

ASSEMBLY BILL NO. 522—COMMITTEE ON COMMERCE AND LABOR

MARCH 23, 2009

Referred to Committee on Commerce and Labor

SUMMARY—Makes various changes relating to energy.
(BDR 58-1139)

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 energy; creating the Fund for Renewable Energy, Energy Efficiency and Energy Conservation Loans and the Account for Set-Aside Programs; authorizing the Director of the Department of Energy to administer the Fund; authorizing the granting of partial abatements of certain property taxes and local sales and use taxes to certain facilities for the generation of process heat from solar renewable energy, wholesale facilities for the generation of electricity from renewable energy and facilities for the transmission of electricity produced from renewable energy; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 **Sections 1.1-1.8** of this bill establish the Fund for Renewable Energy, Energy
2 Efficiency and Energy Conservation Loans and the Account for Set-Aside
3 Programs. The Director of the Office of Energy administers the Fund. The Fund
4 and the Account for Set-Aside Programs may be used only for the purposes set
5 forth in the American Recovery and Reinvestment Act and to make loans at a rate
6 of not more than 3 percent to renewable energy systems for the construction of
7 renewable energy projects. The Director is prohibited from committing any money
8 in the Fund for expenditure or establishing the priorities for determining which
9 renewable energy systems will receive money or other assistance from the Fund
10 without obtaining the prior approval of the Legislature or the Interim Finance
11 Committee if the Legislature is not in session.

12 **Section 28** of this bill authorizes the Nevada Energy Commissioner appointed
13 pursuant to **section 1.85** of this bill to grant partial abatements of property taxes and



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14 local sales and use taxes to certain facilities for the generation of process heat from
15 solar renewable energy, wholesale facilities for the generation of electricity
16 from renewable energy and facilities for the transmission of electricity produced
17 from renewable energy. These abatements will cease to be effective in 40 years.

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

1 **Section 1.** Chapter 701 of NRS is hereby amended by adding
2 thereto the provisions set forth as sections 1.1 to 1.95, inclusive, of
3 this act.

4 **Sec. 1.1.** *As used in sections 1.1 to 1.8, inclusive, of this act,*
5 *the words and terms defined in sections 1.15 to 1.45, inclusive, of*
6 *this act have the meanings ascribed to them in those sections.*

7 **Sec. 1.15.** *“American Recovery and Reinvestment Act”*
8 *means the American Recovery and Reinvestment Act of 2009,*
9 *Public Law 111-5.*

10 **Sec. 1.2.** *“Construction” means the erection, building,*
11 *acquisition, alteration, remodeling, improvement or extension of a*
12 *project and the inspection and supervision of such activities and*
13 *includes, without limitation:*

14 1. *Any preliminary planning to determine the feasibility of a*
15 *project;*

16 2. *Engineering, architectural, legal, environmental, fiscal or*
17 *economic investigations or studies, surveys, designs, plans,*
18 *working drawings, specifications or procedures that comply with*
19 *the provisions of the American Recovery and Reinvestment Act*
20 *and any regulations adopted pursuant thereto; and*

21 3. *Any other activities reasonably necessary to the completion*
22 *of a project.*

23 **Sec. 1.3.** *“Federal grant” means money authorized by the*
24 *American Recovery and Reinvestment Act to:*

25 1. *Create a revolving loan fund to assist in the financing of*
26 *the construction of renewable energy projects; or*

27 2. *Fund set-aside programs authorized by the American*
28 *Recovery and Reinvestment Act.*

29 **Sec. 1.4.** *“Fund” means the Fund for Renewable Energy,*
30 *Energy Efficiency and Energy Conservation Loans created by*
31 *section 1.5 of this act.*

32 **Sec. 1.45.** *“Renewable energy system” has the meaning*
33 *ascribed to it in NRS 704.7815.*

34 **Sec. 1.5.** 1. *The Fund for Renewable Energy, Energy*
35 *Efficiency and Energy Conservation Loans is hereby created. The*
36 *Director shall administer the Fund.*



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1 2. *The account to fund activities, other than projects,*
2 *authorized by the American Recovery and Reinvestment Act, to be*
3 *known as the Account for Set-Aside Programs, is hereby created*
4 *in the Fund for the Municipal Bond Bank.*

5 3. *The money in the Fund and the Account for Set-Aside*
6 *Programs may be used only for the purposes set forth in the*
7 *American Recovery and Reinvestment Act.*

8 4. *All claims against the Fund and the Account for Set-Aside*
9 *Programs must be paid as other claims against the State are paid.*

10 5. *The faith of the State is hereby pledged that the money in*
11 *the Account for the Revolving Fund and the Account for Set-Aside*
12 *Programs will not be used for purposes other than those*
13 *authorized by the American Recovery and Reinvestment Act.*

14 **Sec. 1.6.** 1. *The interest and income earned on money in*
15 *the Fund and the Account for Set-Aside Programs must be*
16 *credited to the Fund and the Account for Set-Aside Programs,*
17 *respectively.*

18 2. *All payments of principal and interest on all loans made to*
19 *a renewable energy system and all proceeds from the sale,*
20 *refunding or prepayment of obligations of a renewable energy*
21 *system acquired or loans made in carrying out the purposes of the*
22 *Fund must be deposited in the State Treasury for credit to the*
23 *Fund.*

24 3. *The Director may accept gifts, contributions, grants and*
25 *bequests of money from any public or private source. The money*
26 *so accepted must be deposited in the State Treasury for credit to*
27 *the Fund, or the Account for Set-Aside Programs, and can be used*
28 *to provide money from the State to match the federal grant, as*
29 *required by the American Recovery and Reinvestment Act.*

30 4. *Only federal money deposited in a separate subaccount of*
31 *the Fund, including repayments of principal and interest on loans*
32 *made solely from federal money, and interest and income earned*
33 *on federal money in the Fund, may be used to benefit renewable*
34 *energy systems not governmentally owned.*

35 **Sec. 1.7.** 1. *The Director shall:*

36 (a) *Use the money in the Fund and the Account for Set-Aside*
37 *Programs for the purposes set forth in the American Recovery and*
38 *Reinvestment Act.*

39 (b) *Determine whether renewable energy systems which*
40 *receive money or other assistance from the Fund or the Account*
41 *for Set-Aside Programs comply with the American Recovery and*
42 *Reinvestment Act and regulations adopted pursuant thereto.*

43 2. *The Director may:*



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1 (a) Prepare and enter into required agreements with the
2 Federal Government for the acceptance of grants of money for the
3 Fund and the Account for Set-Aside Programs.

4 (b) Bind the Office of Energy to terms of the required
5 agreements.

6 (c) Accept grants made pursuant to the American Recovery
7 and Reinvestment Act.

8 (d) Manage the Fund and the Account for Set-Aside Programs
9 in accordance with the requirements and objectives of the
10 American Recovery and Reinvestment Act.

11 (e) Provide services relating to management and
12 administration of the Fund and the Account for Set-Aside
13 Programs, including the preparation of any agreement, plan or
14 report.

15 (f) Perform, or cause to be performed by agencies or
16 organizations through interagency agreement, contract or
17 memorandum of understanding, set-aside programs pursuant to
18 the American Recovery and Reinvestment Act.

19 3. The Director shall not:

20 (a) Commit any money in the Fund for expenditure for the
21 purposes set forth in section 1.75 of this act; or

22 (b) Establish the priorities for determining which renewable
23 energy systems will receive money or other assistance from the
24 Fund,

25 ↪ without obtaining the prior approval of the Legislature or the
26 Interim Finance Committee if the Legislature is not in session.

27 **Sec. 1.75. 1.** Except as otherwise provided in section 1.6 of
28 this act, money in the Fund, including repayments of principal
29 and interest on loans, and interest and income earned on money in
30 the Fund, may be used only to make loans at a rate of not more
31 than 3 percent to renewable energy systems for the construction of
32 renewable energy projects.

33 2. Money in the Account for Set-Aside Programs may be used
34 only to fund set-aside programs authorized by the American
35 Recovery and Reinvestment Act. Money in the Account for Set-
36 Aside Programs may be transferred to the Fund pursuant to the
37 American Recovery and Reinvestment Act.

38 3. A renewable energy system which requests a loan or other
39 financial assistance must demonstrate that it has:

40 (a) Complied with the American Recovery and Reinvestment
41 Act and regulations adopted pursuant thereto; or

42 (b) Agreed to take actions that are needed to ensure that it has
43 the capability to comply with the American Recovery and
44 Reinvestment Act and regulations adopted pursuant thereto.



1 **4. Money from the Fund may not be given to an existing**
2 **renewable energy system unless it has the technical, managerial**
3 **and financial capability to ensure compliance with the American**
4 **Recovery and Reinvestment Act and regulations adopted pursuant**
5 **thereto. A new renewable energy system, to receive such funding,**
6 **must demonstrate that it has the technical, managerial and**
7 **financial capability to ensure compliance with the American**
8 **Recovery and Reinvestment Act and regulations adopted pursuant**
9 **thereto.**

10 **Sec. 1.8. The Director may adopt such regulations as are**
11 **necessary to carry out the provisions of sections 1.1 to 1.8,**
12 **inclusive, of this act.**

13 **Sec. 1.85. 1. The Governor shall appoint the Nevada**
14 **Energy Commissioner, subject to confirmation by the Legislature,**
15 **or the Legislative Commission if the Legislature is not in session.**

16 **2. The Commissioner:**

17 **(a) Is in the unclassified service of the State;**

18 **(b) Serves at the pleasure of the Governor; and**

19 **(c) Must have experience and demonstrated expertise in one or**
20 **more of the following fields:**

21 **(1) Financing of energy projects;**

22 **(2) Energy generation projects;**

23 **(3) Energy transmission projects;**

24 **(4) Professional engineering related to energy efficiency; or**

25 **(5) Renewable energy.**

26 **3. The Commissioner may, within the limits of legislative**
27 **appropriations or authorizations:**

28 **(a) Employ and fix the salaries of or contract for the services**
29 **of such professional, technical and operational personnel and**
30 **consultants as the execution of his duties may require;**

31 **(b) Employ, or retain on a contract basis, legal counsel who**
32 **shall:**

33 **(1) Act as counsel and attorney for the Commissioner in all**
34 **actions, proceedings and hearings; and**

35 **(2) Generally aid the Commissioner in the performance of**
36 **his duties; and**

37 **(c) Employ such additional personnel as may be required to**
38 **carry out his duties, who must be in the classified service of the**
39 **State.**

40 **4. A person employed by the Commissioner pursuant to this**
41 **section must be qualified by training and experience to perform**
42 **the duties of his employment.**

43 **5. The Commissioner and the persons employed by the**
44 **Commissioner shall not have any conflict of interest relating to the**
45 **performance of their duties.**



1 **Sec. 1.9. The Nevada Energy Commissioner shall:**

2 **1. Utilize all available public and private means to:**

3 **(a) Provide information to the public about issues relating to**
4 **energy and to explain how conservation of energy and its sources**
5 **may be accomplished; and**

6 **(b) Work with educational and research institutes, trade**
7 **associations and any other public and private entities in this State**
8 **to create a database for information on technological**
9 **development, financing opportunities and federal and state policy**
10 **developments regarding renewable energy and energy efficiency.**

11 **2. Encourage the development of any sources of renewable**
12 **energy and any other energy projects which will benefit the State**
13 **and any measures which conserve or reduce the demand for**
14 **energy or which result in more efficient use of energy by, without**
15 **limitation:**

16 **(a) Identifying appropriate areas in this State for the**
17 **development of sources of renewable energy, based on:**

18 **(1) Assessments of solar, wind and geothermal potential;**

19 **(2) Evaluations of natural resource constraints;**

20 **(3) Current electric transmission infrastructure and**
21 **capacity; and**

22 **(4) The feasibility of the construction of new electric**
23 **transmission lines;**

24 **(b) Working with renewable energy developers to locate their**
25 **projects within appropriate areas of this State, including, without**
26 **limitation, assisting the developers to interface with the Bureau of**
27 **Land Management, the Department of Defense and other federal**
28 **agencies in:**

29 **(1) Expediting land leases;**

30 **(2) Resolving site issues; and**

31 **(3) Receiving permits for projects on public lands within**
32 **the appropriate areas of this State;**

33 **(c) Coordinating the planning of renewable energy projects in**
34 **appropriate areas of this State to establish a mix of solar, wind**
35 **and geothermal renewable energy systems that create a reliable**
36 **source of energy and maximize use of current or future**
37 **transmission lines and infrastructure; and**

38 **(d) Developing proposals for the financing of future electric**
39 **transmission projects for renewable energy if no such financing**
40 **proposals exist.**

41 **3. Review jointly with the Nevada System of Higher**
42 **Education the policies of this State relating to the research and**
43 **development of the geothermal energy resources in this State and**
44 **make recommendations to the appropriate state and federal**



1 agencies concerning methods for the development of the
2 geothermal energy resources in this State.

3 4. If the Commissioner determines that it is feasible and cost-
4 effective, enter into contracts with researchers from the Nevada
5 System of Higher Education:

6 (a) To conduct environmental studies in connection with the
7 identification of appropriate areas in this State for the
8 development of renewable energy resources, including, without
9 limitation, hydrologic studies, solar resource mapping studies and
10 wind power modeling studies; and

11 (b) For the development of technologies that will facilitate the
12 energy efficiency of the electricity grid for this State, including,
13 without limitation, meters that facilitate energy efficiency for
14 consumers of electricity.

15 5. Cooperate with the Director:

16 (a) To promote energy projects that enhance the economic
17 development of the State;

18 (b) To promote the use of renewable energy in this State;

19 (c) To promote the use of measures which conserve or reduce
20 the demand for energy or which result in more efficient use of
21 energy;

22 (d) To develop a comprehensive program for retrofitting public
23 buildings in this State with energy efficiency measures; and

24 (e) If the Commissioner determines that it is feasible and cost-
25 effective, to enter into contracts with researchers from the Nevada
26 System of Higher Education for the design of energy efficiency
27 and retrofit projects to carry out the comprehensive program for
28 retrofitting public buildings in this State developed pursuant to
29 paragraph (d).

30 6. Coordinate activities and programs with the activities and
31 programs of the Office of Energy, the Consumer's Advocate and
32 the Public Utilities Commission of Nevada in general and with
33 other federal, state and local officers and agencies that promote,
34 fund, administer or operate activities and programs related to the
35 use of renewable energy and the use of measures which conserve
36 or reduce the demand for energy or which result in more efficient
37 use of energy.

38 7. Carry out all other directives concerning energy that are
39 prescribed by the Legislature.

40 **Sec. 1.95.** The Commissioner may:

41 1. Administer any gifts or grants which he is authorized to
42 accept.

43 2. Expend money received from those gifts or grants or from
44 any money received through legislative appropriations or



1 *authorizations to contract with qualified persons or institutions for*
2 *research in the production and efficient use of energy resources.*

3 *3. Enter into any cooperative agreement with any federal or*
4 *state agency or political subdivision.*

5 *4. Participate in any program established by the Federal*
6 *Government relating to sources of energy and adopt regulations*
7 *appropriate to such a program.*

8 *5. Assist developers of renewable energy systems in preparing*
9 *and making requests to obtain money for development through the*
10 *issuance of industrial development revenue bonds pursuant to*
11 *NRS 349.400 to 349.670, inclusive.*

12 *6. Adopt any regulations that the Commissioner determines*
13 *are necessary to carry out his duties.*

14 *7. Within the limits of legislative appropriations and other*
15 *money authorized for expenditure for such purposes, negotiate*
16 *and execute agreements with public or private entities which are*
17 *necessary to the exercise of the powers and duties of the*
18 *Commissioner.*

19 **Sec. 2.** (Deleted by amendment.)

20 **Sec. 3.** (Deleted by amendment.)

21 **Sec. 4.** (Deleted by amendment.)

22 **Sec. 5.** (Deleted by amendment.)

23 **Sec. 6.** (Deleted by amendment.)

24 **Sec. 7.** (Deleted by amendment.)

25 **Sec. 8.** (Deleted by amendment.)

26 **Sec. 9.** (Deleted by amendment.)

27 **Sec. 10.** (Deleted by amendment.)

28 **Sec. 11.** (Deleted by amendment.)

29 **Sec. 12.** (Deleted by amendment.)

30 **Sec. 13.** (Deleted by amendment.)

31 **Sec. 14.** (Deleted by amendment.)

32 **Sec. 15.** (Deleted by amendment.)

33 **Sec. 16.** (Deleted by amendment.)

34 **Sec. 17.** (Deleted by amendment.)

35 **Sec. 18.** (Deleted by amendment.)

36 **Sec. 19.** (Deleted by amendment.)

37 **Sec. 20.** (Deleted by amendment.)

38 **Sec. 21.** (Deleted by amendment.)

39 **Sec. 22.** (Deleted by amendment.)

40 **Sec. 23.** (Deleted by amendment.)

41 **Sec. 24.** (Deleted by amendment.)

42 **Sec. 25.** (Deleted by amendment.)

43 **Sec. 26.** (Deleted by amendment.)

44 **Sec. 27.** (Deleted by amendment.)



1 **Sec. 27.5.** Chapter 701A of NRS is hereby amended by adding
2 thereto the provisions set forth as sections 28 and 28.5 of this act.

3 **Sec. 28. 1.** *A person who intends to locate a facility for the*
4 *generation of process heat from solar renewable energy, a*
5 *wholesale facility for the generation of electricity from renewable*
6 *energy or a facility for the transmission of electricity produced*
7 *from renewable energy in this State may apply to the Director for*
8 *a partial abatement of the local sales and use taxes, the taxes*
9 *imposed pursuant to chapter 361 of NRS, or both local sales and*
10 *use taxes and taxes imposed pursuant to chapter 361 of NRS. A*
11 *person who intends to locate a facility for the generation of*
12 *electricity from geothermal resources in this State may apply to the*
13 *Director for a partial abatement of local sales and use taxes. A*
14 *facility that is owned, operated, leased or otherwise controlled by a*
15 *governmental entity is not eligible for an abatement pursuant to*
16 *this section.*

17 **2.** *As soon as practicable after the Director receives such an*
18 *application, the Director shall submit the application to the*
19 *Commissioner and forward a copy of the application to:*

20 **(a)** *The Chief of the Budget Division of the Department of*
21 *Administration;*

22 **(b)** *The Department of Taxation;*

23 **(c)** *The board of county commissioners;*

24 **(d)** *The county assessor;*

25 **(e)** *The county treasurer; and*

26 **(f)** *The Commission on Economic Development.*

27 **↪** *With the copy of the application forwarded to the county*
28 *treasurer, the Director shall include a notice that the local*
29 *jurisdiction may request a presentation regarding the facility. A*
30 *request for a presentation must be made within 30 days after*
31 *receipt of the application. The Commissioner shall hold a public*
32 *hearing on the application. The hearing must not be held earlier*
33 *than 30 days after all persons listed in this subsection have*
34 *received a copy of the application.*

35 **3.** *The Commissioner shall approve an application for a*
36 *partial abatement pursuant to this section if the Commissioner*
37 *makes the following determinations:*

38 **(a)** *The applicant has executed an agreement with the*
39 *Commissioner which must:*

40 **(1)** *State that the facility will, after the date on which a*
41 *certificate of eligibility for the abatement is issued pursuant to*
42 *subsection 6, continue in operation in this State for a period*
43 *specified by the Commissioner, which must be at least 10 years,*
44 *and will continue to meet the eligibility requirements for the*
45 *abatement; and*



1 (2) *Bind the successors in interest in the facility for the*
2 *specified period.*

3 (b) *The facility is registered pursuant to the laws of this State*
4 *or the applicant commits to obtain a valid business license and all*
5 *other permits required by the county, city or town in which the*
6 *facility operates.*

7 (c) *No funding is or will be provided by any governmental*
8 *entity in this State for the acquisition, design or construction of*
9 *the facility or for the acquisition of any land therefor, except any*
10 *private activity bonds as defined in 26 U.S.C. § 141.*

11 (d) *If the facility will be located in a county whose population*
12 *is 100,000 or more or a city whose population is 60,000 or more,*
13 *the facility meets the following requirements:*

14 (1) *There will be 75 or more full-time employees working*
15 *on the construction of the facility during the second quarter of*
16 *construction, including, unless waived by the Commissioner for*
17 *good cause, at least 30 percent who are residents of Nevada;*

18 (2) *Establishing the facility will require the facility to make*
19 *a capital investment of at least \$10,000,000 in this State;*

20 (3) *The average hourly wage that will be paid by the facility*
21 *to its employees in this State is at least 110 percent of the average*
22 *statewide hourly wage, excluding management and administrative*
23 *employees, as established by the Employment Security Division of*
24 *the Department of Employment, Training and Rehabilitation on*
25 *July 1 of each fiscal year; and*

26 (4) *The average hourly wage of the employees working on*
27 *the construction of the facility will be at least 150 percent of the*
28 *average statewide hourly wage, excluding management and*
29 *administrative employees, as established by the Employment*
30 *Security Division of the Department of Employment, Training and*
31 *Rehabilitation on July 1 of each fiscal year and:*

32 (I) *The employees working on the construction of the*
33 *facility must be provided a health insurance plan that includes an*
34 *option for health insurance coverage for dependents of the*
35 *employees; and*

36 (II) *The cost of the benefits provided to the employees*
37 *working on the construction of the facility will meet the minimum*
38 *requirements for benefits established by the Commissioner by*
39 *regulation pursuant to subsection 9.*

40 (e) *If the facility will be located in a county whose population*
41 *is less than 100,000 or a city whose population is less than 60,000,*
42 *the facility meets the following requirements:*

43 (1) *There will be 50 or more full-time employees working*
44 *on the construction of the facility during the second quarter of*



1 *construction, including, unless waived by the Commissioner for*
2 *good cause, at least 30 percent who are residents of Nevada;*

3 *(2) Establishing the facility will require the facility to make*
4 *a capital investment of at least \$3,000,000 in this State;*

5 *(3) The average hourly wage that will be paid by the facility*
6 *to its employees in this State is at least 110 percent of the average*
7 *statewide hourly wage, excluding management and administrative*
8 *employees, as established by the Employment Security Division of*
9 *the Department of Employment, Training and Rehabilitation on*
10 *July 1 of each fiscal year; and*

11 *(4) The average hourly wage of the employees working on*
12 *the construction of the facility will be at least 150 percent of the*
13 *average statewide hourly wage, excluding management and*
14 *administrative employees, as established by the Employment*
15 *Security Division of the Department of Employment, Training and*
16 *Rehabilitation on July 1 of each fiscal year and:*

17 *(I) The employees working on the construction of the*
18 *facility must be provided a health insurance plan that includes an*
19 *option for health insurance coverage for dependents of the*
20 *employees; and*

21 *(II) The cost of the benefits provided to the employees*
22 *working on the construction of the facility will meet the minimum*
23 *requirements for benefits established by the Commissioner by*
24 *regulation pursuant to subsection 9.*

25 *(f) The financial benefits that will result to this State from the*
26 *employment by the facility of the residents of this State and from*
27 *capital investments by the facility in this State will exceed the loss*
28 *of tax revenue that will result from the abatement.*

29 *4. Notwithstanding the provisions of subsection 2, the*
30 *Commissioner may, if the Commissioner determines that such*
31 *action is necessary:*

32 *(a) Approve an application for a partial abatement for a*
33 *facility that does not meet the requirements set forth in paragraph*
34 *(d) or (e) of subsection 3;*

35 *(b) Make the requirements set forth in paragraph (d) or (e) of*
36 *subsection 3 more stringent; or*

37 *(c) Add additional requirements that a facility must meet to*
38 *qualify for a partial abatement.*

39 *5. If the Commissioner approves an application for a partial*
40 *abatement pursuant to this section of:*

41 *(a) Property taxes imposed pursuant to chapter 361 of NRS,*
42 *the partial abatement must:*

43 *(1) Be for a duration of the 20 fiscal years immediately*
44 *following the date of approval of the application;*



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

3 (3) *Not apply during any period in which the facility is*
4 *receiving another abatement or exemption from property taxes*
5 *imposed pursuant to chapter 361 of NRS, other than any partial*
6 *abatement provided pursuant to NRS 361.4722.*

7 (b) *Local sales and use taxes:*

8 (1) *The partial abatement must:*

9 (I) *Be for the 2 years beginning on the date of approval*
10 *of the application;*

11 (II) *Be equal to that portion of the combined rate of all*
12 *the local sales and use taxes payable by the facility each year*
13 *which exceeds 0.5 percent; and*

14 (III) *Not apply during any period in which the facility is*
15 *receiving another abatement or exemption from local sales and*
16 *use taxes.*

17 (2) *The Department of Taxation shall issue to the facility a*
18 *document certifying the abatement which can be presented to*
19 *retailers at the time of sale. The document must clearly state that*
20 *the purchaser is only required to pay sales and use taxes imposed*
21 *in this State at the rate of 2.5 percent.*

22 6. *Upon approving an application for a partial abatement*
23 *pursuant to this section, the Commissioner shall immediately*
24 *notify the Director of the terms of the abatement and the Director*
25 *shall immediately forward a certificate of eligibility for the*
26 *abatement to:*

27 (a) *The Department of Taxation;*

28 (b) *The board of county commissioners;*

29 (c) *The county assessor;*

30 (d) *The county treasurer; and*

31 (e) *The Commission on Economic Development.*

32 7. *As soon as practicable after receiving a copy of:*

33 (a) *An application pursuant to subsection 2:*

34 (1) *The Chief of the Budget Division shall publish a fiscal*
35 *note that indicates an estimate of the fiscal impact of the partial*
36 *abatement on the State and forward a copy of the fiscal note to the*
37 *Director for submission to the Commissioner; and*

38 (2) *The Department of Taxation shall publish a fiscal note*
39 *that indicates an estimate of the fiscal impact of the partial*
40 *abatement on each affected local government, and forward a copy*
41 *of the fiscal note to each affected local government and to the*
42 *Director for submission to the Commissioner.*

43 (b) *A certificate of eligibility pursuant to subsection 6, the*
44 *Department of Taxation shall forward a copy of the certificate to*
45 *each affected local government.*



1 8. A partial abatement approved by the Commissioner
2 pursuant to this section terminates upon any determination by the
3 Commissioner that the facility has ceased to meet any eligibility
4 requirements for the abatement. The Commissioner shall provide
5 notice and a reasonable opportunity to cure any noncompliance
6 issues before making a determination that the facility has ceased
7 to meet those requirements. The Commissioner shall immediately
8 provide notice of each determination of termination to the
9 Director, and the Director shall immediately provide a copy of the
10 notice to:

11 (a) The Commissioner, who shall immediately notify each
12 affected local government of the determination;

13 (b) The board of county commissioners;

14 (c) The county assessor;

15 (d) The county treasurer; and

16 (e) The Commission on Economic Development.

17 9. The Commissioner:

18 (a) Shall adopt regulations:

19 (1) Prescribing the minimum level of benefits that a facility
20 must provide to its employees if the facility is going to use benefits
21 paid to employees as a basis to qualify for a partial abatement
22 pursuant to this section;

23 (2) Prescribing such requirements for an application for a
24 partial abatement pursuant to this section as will ensure that all
25 information and other documentation necessary for the
26 Commissioner to make an appropriate determination is filed with
27 the Director;

28 (3) Requiring each recipient of a partial abatement
29 pursuant to this section to file annually with the Director, for
30 submission to the Commissioner, such information and
31 documentation as may be necessary for the Commissioner to
32 determine whether the recipient is in compliance with any
33 eligibility requirements for the abatement; and

34 (4) Regarding the capital investment that a facility must
35 make to meet the requirement set forth in paragraph (d) or (e) of
36 subsection 3; and

37 (b) May adopt such other regulations as the Commissioner
38 determines to be necessary to carry out the provisions of this
39 section.

40 10. Notwithstanding any statutory provision to the contrary, if
41 the Commissioner approves an application for a partial abatement
42 pursuant to this section of:

43 (a) Property taxes imposed pursuant to chapter 361 of NRS,
44 the amount of all the property taxes which are collected from the



1 *facility for the period of the abatement must be allocated and*
2 *distributed in such a manner that:*

3 *(1) For the period beginning on July 1, 2009, and ending*
4 *on June 30, 2011:*

5 *(I) Forty-five percent of that amount is deposited in the*
6 *unrestricted balance of the State General Fund; and*

7 *(II) Fifty-five percent of that amount is distributed to the*
8 *local governmental entities that would otherwise be entitled to*
9 *receive those taxes in proportion to the relative amount of those*
10 *taxes those entities would otherwise be entitled to receive; and*

11 *(2) For the period beginning on July 1, 2011, and ending*
12 *on June 30, 2049:*

13 *(I) Forty-five percent of that amount is deposited in the*
14 *Renewable Energy Fund created by section 28.5 of this act; and*

15 *(II) Fifty-five percent of that amount is distributed to the*
16 *local governmental entities that would otherwise be entitled to*
17 *receive those taxes in proportion to the relative amount of those*
18 *taxes those entities would otherwise be entitled to receive.*

19 *(b) Local sales and use taxes, the State Controller shall*
20 *allocate, transfer and remit an amount equal to all the sales and*
21 *use taxes imposed in this State and collected from the facility for*
22 *the period of the abatement in the same manner as if that amount*
23 *consisted solely of the proceeds of taxes imposed by NRS 374.110*
24 *and 374.190.*

25 *II. As used in this section:*

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

28 *(1) Agricultural crops and agricultural wastes and*
29 *residues;*

30 *(2) Wood and wood wastes and residues;*

31 *(3) Animal wastes;*

32 *(4) Municipal wastes; and*

33 *(5) Aquatic plants.*

34 *(b) "Commissioner" means the Nevada Energy Commissioner*
35 *appointed pursuant to section 1.85 of this act.*

36 *(c) "Director" means the Director of the Office of Energy*
37 *appointed pursuant to NRS 701.150.*

38 *(d) "Facility for the generation of electricity from renewable*
39 *energy" means a facility for the generation of electricity that:*

40 *(1) Uses renewable energy as its primary source of energy;*
41 *and*

42 *(2) Has a generating capacity of at least 10 megawatts.*

43 *↳ The term does not include a facility that is located on*
44 *residential property.*



1 (e) "Facility for the generation of process heat from solar
2 renewable energy" means a facility that:

3 (1) Uses solar renewable energy to generate process heat;
4 and

5 (2) Has an output capacity of at least 12,920,000 British
6 thermal units per hour.

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

10 (g) "Local sales and use taxes" means any taxes imposed on
11 the gross receipts of any retailer from the sale of tangible personal
12 property sold at retail, or stored, used or otherwise consumed, in
13 any political subdivision of this State, except the taxes imposed by
14 the Sales and Use Tax Act.

15 (h) "Renewable energy" means:

16 (1) Biomass;

17 (2) Fuel cells;

18 (3) Solar energy;

19 (4) Waterpower; or

20 (5) Wind.

21 ↪ The term does not include coal, natural gas, oil, propane or any
22 other fossil fuel, geothermal energy or nuclear energy.

23 (i) "Wholesale facility for the generation of electricity from
24 renewable energy" means a facility for the generation of
25 electricity from renewable energy that, except as otherwise
26 provided in subparagraph (2), does not sell the electricity to the
27 end user of the electricity. The term includes:

28 (1) All the machinery and equipment that is used in the
29 facility to collect and store the renewable energy and to convert
30 the renewable energy into electricity.

31 (2) A facility that is owned, leased or otherwise controlled
32 by an entity that has authority to sell electricity and provide
33 transmission services or distribution services, or both.

34 **Sec. 28.5.** The Renewable Energy Fund is hereby created.
35 The Nevada Energy Commissioner appointed pursuant to section
36 1.85 of this act shall administer the Fund. The interest and income
37 earned on the money in the fund must be credited to the fund. The
38 money in the fund must be used primarily to defer the rate of the
39 utility to the consumer or otherwise offset the cost of electricity
40 and natural gas to retail customers. The Commissioner may
41 establish other uses of the money in the Fund by regulation.

42 **Sec. 29.** (Deleted by amendment.)

43 **Sec. 30.** (Deleted by amendment.)

44 **Sec. 31.** (Deleted by amendment.)

45 **Sec. 32.** (Deleted by amendment.)



- 1 **Sec. 33.** (Deleted by amendment.)
- 2 **Sec. 34.** (Deleted by amendment.)
- 3 **Sec. 35.** (Deleted by amendment.)
- 4 **Sec. 36.** (Deleted by amendment.)
- 5 **Sec. 37.** (Deleted by amendment.)
- 6 **Sec. 38.** (Deleted by amendment.)
- 7 **Sec. 39.** (Deleted by amendment.)
- 8 **Sec. 40.** (Deleted by amendment.)
- 9 **Sec. 41.** (Deleted by amendment.)
- 10 **Sec. 42.** (Deleted by amendment.)
- 11 **Sec. 43.** (Deleted by amendment.)
- 12 **Sec. 44.** (Deleted by amendment.)
- 13 **Sec. 45.** (Deleted by amendment.)
- 14 **Sec. 46.** (Deleted by amendment.)
- 15 **Sec. 47.** (Deleted by amendment.)
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- 18 **Sec. 50.** (Deleted by amendment.)
- 19 **Sec. 51.** (Deleted by amendment.)
- 20 **Sec. 52.** (Deleted by amendment.)
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- 24 **Sec. 56.** (Deleted by amendment.)
- 25 **Sec. 57.** (Deleted by amendment.)
- 26 **Sec. 58.** (Deleted by amendment.)
- 27 **Sec. 59.** (Deleted by amendment.)
- 28 **Sec. 60.** (Deleted by amendment.)
- 29 **Sec. 61.** (Deleted by amendment.)
- 30 **Sec. 62.** (Deleted by amendment.)
- 31 **Sec. 63.** (Deleted by amendment.)
- 32 **Sec. 64.** (Deleted by amendment.)
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- 34 **Sec. 66.** (Deleted by amendment.)
- 35 **Sec. 67.** (Deleted by amendment.)
- 36 **Sec. 68.** (Deleted by amendment.)
- 37 **Sec. 69.** (Deleted by amendment.)
- 38 **Sec. 70.** (Deleted by amendment.)
- 39 **Sec. 71.** (Deleted by amendment.)
- 40 **Sec. 72.** (Deleted by amendment.)
- 41 **Sec. 73.** (Deleted by amendment.)
- 42 **Sec. 74.** (Deleted by amendment.)
- 43 **Sec. 75.** (Deleted by amendment.)
- 44 **Sec. 76.** (Deleted by amendment.)
- 45 **Sec. 77.** (Deleted by amendment.)



- 1 **Sec. 78.** (Deleted by amendment.)
- 2 **Sec. 79.** (Deleted by amendment.)
- 3 **Sec. 80.** (Deleted by amendment.)
- 4 **Sec. 81.** (Deleted by amendment.)
- 5 **Sec. 82.** (Deleted by amendment.)
- 6 **Sec. 83.** (Deleted by amendment.)
- 7 **Sec. 84.** (Deleted by amendment.)
- 8 **Sec. 85.** (Deleted by amendment.)
- 9 **Sec. 86.** (Deleted by amendment.)
- 10 **Sec. 87.** (Deleted by amendment.)
- 11 **Sec. 88.** (Deleted by amendment.)
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- 20 **Sec. 97.** (Deleted by amendment.)
- 21 **Sec. 98.** (Deleted by amendment.)
- 22 **Sec. 99.** (Deleted by amendment.)
- 23 **Sec. 100.** (Deleted by amendment.)
- 24 **Sec. 101.** (Deleted by amendment.)
- 25 **Sec. 102.** (Deleted by amendment.)
- 26 **Sec. 103.** (Deleted by amendment.)
- 27 **Sec. 104.** (Deleted by amendment.)
- 28 **Sec. 105.** (Deleted by amendment.)
- 29 **Sec. 106.** (Deleted by amendment.)
- 30 **Sec. 107.** The Legislature hereby finds that each exemption
- 31 provided by this act from any ad valorem tax on property or excise
- 32 tax on the sale, storage, use or consumption of tangible personal
- 33 property sold at retail:
- 34 1. Will achieve a bona fide social or economic purpose and that
- 35 the benefits of the exemption are expected to exceed any adverse
- 36 effect of the exemption on the provision of services to the public by
- 37 the State or a local government that would otherwise receive
- 38 revenue from the tax from which the exemption would be granted;
- 39 and
- 40 2. Will not impair adversely the ability of the State or a local
- 41 government to pay, when due, all interest and principal on any
- 42 outstanding bonds or any other obligations for which revenue from
- 43 the tax from which the exemption would be granted was pledged.



* A B 5 2 2 R 1 *

1 **Sec. 108.** Notwithstanding the provisions of section 28 of this
2 act, a person is not entitled to any partial abatement of taxes
3 pursuant to that section after June 30, 2049.

4 **Sec. 109.** (Deleted by amendment.)

5 **Sec. 110.** 1. This section and sections 1 to 1.8, inclusive,
6 27.5, 28, 28.5, 107, 108 and 109 of this act become effective on
7 July 1, 2009.

8 2. Sections 1.85, 1.9 and 1.95 of this act become effective on
9 July 1, 2009, if and only if no other bill passed during the 2009
10 Legislative Session becomes effective that provides for the
11 appointment, powers and duties of the Nevada Energy
12 Commissioner.

13 3. Sections 28 and 28.5 of this act expire by limitation on
14 June 30, 2049.

Ⓢ



* A B 5 2 2 R 1 *

