

SENATE BILL NO. 489—COMMITTEE ON NATURAL RESOURCES

MARCH 24, 2003

Referred to Committee on Taxation

SUMMARY—Makes various changes to provisions governing exemption from local school support tax for systems that use renewable energy to generate electricity. (BDR 32-1135)

FISCAL NOTE: Effect on Local Government: Yes.  
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 taxation; exempting from the local school support tax and certain analogous taxes solar thermal energy systems and solar lighting systems that reduce the consumption of electricity or natural gas; delaying the prospective expiration of the exemption from those taxes for systems that use renewable energy to generate electricity; and providing other matters properly relating thereto.

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

- 1     **Section 1.** NRS 374.307 is hereby amended to read as follows:  
2     374.307 1. There are exempted from the taxes imposed by  
3 this chapter the gross receipts from the sale of, and the storage, use  
4 or other consumption in this state of, any ~~product~~ :  
5     (a) *Product* or system designed or adapted to use renewable  
6 energy to generate electricity and all of its integral components.  
7     (b) *Solar thermal energy system that reduces the consumption*  
8 *of electricity or natural gas, and all of its integral components.*  
9     (c) *Solar lighting system that reduces the consumption of*  
10 *electricity or natural gas, and all of its integral components.*  
11     2. As used in this section:



\* S B 4 8 9 R 1 \*

1 (a) "Biomass" means any organic matter that is available on a  
2 renewable basis, including, without limitation:

- 3 (1) Agricultural crops and agricultural wastes and residues;
- 4 (2) Wood and wood wastes and residues;
- 5 (3) Animal wastes;
- 6 (4) Municipal wastes; and
- 7 (5) Aquatic plants.

8 (b) "Fuel cell" means a device or contrivance that, through the  
9 chemical process of combining ions of hydrogen and oxygen,  
10 produces electricity and water.

11 (c) "Renewable energy" means a source of energy that occurs  
12 naturally or is regenerated naturally, including, without limitation:

- 13 (1) Biomass;
- 14 (2) Fuel cells;
- 15 (3) Geothermal energy;
- 16 (4) Solar energy;
- 17 (5) Waterpower; and
- 18 (6) Wind.

19 The term does not include coal, natural gas, oil, propane or any  
20 other fossil fuel, or nuclear energy.

21 (d) "*Solar lighting system*" means a system of related  
22 components that:

- 23 (1) *Uses solar energy to provide indoor lighting; and*
- 24 (2) *Is designed to work as an integral package such that the*  
25 *system is not complete without one of its related components.*

26 (e) "*Solar thermal energy system*" means a system of related  
27 components that:

- 28 (1) *Uses solar radiation to heat water; and*
- 29 (2) *Is designed to work as an integral package such that the*  
30 *system is not complete without one of its related components.*

31 (f) "System designed or adapted to use renewable energy to  
32 generate electricity" means a system of related components:

- 33 (1) From which at least 75 percent of the electricity  
34 generated is produced from one or more sources of renewable  
35 energy; and

36 (2) That is designed to work as an integral package such that  
37 the system is not complete without one of its related components.

38 **Sec. 2.** Section 3 of chapter 330, Statutes of Nevada 2001, at  
39 page 1538, is hereby amended to read as follows:

40 Sec. 3. 1. This section becomes effective on July 1,  
41 2001.

42 2. Sections 1 and 2 of this act become effective on  
43 July 1, 2001, for the purpose of adopting regulations and on  
44 January 1, 2002, for all other purposes.



1           3. This act expires by limitation on June 30, ~~2003.~~  
2           2005.  
3       **Sec. 3.** 1. This section and section 2 of this act become  
4 effective upon passage and approval.  
5       2. Section 1 of this act becomes effective on July 1, 2003, and  
6 expires by limitation on June 30, 2005.

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