Assembly Bill No. 479–Committee
on Growth and Infrastructure

CHAPTER.....

AN ACT relating to taxation of property; revising provisions relating to the taxation of the agricultural use of real property to include agrivoltaic purposes; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Section 1 of Article 10 of the Nevada Constitution authorizes the Legislature to constitute agricultural and open-space real property as a separate class for taxation purposes and provide a separate plan for the appraisal and valuation of such property for assessment purposes. Existing law constitutes such property as a separate class and provides for the partial deferred taxation of such property. (NRS 361A.090, 361A.280, 361A.283) Under existing law, an owner of real property may file an application for agricultural use assessment with the county assessor or the Department of Taxation, in certain circumstances, who, upon receipt of the application, is required to make an independent determination of the use of the owner's property. (NRS 361A.100, 361A.110, 361A.120) Further, under existing law, if the property is found to be agricultural real property, the county assessor is required to determine the value for agricultural use and assess it for taxes to be collected in the ensuing fiscal year at 35 percent of that value, utilizing certain classifications of agricultural real property defined by the Nevada Tax Commission determined on certain bases each year. (NRS 361A.130, 361A.140) **Section 3** of this bill establishes that agrivoltaic purposes is an agricultural use for the purposes of determining the taxation of agricultural real property. **Section 2** of this bill defines the term "agrivoltaic purposes" to mean a system under which solar energy production and agricultural use occurs in an integrated manner on the same piece of land and which incorporates designs, technologies or configurations conducive to integrating agricultural activities. **Section 4** provides that land used for agrivoltaic purposes may be the current employment of real property in agricultural use only if, before July 1, 2025, the land was found to be agricultural real property and qualified for agricultural use assessment.

Section 5 of this bill prohibits an owner of real property from applying to the county assessor for agricultural use assessment if the current employment of the real property in agricultural use includes land used for agrivoltaic purposes and the solar energy production use occurring on the land is receiving an abatement of taxes for certain purposes.

Section 6 of this bill provides that if the agricultural real property includes land used for agrivoltaic purposes, the value of the land for agricultural use in a fiscal year for taxation purposes must be determined by considering the integrated use of the land for agricultural purposes and solar energy production.

Section 3 of this bill applies the definitions in existing law and **section 2** relating to taxes on agricultural real property and open space to the provisions of this bill.

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

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

Section 1. Chapter 361A of NRS is hereby amended by adding thereto the provisions set forth as sections 2 and 3 of this act.

Sec. 2. ***"Agrivoltaic purposes" means a system:***

1. Under which solar energy production and agricultural use occurs in an integrated manner on the same piece of land; and

2. Which incorporates designs, technologies or configurations conducive to integrating agricultural activities with solar energy production on the same piece of land.

Sec. 3. NRS 361A.010 is hereby amended to read as follows:

361A.010 As used in this chapter, the terms defined in NRS 361A.020 to 361A.065, inclusive, ***and section 2 of this act*** have the meanings ascribed to them in those sections except where the context otherwise requires.

Sec. 4. NRS 361A.030 is hereby amended to read as follows:

361A.030 1. "Agricultural use" means the current employment of real property as a business venture for profit, which business produced a minimum gross income of $5,000 from agricultural pursuits during the immediately preceding calendar year by:

(a) Raising, harvesting and selling crops, fruit, flowers, timber and other products of the soil;

(b) Feeding, breeding, management and sale of livestock, poultry, or the produce thereof, if the real property used therefor is owned or leased by the operator and is of sufficient size and capacity to produce more than one-half of the feed required during that year for the agricultural pursuit;

(c) Operating a feed lot consisting of at least 50 head of cattle or an equivalent number of animal units of sheep or hogs, for the production of food;

(d) Raising furbearing animals or bees;

(e) Dairying and the sale of dairy products; or

(f) Any other use determined by the Department to constitute agricultural use if such use is verified by the Department.

➥ The term includes every process and step necessary and incident to the preparation and storage of the products raised on such property for human or animal consumption or for marketing except actual market locations.

2. As used in this section, "current employment" of real property in agricultural use includes:

(a) Land lying fallow for 1 year as a normal and regular requirement of good agricultural husbandry;

(b) Land planted in orchards or other perennials prior to maturity; ~~[and]~~

(c) Land leased or otherwise made available for use by an agricultural association formed pursuant to chapter 547 of NRS ~~[.]~~ ***; and***

(d) Land used for agrivoltaic purposes if, before July 1, 2025, the land was found to be agricultural real property and qualified for agricultural use assessment pursuant to NRS 361A.120.

Sec. 5. NRS 361A.100 is hereby amended to read as follows:

361A.100 Any owner of real property ***:***

1. Except as otherwise provided in subsection 2, may apply to the county assessor for agricultural use assessment and the payment of taxes on such property as provided in this chapter.

2. May not apply to the county assessor for agricultural use assessment and the payment of taxes on such property as provided in this chapter if the real property includes land used for agrivoltaic purposes and the solar energy production use occurring on the land is receiving an abatement of taxes pursuant to chapter 701A of NRS.

Sec. 6. NRS 361A.130 is hereby amended to read as follows:

361A.130 1. If the property is found to be agricultural real property, the county assessor shall determine its value for agricultural use and assess it for taxes to be collected in the ensuing fiscal year at 35 percent of that value.

2. ***For the purposes of subsection 1, if the property found to be agricultural real property includes land used for agrivoltaic purposes, the county assessor shall determine its value by considering the integrated use of land for agricultural purposes and for solar energy production.***

3. The agricultural use assessment must be maintained in the records of the assessor and must be made available to any person upon request. The property owner must be notified of the agricultural use assessment in the manner provided for notification of taxable value assessments. The notice must contain the following statement: Deferred taxes will become due on this parcel if it is converted to a higher use.