754, 360.890, 360.950, 361.0687, 374.357 or 701A.210, *or section 1 of this act*, to assist the Governor and the Legislature in determining whether the economic benefits of the incentive have accomplished the purposes of the statute pursuant to which the incentive was approved and warrant additional incentives of that kind;

(b) Require each office to report in writing to the Chief the results of the analysis conducted by the office pursuant to paragraph (a); and

(c) Establish a schedule for performing and reporting the results of the analysis required by paragraph (a) which ensures that the results of the analysis reported by each office are included in the proposed budget prepared pursuant to NRS 353.205, as required by that section.

2. Each report prepared for the Chief pursuant to this section is a public record and is open to inspection pursuant to the provisions of NRS 239.010.

**Sec. 10.** Chapter 445A of NRS is hereby amended by adding thereto a new section to read as follows:

*1. The Commission shall adopt regulations to:*

*(a) Establish and implement an expedited process for the review of applications for a permit submitted by a person who participates in the smelting, processing or refining of ores or metals and the issuance of a permit to such a person; and*

*(b) Establish a procedure for a person who engages in the smelting, processing or refining of ores or metals to apply for and receive a partial reimbursement of a fee paid by the person for an application for a permit.*

*2. Any regulations adopted by the Commission pursuant to this section must:*

*(a) Ensure that an application for a permit submitted by a person who participates in the smelting, processing or refining of ores or metals is given priority;*

*(b) Ensure that environmental safety standards are met;*



1     (c) *Require the Director to provide written notice to the*  
2     *applicant for a permit of the estimated duration of the process to*  
3     *complete the review of the application and issue a permit;*

4     (d) *Require the Director to provide written notice to the*  
5     *applicant of any extension of the estimated duration of the process*  
6     *to complete the review of the application and issue a permit and*  
7     *the estimated length of the extension; and*

8     (e) *Be consistent with the findings and declarations of the*  
9     *Legislature set forth in section 24 of this act.*

10    **Sec. 11.** NRS 445A.305 is hereby amended to read as follows:  
11    445A.305   1. The Legislature finds that pollution of water in  
12    this State:

- 13       (a) Adversely affects public health and welfare;  
14       (b) Is harmful to wildlife, fish and other aquatic life; and  
15       (c) Impairs domestic, agricultural, industrial, recreational and  
16    other beneficial uses of water.

17    2. The Legislature declares that it is the policy of this State and  
18    the purpose of NRS 445A.300 to 445A.730, inclusive ~~§~~ , *and*  
19    *section 10 of this act:*

20       (a) To maintain the quality of the waters of the State consistent  
21    with the public health and enjoyment, the propagation and  
22    protection of terrestrial and aquatic life, the operation of existing  
23    industries, and the pursuit of agriculture, and the economic development  
24    of the State; and

25       (b) To encourage and promote the use of methods of waste  
26    collection and pollution control for all significant sources of water  
27    pollution (including point and diffuse sources).

28    **Sec. 12.** NRS 445A.310 is hereby amended to read as follows:  
29    445A.310   As used in NRS 445A.300 to 445A.730, inclusive,  
30    *and section 10 of this act*, unless the context otherwise requires, the  
31    words and terms defined in NRS 445A.315 to 445A.420, inclusive,  
32    have the meanings ascribed to them in those sections.

33    **Sec. 13.** NRS 445A.440 is hereby amended to read as follows:  
34    445A.440   The Department is:

35    1. Designated as the State Water Pollution Control Agency for  
36    this State for all purposes of federal water pollution control  
37    legislation except that the Commission has the exclusive power to  
38    promulgate rules and regulations as provided in NRS 445A.425 ~~§~~  
39    *and section 10 of this act;* and

40    2. Authorized to take all action necessary and appropriate to  
41    secure all the benefits of any federal legislation provided in  
42    subsection 1.

43    **Sec. 14.** NRS 445A.445 is hereby amended to read as follows:  
44    445A.445   The Director shall:



1 1. Administer and enforce the provisions of NRS 445A.300 to  
2 445A.730, inclusive, *and section 10 of this act*, all regulations  
3 adopted by the Commission, and all orders and permits issued by  
4 the Department;

5 2. Examine and approve or disapprove plans and specifications  
6 for the construction and operation of new treatment works and  
7 extensions, modifications of or additions to new or existing  
8 treatment works;

9 3. Develop comprehensive plans and programs for preventing,  
10 reducing or eliminating pollution and controlling injections through  
11 a well to prevent the degradation of existing or potential  
12 underground sources of drinking water, with due regard to the  
13 improvements which are necessary to conserve waters for the  
14 protection and propagation of fish and aquatic life, wildlife,  
15 recreational purposes, public water supply, agricultural, industrial  
16 and other purposes; and

17 4. Certify all costs and expenditures for any facility, land,  
18 building, machinery, equipment, treatment works or disposal  
19 systems which are acquired, constructed or installed in conformity  
20 with the purposes of NRS 445A.300 to 445A.730, inclusive **H**, *and*  
21 *section 10 of this act*.

22 **Sec. 15.** NRS 445A.490 is hereby amended to read as follows:

23 445A.490 No permit may be issued which authorizes any  
24 discharge or injection of fluids through a well into any waters of the  
25 State:

26 1. Of any radiological, chemical or biological warfare agent or  
27 high-level radioactive waste;

28 2. Which would substantially impair anchorage and navigation  
29 in any waters of the State;

30 3. Which would result in the degradation of existing or  
31 potential underground sources of drinking water;

32 4. Which is inconsistent with an applicable areawide plan for  
33 management of the treatment of waste; or

34 5. Which the Director determines is inconsistent with the  
35 regulations and guidelines adopted by the Commission pursuant to  
36 NRS 445A.300 to 445A.730, inclusive, *and section 10 of this act*,  
37 including those relating to standards of water quality and injections  
38 of fluids through a well.

39 **Sec. 16.** NRS 445A.725 is hereby amended to read as follows:

40 445A.725 Nothing in NRS 445A.300 to 445A.730, inclusive,  
41 *and section 10 of this act* shall be construed to amend, modify or  
42 supersede the provisions of title 48 of NRS or any rule, regulation or  
43 order promulgated or issued thereunder by the State Engineer.



1     **Sec. 17.** Chapter 445B of NRS is hereby amended by adding  
2 thereto a new section to read as follows:

3     ***1. The Commission shall adopt regulations to establish and***  
4 ***implement an expedited process for the review of applications for***  
5 ***an operating permit submitted by a person who participates in the***  
6 ***smelting, processing or refining of ores or metals and the issuance***  
7 ***of a permit to such a person.***

8     ***2. Any regulations adopted by the Commission pursuant to***  
9 ***this section must:***

10     ***(a) Ensure that an application for an operating permit***  
11 ***submitted by a person who participates in the smelting, processing***  
12 ***or refining of ores or metals is given priority;***

13     ***(b) Ensure that environmental safety standards are met;***

14     ***(c) Require the Director to provide written notice to the***  
15 ***applicant for an operating permit of the estimated duration of the***  
16 ***process to complete the review of the application and issue an***  
17 ***operating permit;***

18     ***(d) Require the Director to provide written notice to the***  
19 ***applicant of any extension of the estimated duration of the process***  
20 ***to complete the review of the application and issue an operating***  
21 ***permit and the estimated length of the extension; and***

22     ***(e) Be consistent with the findings and declarations of the***  
23 ***Legislature set forth in section 24 of this act.***

24     **Sec. 18.** NRS 445B.100 is hereby amended to read as follows:

25     445B.100   1. It is the public policy of the State of Nevada and  
26 the purpose of NRS 445B.100 to 445B.640, inclusive, ***and section***  
27 ***17 of this act*** to achieve and maintain levels of air quality which  
28 will protect human health and safety, prevent injury to plant and  
29 animal life, prevent damage to property, and preserve visibility and  
30 scenic, esthetic and historic values of the State.

31     2. It is the intent of NRS 445B.100 to 445B.640, inclusive, ***and***  
32 ***section 17 of this act*** to:

33     ***(a) Require the use of reasonably available methods to prevent,***  
34 ***reduce or control air pollution throughout the State of Nevada;***

35     ***(b) Maintain cooperative programs between the State and its***  
36 ***local governments; and***

37     ***(c) Facilitate cooperation across jurisdictional lines in dealing***  
38 ***with problems of air pollution not confined within a single***  
39 ***jurisdiction.***

40     3. The quality of air is declared to be affected with the public  
41 interest, and NRS 445B.100 to 445B.640, inclusive, ***and section 17***  
42 ***of this act*** are enacted in the exercise of the police power of this  
43 State to protect the health, peace, safety and general welfare of its  
44 people.

45     4. It is also the public policy of this State:





(a) To provide for the integration of all programs for the prevention of accidents and motor vehicle crashes in this State involving chemicals, including, without limitation, accidents and motor vehicle crashes involving hazardous air pollutants, highly hazardous chemicals, highly hazardous substances and extremely hazardous substances; and

(b) Periodically to retire a portion of the emission credits or allocations specified in NRS 445B.235 that may otherwise be available for banking or for sale pursuant to that section.

**Sec. 19.** NRS 445B.105 is hereby amended to read as follows: 445B.105 As used in NRS 445B.100 to 445B.640, inclusive, *and section 17 of this act*, unless the context otherwise requires, the words and terms defined in NRS 445B.110 to 445B.155, inclusive, have the meanings ascribed to them in those sections.

**Sec. 20.** NRS 445B.590 is hereby amended to read as follows: 445B.590 1. The Account for the Management of Air Quality is hereby created in the State General Fund, to be administered by the Department.

2. Money in the Account for the Management of Air Quality must be expended:

(a) To carry out and enforce the provisions of NRS 445B.100 to 445B.640, inclusive, *and section 17 of this act*, and of any regulations adopted pursuant to those sections, including, without limitation, the direct and indirect costs of:

(1) Preparing regulations and recommendations for legislation regarding those provisions;

(2) Furnishing guidance for compliance with those provisions;

(3) Reviewing and acting upon applications for operating permits;

(4) Administering and enforcing the terms and conditions of operating permits;

(5) Monitoring emissions and the quality of the ambient air;

(6) Preparing inventories and tracking emissions;

(7) Performing modeling, analyses and demonstrations; and

(8) Establishing and administering a program for the provision of assistance, pursuant to 42 U.S.C. § 7661f, to small businesses operating stationary sources;

(b) In any other manner required as a condition to the receipt of federal money for the purposes of NRS 445B.100 to 445B.640, inclusive ~~H~~, *and section 17 of this act*; and

(c) For any other purpose authorized by the Legislature.

3. All interest earned on the money in the Account for the Management of Air Quality must be credited to the Account. Claims





1 against the Account for the Management of Air Quality must be  
2 paid as other claims against the State are paid.

3 **Sec. 21.** NRS 445B.600 is hereby amended to read as follows:

4 445B.600 NRS 445B.100 to 445B.595, inclusive, *and section*  
5 *17 of this act* does not abridge, limit, impair, create, enlarge or  
6 otherwise affect substantively or procedurally the right of any  
7 person to damages or other relief on account of injury to persons or  
8 property and to maintain any action or other appropriate proceeding  
9 therefor in the courts of this State or the courts of the United States  
10 on a tort claim against the United States or a federal agency as  
11 authorized by federal statutes.

12 **Sec. 22.** NRS 459.460 is hereby amended to read as follows:

13 459.460 1. NRS 459.400 to 459.600, inclusive, do not apply  
14 to any activity or substance which is subject to control pursuant to  
15 NRS 445A.300 to 445A.955, inclusive, *and section 10 of this act*,  
16 and 459.010 to 459.290, inclusive, except to the extent that they can  
17 be applied in a manner which is not inconsistent with those sections.

18 2. The Director shall administer NRS 459.400 to 459.600,  
19 inclusive, in a manner which avoids duplication of the provisions of  
20 NRS 445A.300 to 445A.955, inclusive, *and section 10 of this act*,  
21 and 445B.100 to 445B.640, inclusive, *and section 17 of this act*,  
22 and the Federal Insecticide, Fungicide, and Rodenticide Act, 7  
23 U.S.C. §§ 136 et seq.

24 **Sec. 23.** Chapter 519A of NRS is hereby amended by adding  
25 thereto the provisions set forth as sections 24 and 25 of this act.

26 **Sec. 24.** *The Legislature hereby finds and declares that it is*  
27 *the policy of this State to:*

28 *1. Recognize that minerals are a natural resource of*  
29 *substantial economic and environmental value for the future*  
30 *development of this State;*

31 *2. Recognize that new industries and businesses that are*  
32 *establishing a major presence in this State are dependent on the*  
33 *processing and mining of minerals;*

34 *3. Recognize that the processing and mining of minerals is*  
35 *critical to this State being the leader in the field of renewable*  
36 *energy;*

37 *4. Expand and accelerate the processing and mining of*  
38 *minerals in this State in a manner that is safe for both the public*  
39 *and the environment; and*

40 *5. Establish and implement an expedited environmental*  
41 *review process for projects for the smelting, processing and*  
42 *refining of ores or metals by the Bureau of Mining Regulation*  
43 *and Reclamation and the Bureau of Air Pollution Control within*  
44 *the Division of Environmental Protection of the State Department*  
45 *of Conservation and Natural Resources.*



1     **Sec. 25. 1. The Commission shall adopt regulations to**  
2 *establish and implement an expedited process for the review of*  
3 *applications for a permit to engage in an exploration project or a*  
4 *permit to engage in a mining operation, which is submitted by a*  
5 *person who engages in the smelting, processing or refining of ores*  
6 *or metals, and the issuance of a permit to engage in an*  
7 *exploration project or a permit to engage in a mining operation to*  
8 *such a person.*

9     **2. Any regulations adopted by the Commission pursuant to**  
10 *this section must:*

11     **(a) Ensure that an application for a permit submitted by a**  
12 *person who participates in the smelting, processing or refining of*  
13 *ores or metals is given priority;*

14     **(b) Ensure that environmental safety standards are met;**

15     **(c) Require the Division to provide written notice to the**  
16 *applicant for a permit of the estimated duration of the process to*  
17 *complete the review of the application and issue an operating*  
18 *permit;*

19     **(d) Require the Division to provide written notice to the**  
20 *applicant of any extension of the estimated duration of the process*  
21 *to complete the review of the application and issue an operating*  
22 *permit and the estimated length of the extension; and*

23     **(e) Be consistent with the findings and declarations of the**  
24 *Legislature set forth in section 24 of this act.*

25     **Sec. 26. NRS 519A.140 is hereby amended to read as follows:**

26     **519A.140 The Division shall:**

27     **1. Administer and enforce the provisions of NRS 519A.010 to**  
28 *519A.280, inclusive, and sections 24 and 25 of this act, and the*  
29 *regulations adopted by the Commission pursuant to NRS 519A.160*  
30 *and section 25 of this act.*

31     **2. Employ persons who are experienced and qualified in the**  
32 *area of reclamation.*

33     **3. Enter into a memorandum of understanding with the United**  
34 *States Bureau of Land Management and the United States Forest*  
35 *Service concerning the adoption by those agencies of plans of*  
36 *reclamation that:*

37     **(a) Apply to mining operations or exploration projects that are**  
38 *conducted on a site which includes public land administered by a*  
39 *federal agency and privately owned land; and*

40     **(b) Substantially provide for the reclamation and security**  
41 *required by this chapter.*

42     **4. Develop and offer to operators on a regular basis educational**  
43 *workshops that include and emphasize reclamation training and*  
44 *techniques suitable for small exploration projects and mining*  
45 *operations.*



- 1       5. Offer advice and technical assistance to operators.
- 2       6. Approve, reject or impose conditions upon the approval of
- 3 any plan for reclamation for an exploration project or mining
- 4 operation.
- 5       7. Provide the Division of Minerals of the Commission on
- 6 Mineral Resources with a copy of any conditions imposed upon an
- 7 approved plan and the security required, on the same day that
- 8 information is sent to the operator.
- 9       **Sec. 27.** NRS 519A.150 is hereby amended to read as follows:
- 10       519A.150 The Division may:
- 11       1. Conduct or authorize investigations, research, experiments
- 12 and demonstrations relating to reclamation.
- 13       2. Collect and disseminate nonconfidential information relating
- 14 to mining reclamation.
- 15       3. Enter into agreements relating to reclamation with other
- 16 state and federal governmental agencies pursuant to which services
- 17 relating to reclamation are provided by the Division or a
- 18 governmental agency in exchange for other consideration.
- 19       4. Receive federal, state or any other money and expend it to
- 20 carry out the purposes of NRS 519A.010 to 519A.280, inclusive,
- 21 *and sections 24 and 25 of this act*, or any regulation adopted by the
- 22 Commission pursuant to NRS 519A.160 **H** *and section 25 of this*
- 23 *act.*
- 24       5. Hold hearings and issue orders relating to the administration
- 25 or enforcement of the provisions of NRS 519A.010 to 519A.280,
- 26 inclusive, *and sections 24 and 25 of this act*, or any regulation
- 27 adopted by the Commission pursuant to NRS 519A.160 **H** *or*
- 28 *section 25 of this act.*
- 29       6. Summon witnesses, administer oaths and require the
- 30 production of pertinent records, books and other documents for
- 31 examination at any hearing or investigation conducted by it relating
- 32 to the administration or enforcement of the provisions of NRS
- 33 519A.010 to 519A.280, inclusive, *and sections 24 and 25 of this*
- 34 *act*, or any regulation adopted by the Commission pursuant to NRS
- 35 519A.160 **H** *or section 25 of this act.*
- 36       7. Request the Attorney General to bring suit in the name of
- 37 the State of Nevada against any person whom it finds has violated
- 38 any provision of NRS 519A.010 to 519A.280, inclusive, *and*
- 39 *sections 24 and 25 of this act*, or any regulation adopted by the
- 40 Commission pursuant to NRS 519A.160 **H** *or section 25 of this act*
- 41 to restrain the person from continuing the violation.
- 42       8. Modify any plan for reclamation previously approved by it
- 43 if:
- 44       (a) Any provision of the plan is in conflict with the provisions of
- 45 a specific statute;



(b) Any provision of the plan becomes impossible or impracticable to implement; or

(c) Any significant problem that was not previously considered by the Division is discovered to exist which results or may result from reclamation.

9. Suspend or revoke a permit upon a noticed hearing and a finding by the Division that the holder of the permit has violated any provision of NRS 519A.010 to 519A.280, inclusive, *and sections 24 and 25 of this act*, a plan of reclamation, any condition placed on a plan of reclamation or any regulation adopted by the Commission pursuant to NRS 519A.160 *or section 25 of this act*.

10. Take any other action reasonable and necessary to enable it to administer or enforce the provisions of NRS 519A.010 to 519A.280, inclusive *or, and sections 24 and 25 of this act*.

**Sec. 28.** NRS 519A.280 is hereby amended to read as follows:

519A.280 1. Except as otherwise provided in NRS 445C.010 to 445C.120, inclusive, a person who violates any provision of NRS 519A.010 to 519A.280, inclusive, *and sections 24 and 25 of this act*, or any regulation adopted by the Commission pursuant to NRS 519A.160 *or section 25 of this act*, is guilty of a misdemeanor and, in addition to any criminal penalty, is subject to a civil penalty imposed by the Division at a hearing for which notice has been given, in an amount determined pursuant to the schedule adopted by the Commission pursuant to NRS 519A.160.

2. Any money received by the Division pursuant to subsection 1 must be deposited with the State Treasurer for credit to the appropriate account of the Division. All interest earned on the money credited pursuant to this section must be credited to the account to which the money was credited.

**Sec. 29.** The provisions of subsection 1 of NRS 218D.380 do not apply to any provision of this act which adds or revises a requirement to submit a report to the Legislature.

**Sec. 30.** The Legislature hereby finds that each abatement provided by this act from any ad valorem tax on property or excise tax on the sale, storage, use or other consumption of tangible personal property sold at retail:

1. Will achieve a bona fide social or economic purpose and the benefits of the abatement are expected to exceed any adverse effect of the abatement on the provision of services to the public by the State or a local government that would otherwise receive revenue from the tax from which the abatement would be granted; and

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



1     **Sec. 31.** This act becomes effective upon passage and  
2 approval.

③⑩



\* A B 2 8 9 \*