

SENATE BILL NO. 395—COMMITTEE ON ENERGY,
INFRASTRUCTURE AND TRANSPORTATION

(ON BEHALF OF THE GOVERNOR)

MARCH 23, 2009

Referred to Committee on Energy, Infrastructure and Transportation

SUMMARY—Makes various changes regarding renewable energy and energy efficiency and alters the composition of the Commission on Economic Development. (BDR 58-1219)

FISCAL NOTE: Effect on Local Government: No.
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 state financial administration; making various changes regarding renewable energy and energy efficiency; altering the composition of the Commission on Economic Development; making certain appropriations; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

1 **Sections 1 and 2** of this bill: (1) expand the types of facilities relating to
2 renewable energy for which a tax abatement may be granted; (2) provide that
3 certain facilities must have a generating capacity of 1 megawatt instead of 10
4 kilowatts; and (3) add to the definition of "renewable energy" hydrogen derived
5 from renewables.

6 **Section 3** of this bill incrementally extends and increases the portfolio
7 standards for providers of electric service so that, by 2025, at least 25 percent of the
8 electricity sold to retail customers by those providers must be derived from
9 portfolio energy systems or efficiency measures.

10 **Section 4** of this bill alters the definition of "utility facility," as that term is
11 used in the Utility Environmental Protection Act which provides for the issuance of
12 permits for the construction of utility facilities, to require a nameplate capacity of
13 not more than 70 megawatts rather than a generating capacity of not more than 35
14 megawatts.

15 **Section 5** of this bill exempts certain renewable energy facilities from certain
16 findings that are a condition precedent to permitting under the Utility
17 Environmental Protection Act.



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18 **Sections 6 and 24** of this bill alter the composition of the Commission on
19 Economic Development to require that at least two of the appointed members be
20 from counties whose population is less than 100,000. (NRS 231.040)

21 **Section 8** of this bill requires the Chief of the Purchasing Division of the
22 Department of Administration to adopt regulations establishing standards favoring
23 the procurement of appliances, equipment, lighting and other devices that bear the
24 "Energy Star" label or meet other requirements prescribed by federal law unless to
25 do so would not be cost-effective.

26 **Section 10** of this bill requires the State Public Works Board to adopt standards
27 and performance guidelines concerning the efficient use of water and energy.

28 **Sections 13 and 22** of this bill eliminate abatements from the local school
29 support tax but retain abatements from other local sales and use taxes.

30 **Section 15** of this bill requires, with respect to tax abatements relating to
31 renewable energy, that the Commission on Economic Development forward
32 certificates of eligibility to the Office of Energy.

33 **Section 16** of this bill states that businesses which receive a partial abatement
34 pursuant to NRS 360.750 must annually file with the Department of Taxation a
35 sworn certification of compliance with the terms of the abatement.

36 **Section 18** of this bill requires vehicle dealers in Nevada, beginning with the
37 2012 model year and thereafter, to ensure that each new vehicle offered for sale is
38 accompanied by a disclosure of the vehicle's estimated carbon dioxide emissions if
39 such information is available.

40 **Section 22.5** of this bill appropriates \$25,000 to the Interim Finance Committee
41 for allocation to the Office of Energy, upon a showing of need, to cover the costs of
42 adopting the regulations which the Director of the Office is required to adopt
43 pursuant to chapter 701 of NRS.

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

1 **Section 1.** NRS 701A.220 is hereby amended to read as
2 follows:

3 701A.220 1. If a partial abatement from the taxes imposed
4 pursuant to chapter 361 of NRS is approved by the Commission on
5 Economic Development pursuant to NRS 360.750 for a facility for
6 the generation of electricity from renewable energy ~~or~~, *a facility
7 for the transmission of electricity produced from renewable
8 energy, a facility for the manufacturing of renewable energy
9 devices, a facility for the production of an energy storage device ~~or~~
10 or a facility for the research and development of renewable
11 energy:*

12 (a) The partial abatement : ~~must be:~~

13 (1) ~~For~~ *Must be for* a duration of *not more than* 10 years;

14 (2) ~~Equal to 50~~ *May be equal to up to 100* percent of the
15 taxes on real and personal property payable by the facility each year;
16 and

17 (3) Administered and carried out in the manner set forth in
18 NRS 360.750.



1 (b) The Executive Director of the Commission on Economic
2 Development shall:

3 (1) Notify *the Department of Taxation and* the county
4 assessor of the county in which the facility is located of the approval
5 of the partial abatement; and

6 (2) Advise *the Department of Taxation and* the county
7 assessor of the county in which the facility is located as to the dates
8 on which the partial abatement will begin and end.

9 2. *In addition to any partial abatement described in*
10 *subsection 1, the Commission on Economic Development may*
11 *approve a partial abatement from the taxes imposed pursuant to*
12 *chapter 361 of NRS on lines and collector systems that transmit*
13 *electricity from a facility for the generation of electricity from*
14 *renewable energy to interstate transmission lines which transmit*
15 *the electricity to market. The abatement described in this*
16 *subsection must not exceed 25 percent.*

17 3. As used in this section:

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

- 20 (1) Agricultural crops and agricultural wastes and residues;
21 (2) Wood and wood wastes and residues;
22 (3) Animal wastes;
23 (4) Municipal wastes; and
24 (5) Aquatic plants.

25 (b) "Energy storage device" means a device for use and storage
26 of electrical energy that alleviates the consumption of fossil fuel and
27 does not produce fossil fuel emissions.

28 (c) "Facility for the generation of electricity from renewable
29 energy" means a facility for the generation of electricity that:

30 (1) Uses renewable energy as its primary source of energy;
31 and

32 (2) Has a generating capacity of at least ~~[10 kilowatts.]~~ *1*
33 *megawatt.*

34 ➔ The term includes all the machinery and equipment that is used in
35 the facility to collect and store the renewable energy and to convert
36 the renewable energy into electricity. The term does not include a
37 facility that is located on residential property.

38 (d) "Renewable energy" means ~~[i]~~ *a source of energy that*
39 *occurs naturally or is regenerated naturally, including, without*
40 *limitation:*

- 41 (1) Biomass;
42 (2) *Geothermal energy;*
43 (3) *Hydrogen derived from renewables;*
44 (4) Solar energy; ~~[or~~
45 ~~(3) Wind.]~~



- 1 (5) *Waterpower; or*
- 2 (6) *Wind.*

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

5 (e) *“Renewable energy device” means a system, mechanism or*
 6 *series of mechanisms that produce renewable energy.*

7 **Sec. 2.** NRS 701A.230 is hereby amended to read as follows:

8 701A.230 **1.** If an application for an abatement from taxes
 9 pursuant to ~~NRS 374.357~~ *section 13 of this act* is approved
 10 pursuant to NRS 360.750 for a facility for the generation of
 11 electricity from renewable energy ~~for~~ , *a facility for the*
 12 *transmission of electricity produced from renewable energy, a*
 13 *facility for the manufacturing of renewable energy devices, a*
 14 *facility for the production of an energy storage device* ~~for~~ *or a*
 15 *facility for the research and development of renewable energy:*

16 ~~(1)~~ (a) The taxpayer is eligible for the abatement for 2 years.

17 ~~(2)~~ (b) The abatement must be administered and carried out in
 18 the manner set forth in NRS 360.750.

19 **2.** *In addition to any abatement described in subsection 1, the*
 20 *Commission on Economic Development may approve an*
 21 *abatement from the taxes imposed pursuant to chapter 361 of NRS*
 22 *on lines and collector systems that transmit electricity from a*
 23 *facility for the generation of electricity from renewable energy to*
 24 *interstate transmission lines which transmit the electricity to*
 25 *market.*

26 **3.** For the purposes of this section and the abatement, unless
 27 the context otherwise requires:

28 (a) “Biomass” means any organic matter that is available on a
 29 renewable basis, including, without limitation:

- 30 (1) Agricultural crops and agricultural wastes and residues;
- 31 (2) Wood and wood wastes and residues;
- 32 (3) Animal wastes;
- 33 (4) Municipal wastes; and
- 34 (5) Aquatic plants.

35 (b) “Eligible machinery or equipment” means:

36 (1) If the business that qualifies for the abatement is a facility
 37 for the production of an energy storage device, machinery or
 38 equipment which is leased or purchased and for which a deduction
 39 is authorized pursuant to 26 U.S.C. § 179. The term does not
 40 include:

- 41 (I) Buildings or the structural components of buildings;
- 42 (II) ~~Equipment used by a public utility;~~
- 43 ~~(III)~~ Equipment used for medical treatment;
- 44 ~~(IV)~~ (III) Machinery or equipment used in mining;
- 45 ~~(V)~~ (IV) Machinery or equipment used in gaming; or



1 ~~[(VI)]~~ (V) Aircraft.

2 (2) If the business that qualifies for the abatement is a facility
3 for the generation *and transmission* of electricity from renewable
4 energy, all the machinery and equipment that is used in the facility
5 to ~~collect~~ :

6 (I) *Collect* and store the renewable energy ~~and to~~
7 ~~convert~~ ;

8 (II) *Convert* the renewable energy into electricity ~~and~~ ;
9 *and*

10 (III) *Transmit the electricity.*

11 (3) *Lines and collector systems as described in subsection 2.*

12 (c) “Energy storage device” means a device for use and storage
13 of electrical energy that alleviates the consumption of fossil fuel and
14 does not produce fossil fuel emissions.

15 (d) “Facility for the generation *and transmission* of electricity
16 from renewable energy” means a facility for the generation *and*
17 *transmission* of electricity that:

18 (1) Uses renewable energy as its primary source of energy;
19 *and*

20 (2) Has a generating capacity of at least ~~10 kilowatts.~~ *1*
21 *megawatt.*

22 ➔ The term includes all the machinery and equipment that is used in
23 the facility to collect and store the renewable energy , ~~and~~ to
24 convert the renewable energy into electricity ~~and to transmit the~~
25 *electricity.* The term does not include a facility that is located on
26 residential property.

27 ~~[(e) “Fuel cell” means a device or contrivance which, through~~
28 ~~the chemical process of combining ions of hydrogen and oxygen,~~
29 ~~produces electricity and water.~~

30 ~~—(f)]~~ “Renewable energy” means a source of energy that occurs
31 naturally or is regenerated naturally, including, without limitation:

32 (1) Biomass;

33 (2) ~~Fuel cells;~~

34 ~~—(3)]~~ Geothermal energy;

35 ~~[(4)]~~ (3) *Hydrogen derived from renewables;*

36 (4) Solar energy;

37 (5) Waterpower; and

38 (6) Wind.

39 ➔ The term does not include coal, natural gas, oil, propane or any
40 other fossil fuel, or nuclear energy.

41 (f) *“Renewable energy device” means a system, mechanism or*
42 *series of mechanisms that produce renewable energy.*

43 **Sec. 3.** NRS 704.7821 is hereby amended to read as follows:

44 704.7821 1. For each provider of electric service, the
45 Commission shall establish a portfolio standard. The portfolio



1 standard must require each provider to generate, acquire or save
2 electricity from portfolio energy systems or efficiency measures in
3 an amount that is:

4 (a) For *the period consisting of* calendar years 2005 and 2006,
5 not less than 6 percent of the total amount of electricity sold by the
6 provider to its retail customers in this State during that ~~calendar~~
7 ~~year.] period.~~

8 (b) For *the period consisting of* calendar years 2007 and 2008,
9 not less than 9 percent of the total amount of electricity sold by the
10 provider to its retail customers in this State during that ~~calendar~~
11 ~~year.] period.~~

12 (c) For *the period consisting of* calendar years 2009 and 2010,
13 not less than 12 percent of the total amount of electricity sold by the
14 provider to its retail customers in this State during that ~~calendar~~
15 ~~year.] period.~~

16 (d) For *the period consisting of* calendar years 2011 and 2012,
17 not less than 15 percent of the total amount of electricity sold by the
18 provider to its retail customers in this State during that ~~calendar~~
19 ~~year.] period.~~

20 (e) For *the period consisting of* calendar years 2013 and 2014,
21 not less than 18 percent of the total amount of electricity sold by the
22 provider to its retail customers in this State during that ~~calendar~~
23 ~~year.] period.~~

24 (f) For *the period consisting of* calendar ~~[year 2015 and for each~~
25 ~~calendar year thereafter,] years 2015 and 2016 and the period~~
26 *consisting of calendar years 2017 and 2018*, not less than 20
27 percent of the total amount of electricity sold by the provider to its
28 retail customers in this State during ~~[that] each [calendar year.]~~
29 *period.*

30 (g) *For the period consisting of calendar years 2019 and 2020,*
31 *the period consisting of calendar years 2021 and 2022 and the*
32 *period consisting of calendar years 2023 and 2024, not less than*
33 *22 percent of the total amount of electricity sold by the provider to*
34 *its retail customers in this State during each period.*

35 (h) *For calendar year 2025 and for each calendar year*
36 *thereafter, not less than 25 percent of the total amount of*
37 *electricity sold by the provider to its retail customers in this State*
38 *during each such calendar year.*

39 2. Except as otherwise provided in subsection 3, in addition to
40 the requirements set forth in subsection 1, the portfolio standard for
41 each provider must require that:

42 (a) Of the total amount of electricity that the provider is required
43 to generate, acquire or save from portfolio energy systems or
44 efficiency measures during ~~[each calendar year,] :~~



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1 ***(1) The periods consisting of calendar years 2009 and 2010,***
2 ***2011 and 2012, and 2013 and 2014,*** not less than 5 percent of that
3 amount must be generated or acquired from solar renewable energy
4 systems ***☐***; and

5 ***(2) The periods consisting of calendar years 2015 and 2016,***
6 ***2017 and 2018, 2019 and 2020, 2021 and 2022, and 2023 and***
7 ***2024, and calendar year 2025 and each calendar year thereafter,***
8 ***not less than 6 percent of that amount must be generated or***
9 ***acquired from solar renewable energy systems.***

10 (b) Of the total amount of electricity that the provider is required
11 to generate, acquire or save from portfolio energy systems or
12 efficiency measures during each calendar year ***☐*** or ***period of***
13 ***calendar years,*** not more than 25 percent of that amount may be
14 based on energy efficiency measures. If the provider intends to use
15 energy efficiency measures to comply with its portfolio standard
16 during any calendar year ***☐*** or ***period of calendar years,*** of the total
17 amount of electricity saved from energy efficiency measures for
18 which the provider seeks to obtain portfolio energy credits pursuant
19 to this paragraph, at least 50 percent of that amount must be saved
20 from energy efficiency measures installed at service locations of
21 residential customers of the provider, unless a different percentage
22 is approved by the Commission.

23 (c) If the provider acquires or saves electricity from a portfolio
24 energy system or efficiency measure pursuant to a renewable energy
25 contract or energy efficiency contract with another party:

26 (1) The term of the contract must be not less than 10 years,
27 unless the other party agrees to a contract with a shorter term; and

28 (2) The terms and conditions of the contract must be just and
29 reasonable, as determined by the Commission. If the provider is a
30 utility provider and the Commission approves the terms and
31 conditions of the contract between the utility provider and the other
32 party, the contract and its terms and conditions shall be deemed to
33 be a prudent investment and the utility provider may recover all just
34 and reasonable costs associated with the contract.

35 3. The provisions of paragraphs (b) and (c) of subsection 2 do
36 not apply to a provider of new electric resources pursuant to chapter
37 704B of NRS with respect to its use of an energy efficiency measure
38 that is financed by a customer, or which is a geothermal energy
39 system for the provision of heated water to one or more customers
40 and which reduces the consumption of electricity or any fossil fuel,
41 except that, of the total amount of electricity that the provider is
42 required to generate, acquire or save from portfolio energy systems
43 or efficiency measures during each calendar year ***☐*** or ***period of***
44 ***calendar years,*** not more than 25 percent of that amount may be
45 based on energy efficiency measures.



1 4. If, for the benefit of one or more retail customers in this
2 State, the provider, or the customer of a provider of new electric
3 resources pursuant to chapter 704B of NRS, has paid for or directly
4 reimbursed, in whole or in part, the costs of the acquisition or
5 installation of a solar energy system which qualifies as a renewable
6 energy system and which reduces the consumption of electricity, the
7 total reduction in the consumption of electricity during each
8 calendar year that results from the solar energy system shall be
9 deemed to be electricity that the provider generated or acquired
10 from a renewable energy system for the purposes of complying with
11 its portfolio standard.

12 5. The Commission shall adopt regulations that establish a
13 system of portfolio energy credits that may be used by a provider to
14 comply with its portfolio standard.

15 6. Except as otherwise provided in subsection 7, each provider
16 shall comply with its portfolio standard during each calendar year ~~§~~
17 *or period of calendar years, as applicable.*

18 7. If, for any calendar year ~~§~~ *or period of calendar years, as*
19 *applicable*, a provider is unable to comply with its portfolio standard
20 through the generation of electricity from its own renewable energy
21 systems or, if applicable, through the use of portfolio energy credits,
22 the provider shall take actions to acquire or save electricity pursuant
23 to one or more renewable energy contracts or energy efficiency
24 contracts. If the Commission determines that, for a calendar year ~~§~~
25 *or period of calendar years*, there is not or will not be a sufficient
26 supply of electricity *for any reason, including, without limitation,*
27 *the inability of the provider to obtain the necessary permits or*
28 *other approvals from any governmental entity for the construction*
29 *of transmission facilities necessary to transmit renewable energy*
30 *to the provider's system* or *there is not or will not be* a sufficient
31 amount of energy savings made available to the provider pursuant to
32 renewable energy contracts and energy efficiency contracts with just
33 and reasonable terms and conditions, the Commission shall exempt
34 the provider, for that calendar year ~~§~~ *or period of calendar years*,
35 from the remaining requirements of its portfolio standard or from
36 any appropriate portion thereof, as determined by the Commission.

37 8. The Commission shall adopt regulations that establish:

38 (a) Standards for the determination of just and reasonable terms
39 and conditions for the renewable energy contracts and energy
40 efficiency contracts that a provider must enter into to comply with
41 its portfolio standard.

42 (b) Methods to classify the financial impact of each long-term
43 renewable energy contract and energy efficiency contract as an
44 additional imputed debt of a utility provider. The regulations must
45 allow the utility provider to propose an amount to be added to the



1 cost of the contract, at the time the contract is approved by the
2 Commission, equal to a compensating component in the capital
3 structure of the utility provider. In evaluating any proposal made by
4 a utility provider pursuant to this paragraph, the Commission shall
5 consider the effect that the proposal will have on the rates paid by
6 the retail customers of the utility provider.

7 9. As used in this section:

8 (a) "Energy efficiency contract" means a contract to attain
9 energy savings from one or more energy efficiency measures
10 owned, operated or controlled by other parties.

11 (b) "Renewable energy contract" means a contract to acquire
12 electricity from one or more renewable energy systems owned,
13 operated or controlled by other parties.

14 (c) "Terms and conditions" includes, without limitation, the
15 price that a provider must pay to acquire electricity pursuant to a
16 renewable energy contract or to attain energy savings pursuant to an
17 energy efficiency contract.

18 **Sec. 4.** NRS 704.860 is hereby amended to read as follows:

19 704.860 "Utility facility" means:

20 1. Electric generating plants and their associated facilities,
21 except:

22 (a) Electric generating plants and their associated facilities that
23 are or will be located entirely within the boundaries of a county
24 whose population is 100,000 or more; or

25 (b) Electric generating plants and their associated facilities
26 which use or will use renewable energy, as defined in NRS
27 704.7811, as their primary source of energy to generate electricity
28 and which have or will have a ~~generating~~ *nameplate* capacity of
29 not more than ~~35~~ 70 megawatts, including, without limitation, a
30 net metering system, as defined in NRS 704.771.

31 ➤ As used in this subsection, "associated facilities" includes,
32 without limitation, any facilities for the storage, transmission or
33 treatment of water, including, without limitation, facilities to supply
34 water or for the treatment or disposal of wastewater, which support
35 or service an electric generating plant.

36 2. Electric transmission lines and transmission substations that:

37 (a) Are designed to operate at 200 kilovolts or more;

38 (b) Are not required by local ordinance to be placed
39 underground; and

40 (c) Are constructed outside any incorporated city.

41 3. Gas transmission lines, storage plants, compressor stations
42 and their associated facilities when constructed outside:

43 (a) Any incorporated city; and

44 (b) Any county whose population is 100,000 or more.



1 4. Water storage, transmission and treatment facilities, other
2 than facilities for the storage, transmission or treatment of water
3 from mining operations.

4 5. Sewer transmission and treatment facilities.

5 **Sec. 5.** NRS 704.890 is hereby amended to read as follows:

6 704.890 1. Except as otherwise provided in subsection 3, the
7 Commission may not grant a permit for the construction, operation
8 and maintenance of a utility facility, either as proposed or as
9 modified by the Commission, to a person unless it finds and
10 determines:

11 (a) The nature of the probable effect on the environment;

12 (b) ~~The~~ *Except with respect to a renewable energy facility*
13 *that is built in Nevada pursuant to NRS 704.820 to 704.900,*
14 *inclusive, and emits greenhouse gases, the* extent to which the
15 facility is needed to ensure reliable utility service to customers in
16 this State;

17 (c) That the need for the facility balances any adverse effect on
18 the environment;

19 (d) That the facility represents the minimum adverse effect on
20 the environment, considering the state of available technology and
21 the nature and economics of the various alternatives;

22 (e) That the location of the facility as proposed conforms to
23 applicable state and local laws and regulations issued thereunder and
24 the applicant has obtained, or is in the process of obtaining, all other
25 permits, licenses and approvals required by federal, state and local
26 statutes, regulations and ordinances; and

27 (f) That the facility will serve the public interest.

28 2. If the Commission determines that the location of all or a
29 part of the proposed facility should be modified, it may condition its
30 permit upon such a modification. If the applicant has not obtained
31 all the other permits, licenses and approvals required by federal,
32 state and local statutes, regulations and ordinances as of the date on
33 which the Commission decides to issue a permit, the Commission
34 shall condition its permit upon the applicant obtaining those permits
35 and approvals.

36 3. The requirements set forth in paragraph (f) of subsection 1
37 do not apply to any application for a permit which is filed by a state
38 government or political subdivision thereof.

39 **Sec. 6.** NRS 231.040 is hereby amended to read as follows:

40 231.040 1. The Commission on Economic Development is
41 composed of the Lieutenant Governor, who is its Chairman, and six
42 members who are appointed by the Governor.

43 2. The Governor shall appoint as members of the Commission
44 persons who *are residents of Nevada and who* have proven
45 experience in economic development which was acquired by them



1 while engaged in finance, manufacturing, mining, agriculture, the
2 field of transportation, or in general business other than tourism or
3 gaming.

4 3. The Governor shall appoint ~~[at]~~ *to the Commission:*

5 (a) *At least one member who is a resident of ~~the~~*

6 ~~—(a)]~~ *Clark County.*

7 (b) *At least one member who is a resident of* Washoe County.

8 (c) ~~[A county]~~ *At least two members who are residents of*
9 *counties* whose population is ~~[50,000 or less.]~~ *less than 100,000.*

10 **Sec. 7.** NRS 266.267 is hereby amended to read as follows:

11 266.267 1. A city council shall not enter into a lease of real
12 property owned by the city for a term of 3 years or longer or enter
13 into a contract for the sale of real property until after the property
14 has been appraised pursuant to NRS 268.059. Except as otherwise
15 provided in this section, paragraph (a) of subsection 1 of NRS
16 268.050 and subsection 3 of NRS 496.080:

17 (a) The sale or lease of real property must be made in the
18 manner required pursuant to NRS 268.059, 268.061 and 268.062;
19 and

20 (b) A lease or sale must be made at or above the highest
21 appraised value of the real property as determined pursuant to the
22 appraisal conducted pursuant to NRS 268.059.

23 2. The city council may sell or lease real property for less than
24 its appraised value to any person who maintains or intends to
25 maintain a business within the boundaries of the city which is
26 eligible pursuant to ~~[NRS 374.357]~~ *section 13 of this act* for an
27 abatement from ~~[the]~~ *local* sales and use taxes ~~[imposed pursuant to~~
28 ~~chapter 374 of NRS.]~~, *as that term is defined in NRS 360.750.*

29 **Sec. 8.** Chapter 333 of NRS is hereby amended by adding
30 thereto a new section to read as follows:

31 *1. The Chief shall adopt regulations which set forth*
32 *standards to be used by using agencies when purchasing new*
33 *appliances, equipment, lighting and other devices that use*
34 *electricity, natural gas, propane or oil. Except as otherwise*
35 *provided in subsection 2, the standards must require that such new*
36 *appliances, equipment, lighting and other devices have received*
37 *the Energy Star label pursuant to the program established*
38 *pursuant to 42 U.S.C. § 6294a, or its successor, or meet the*
39 *requirements established pursuant to 48 C.F.R. § 23.203.*

40 *2. The standards described in subsection 1 do not apply*
41 *insofar as:*

42 (a) *No items in a given class of appliances, equipment, lighting*
43 *or other devices have been evaluated to determine whether they*
44 *are eligible to receive the Energy Star label or have been*



1 *designated by the Federal Government to meet the requirements*
2 *established pursuant to 48 C.F.R. § 23.203; or*

3 *(b) The purchase of new appliances, equipment, lighting or*
4 *other devices that have received the Energy Star label would not*
5 *be cost-effective in an individual instance, comparing the cost of*
6 *the item to the cost of the amount of energy that will be saved over*
7 *the useful life of the item.*

8 **Sec. 9.** NRS 333.340 is hereby amended to read as follows:

9 333.340 1. Every contract or order for goods must be
10 awarded to the lowest responsible bidder. To determine the lowest
11 responsible bidder, the Chief:

12 (a) Shall consider, if applicable ~~[, the]~~ :

13 *(1) The* imposition of the inverse preference described in
14 NRS 333.336.

15 *(2) The required standards adopted pursuant to section 8 of*
16 *this act.*

17 (b) May consider:

18 (1) The location of the using agency to be supplied.

19 (2) The qualities of the articles to be supplied.

20 (3) The total cost of ownership of the articles to be supplied.

21 (4) Except as otherwise provided in subparagraph (5), the
22 conformity of the articles to be supplied with the specifications.

23 (5) If the articles are an alternative to the articles listed in the
24 original request for bids, whether the advertisement for bids
25 included a statement that bids for an alternative article will be
26 considered if:

27 (I) The specifications of the alternative article meet or
28 exceed the specifications of the article listed in the original request
29 for bids;

30 (II) The purchase of the alternative article results in a
31 lower price; and

32 (III) The Chief deems the purchase of the alternative
33 article to be in the best interests of the State of Nevada.

34 (6) The purposes for which the articles to be supplied are
35 required.

36 (7) The dates of delivery of the articles to be supplied.

37 2. If a contract or an order is not awarded to the lowest bidder,
38 the Chief shall provide the lowest bidder with a written statement
39 which sets forth the specific reasons that the contract or order was
40 not awarded to him.

41 3. As used in this section, "total cost of ownership" includes,
42 but is not limited to:

43 (a) The history of maintenance or repair of the articles;

44 (b) The cost of routine maintenance and repair of the articles;

45 (c) Any warranties provided in connection with the articles;



- 1 (d) The cost of replacement parts for the articles; and
- 2 (e) The value of the articles as used articles when given in trade
- 3 on a subsequent purchase.

4 **Sec. 10.** Chapter 341 of NRS is hereby amended by adding
5 thereto a new section to read as follows:

6 *1. For the purposes of the design and construction of*
7 *buildings or other projects of this State, the Board shall adopt by*
8 *regulation:*

- 9 (a) *Standards for the efficient use of water.*
- 10 (b) *Standards for the efficient use of energy, including,*
11 *without limitation, the use of sources of renewable energy.*
- 12 (c) *Performance guidelines for new, remodeled and renovated*
13 *buildings.*
- 14 (d) *Performance guidelines for retrofit projects, including,*
15 *without limitation, guidelines for:*
 - 16 (1) *Energy consumption.*
 - 17 (2) *The use of potable water.*
 - 18 (3) *The use of water for purposes relating to landscaping.*
 - 19 (4) *The disposal of solid waste.*

20 *2. The standards and performance guidelines adopted in*
21 *accordance with subsection 1 must include a mechanism for their*
22 *evaluation and revision to ensure that such standards and*
23 *guidelines:*

- 24 (a) *Are cost-effective over the life of the applicable project.*
- 25 (b) *Produce certain threshold levels of cost savings.*

26 *3. In adopting the standards and performance guidelines*
27 *pursuant to subsection 1, the Board may consider, without*
28 *limitation:*

- 29 (a) *The Leadership in Energy and Environmental Design*
30 *Green Building Rating System established by the United States*
31 *Green Building Council or its successor;*
- 32 (b) *The Green Globes assessment and rating system developed*
33 *by the Green Building Initiative or its successor;*
- 34 (c) *The standards established by the United States*
35 *Environmental Protection Agency pursuant to the Energy Star*
36 *Program;*
- 37 (d) *The standards established by the American Society of*
38 *Heating, Refrigerating and Air-Conditioning Engineers or its*
39 *successor;*
- 40 (e) *The criteria established pursuant to the Federal Energy*
41 *Management Program established by the United States*
42 *Department of Energy; and*
- 43 (f) *The criteria established by the International Energy*
44 *Conservation Code.*



1 ***4. The regulations adopted pursuant to this section must***
2 ***include provisions for their enforcement.***

3 ***5. As used in this section, "renewable energy" has the***
4 ***meaning ascribed to it in NRS 701A.220.***

5 **Sec. 11.** NRS 341.119 is hereby amended to read as follows:

6 341.119 1. Upon the request of the head of a state agency, the
7 Board may delegate to that agency any of the authority granted the
8 Board pursuant to NRS 341.141 to 341.148, inclusive **[H]**, **and**
9 ***section 10 of this act.***

10 2. This section does not limit any of the authority of the
11 Legislature when the Legislature is in regular or special session or
12 the Interim Finance Committee when the Legislature is not in
13 regular or special session to consult with the Board concerning a
14 construction project or to approve the advance planning of a project.

15 **Sec. 12.** NRS 341.153 is hereby amended to read as follows:

16 341.153 1. The Legislature hereby finds as facts:

17 (a) That the construction of public buildings is a specialized
18 field requiring for its successful accomplishment a high degree of
19 skill and experience not ordinarily acquired by public officers and
20 employees whose primary duty lies in some other field.

21 (b) That this construction involves the expenditure of large
22 amounts of public money which, whatever their particular
23 constitutional, statutory or governmental source, involve a public
24 trust.

25 (c) That the application by state agencies of conflicting
26 standards of performance results in wasteful delays and increased
27 costs in the performance of public works.

28 2. The Legislature therefore declares it to be the policy of this
29 State that all construction of buildings upon property of the State or
30 held in trust for any division of the State Government be supervised
31 by, and final authority for its completion and acceptance vested in,
32 the Board as provided in NRS 341.141 to 341.148, inclusive **[H]**,
33 ***and section 10 of this act.***

34 **Sec. 13.** Chapter 360 of NRS is hereby amended by adding
35 thereto a new section to read as follows:

36 ***1. A person who maintains a business or intends to locate a***
37 ***business in this State may, pursuant to NRS 360.750, apply to the***
38 ***Commission on Economic Development for an abatement from***
39 ***the local sales and use taxes imposed on the gross receipts from***
40 ***the sale, and the storage, use or other consumption, of eligible***
41 ***machinery or equipment for use by a business which has been***
42 ***approved for an abatement pursuant to NRS 360.750.***

43 ***2. Except as otherwise provided in NRS 701A.230, if an***
44 ***application for an abatement is approved pursuant to***
45 ***NRS 360.750:***



1 (a) *The taxpayer is eligible for an abatement from the local*
2 *sales and use taxes for not more than 2 years for machinery or*
3 *equipment which is leased or purchased. In the case of machinery*
4 *or equipment that is leased, the lessee is the taxpayer who is*
5 *eligible for an abatement.*

6 (b) *The abatement must be administered and carried out in the*
7 *manner set forth in NRS 360.750.*

8 3. *For the purposes of this section, except as otherwise*
9 *provided in NRS 701A.230 or unless the context otherwise*
10 *requires:*

11 (a) *“Eligible machinery or equipment” means machinery or*
12 *equipment which is leased or purchased and for which a*
13 *deduction is authorized pursuant to 26 U.S.C. § 179. The term*
14 *does not include:*

- 15 (1) *Buildings or the structural components of buildings;*
- 16 (2) *Equipment used for medical treatment;*
- 17 (3) *Machinery or equipment used in mining;*
- 18 (4) *Machinery or equipment used in gaming; or*
- 19 (5) *Aircraft.*

20 (b) *“Local sales and use taxes” has the meaning ascribed to it*
21 *in NRS 360.750.*

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

23 360.225 1. During the course of an investigation undertaken
24 pursuant to NRS 360.130 of a person claiming:

25 (a) A partial abatement of property taxes pursuant to
26 NRS 361.0687;

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

28 (c) A deferral of the payment of taxes on the sale of capital
29 goods pursuant to NRS 372.397 or 374.402; or

30 (d) An abatement of taxes on the gross receipts from the sale,
31 storage, use or other consumption of eligible machinery or
32 equipment pursuant to ~~NRS 374.357,~~ **section 13 of this act,**

33 ➤ the Department shall investigate whether the person meets the
34 eligibility requirements for the abatement, partial abatement,
35 exemption or deferral that the person is claiming.

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

41 **Sec. 15.** NRS 360.750 is hereby amended to read as follows:

42 360.750 1. A person who intends to locate or expand a
43 business in this State may apply to the Commission on Economic
44 Development for a partial abatement of one or more of the :



1 ***(a) Local sales and use taxes imposed on the new or expanded***
2 ***business [taxes];***

3 ***(b) Taxes*** imposed on the new or expanded business pursuant to
4 chapter 361 ~~***[, 363B or 374]***~~ ***of NRS, other than taxes imposed for***
5 ***public education; or***

6 ***(c) Taxes imposed pursuant to chapter 363B*** of NRS.

7 2. The Commission on Economic Development shall approve
8 an application for a partial abatement if the Commission makes the
9 following determinations:

10 (a) The business is consistent with:

11 (1) The State Plan for Industrial Development and
12 Diversification that is developed by the Commission pursuant to
13 NRS 231.067; and

14 (2) Any guidelines adopted pursuant to the State Plan.

15 (b) The applicant has executed an agreement with the
16 Commission which must:

17 (1) Comply with the requirements of NRS 360.755;

18 (2) State that the business will, after the date on which a
19 certificate of eligibility for the abatement is issued pursuant to
20 subsection 5, continue in operation in this State for a period
21 specified by the Commission, which must be at least 5 years, and
22 will continue to meet the eligibility requirements set forth in this
23 subsection; and

24 (3) Bind the successors in interest of the business for the
25 specified period.

26 (c) The business is registered pursuant to the laws of this State
27 or the applicant commits to obtain a valid business license and all
28 other permits required by the county, city or town in which the
29 business operates.

30 (d) Except as otherwise provided in NRS 361.0687, if the
31 business is a new business in a county whose population is 100,000
32 or more or a city whose population is 60,000 or more, the business
33 meets at least two of the following requirements:

34 (1) The business will have 75 or more full-time employees
35 on the payroll of the business by the fourth quarter that it is in
36 operation.

37 (2) Establishing the business will require the business to
38 make a capital investment of at least \$1,000,000 in this State.

39 (3) The average hourly wage that will be paid by the new
40 business to its employees in this State is at least 100 percent of the
41 average statewide hourly wage as established by the Employment
42 Security Division of the Department of Employment, Training and
43 Rehabilitation on July 1 of each fiscal year and:



1 (I) The business will provide a health insurance plan for
2 all employees that includes an option for health insurance coverage
3 for dependents of the employees; and

4 (II) The cost to the business for the benefits the business
5 provides to its employees in this State will meet the minimum
6 requirements for benefits established by the Commission by
7 regulation pursuant to subsection 9.

8 (e) Except as otherwise provided in NRS 361.0687, if the
9 business is a new business in a county whose population is less than
10 100,000 or a city whose population is less than 60,000, the business
11 meets at least two of the following requirements:

12 (1) The business will have 15 or more full-time employees
13 on the payroll of the business by the fourth quarter that it is in
14 operation.

15 (2) Establishing the business will require the business to
16 make a capital investment of at least \$250,000 in this State.

17 (3) The average hourly wage that will be paid by the new
18 business to its employees in this State is at least 100 percent of the
19 average statewide hourly wage or the average countywide hourly
20 wage, whichever is less, as established by the Employment Security
21 Division of the Department of Employment, Training and
22 Rehabilitation on July 1 of each fiscal year and:

23 (I) The business will provide a health insurance plan for
24 all employees that includes an option for health insurance coverage
25 for dependents of the employees; and

26 (II) The cost to the business for the benefits the business
27 provides to its employees in this State will meet the minimum
28 requirements for benefits established by the Commission by
29 regulation pursuant to subsection 9.

30 (f) If the business is an existing business, the business meets at
31 least two of the following requirements:

32 (1) The business will increase the number of employees on
33 its payroll by 10 percent more than it employed in the immediately
34 preceding fiscal year or by six employees, whichever is greater.

35 (2) The business will expand by making a capital investment
36 in this State in an amount equal to at least 20 percent of the value of
37 the tangible property possessed by the business in the immediately
38 preceding fiscal year. The determination of the value of the tangible
39 property possessed by the business in the immediately preceding
40 fiscal year must be made by the:

41 (I) County assessor of the county in which the business
42 will expand, if the business is locally assessed; or

43 (II) Department, if the business is centrally assessed.

44 (3) The average hourly wage that will be paid by the existing
45 business to its new employees in this State is at least the amount of



1 the average hourly wage required to be paid by businesses pursuant
2 to subparagraph (2) of either paragraph (a) or (b) of subsection 2 of
3 NRS 361.0687, whichever is applicable, and:

4 (I) The business will provide a health insurance plan for
5 all new employees that includes an option for health insurance
6 coverage for dependents of the employees; and

7 (II) The cost to the business for the benefits the business
8 provides to its new employees in this State will meet the minimum
9 requirements for benefits established by the Commission by
10 regulation pursuant to subsection 9.

11 (g) In lieu of meeting the requirements of paragraph (d), (e) or
12 (f), if the business furthers the development and refinement of
13 intellectual property, a patent or a copyright into a commercial
14 product, the business meets at least two of the following
15 requirements:

16 (1) The business will have 10 or more full-time employees
17 on the payroll of the business by the fourth quarter that it is in
18 operation.

19 (2) Establishing the business will require the business to
20 make a capital investment of at least \$500,000 in this State.

21 (3) The average hourly wage that will be paid by the new
22 business to its employees in this State is at least the amount of the
23 average hourly wage required to be paid by businesses pursuant to
24 subparagraph (2) of either paragraph (a) or (b) of subsection 2 of
25 NRS 361.0687, whichever is applicable, and:

26 (I) The business will provide a health insurance plan for
27 all employees that includes an option for health insurance coverage
28 for dependents of the employees; and

29 (II) The cost to the business for the benefits the business
30 provides to its employees in this State will meet with minimum
31 requirements established by the Commission by regulation pursuant
32 to subsection 9.

33 3. Notwithstanding the provisions of subsection 2, the
34 Commission on Economic Development:

35 (a) Shall not consider an application for a partial abatement
36 unless the Commission has requested a letter of acknowledgment of
37 the request for the abatement from any affected county, school
38 district, city or town.

39 (b) May, if the Commission determines that such action is
40 necessary:

41 (1) Approve an application for a partial abatement by a
42 business that does not meet the requirements set forth in paragraph
43 (d), (e), (f) or (g) of subsection 2;

44 (2) Make the requirements set forth in paragraph (d), (e), (f)
45 or (g) of subsection 2 more stringent; or



1 (3) Add additional requirements that a business must meet to
2 qualify for a partial abatement.

3 4. If a person submits an application to the Commission on
4 Economic Development pursuant to subsection 1, the Commission
5 shall provide notice to the governing body of the county, the board
6 of trustees of the school district and the governing body of the city
7 or town, if any, in which the person intends to locate or expand a
8 business. The notice required pursuant to this subsection must set
9 forth the date, time and location of the hearing at which the
10 Commission will consider the application.

11 5. If the Commission on Economic Development approves an
12 application for a partial abatement, the Commission shall
13 immediately forward a certificate of eligibility for the abatement to:

14 (a) The Department;

15 (b) The Nevada Tax Commission; ~~and~~

16 (c) If the partial abatement is from the property tax imposed
17 pursuant to chapter 361 of NRS, the county treasurer ~~and~~; and

18 *(d) If the abatement is related to renewable energy, including,*
19 *without limitation, an abatement described in NRS 701A.220 or*
20 *701A.230, the Office of Energy within the Office of the Governor.*

21 6. An applicant for a partial abatement pursuant to this section
22 or an existing business whose partial abatement is in effect shall,
23 upon the request of the Executive Director of the Commission on
24 Economic Development, furnish the Executive Director with copies
25 of all records necessary to verify that the applicant meets the
26 requirements of subsection 2.

27 7. If a business whose partial abatement has been approved
28 pursuant to this section and is in effect ceases:

29 (a) To meet the requirements set forth in subsection 2; or

30 (b) Operation before the time specified in the agreement
31 described in paragraph (b) of subsection 2,

32 ➤ the business shall repay to the Department or, if the partial
33 abatement was from the property tax imposed pursuant to chapter
34 361 of NRS, to the county treasurer, the amount of the exemption
35 that was allowed pursuant to this section before the failure of the
36 business to comply unless the Nevada Tax Commission determines
37 that the business has substantially complied with the requirements of
38 this section. Except as otherwise provided in NRS 360.232 and
39 360.320, the business shall, in addition to the amount of the
40 exemption required to be paid pursuant to this subsection, pay
41 interest on the amount due at the rate most recently established
42 pursuant to NRS 99.040 for each month, or portion thereof, from the
43 last day of the month following the period for which the payment
44 would have been made had the partial abatement not been approved
45 until the date of payment of the tax.



1 8. A county treasurer:

2 (a) Shall deposit any money that he receives pursuant to
3 subsection 7 in one or more of the funds established by a local
4 government of the county pursuant to NRS 354.6113 or 354.6115;
5 and

6 (b) May use the money deposited pursuant to paragraph (a) only
7 for the purposes authorized by NRS 354.6113 and 354.6115.

8 9. The Commission on Economic Development:

9 (a) Shall adopt regulations relating to:

10 (1) The minimum level of benefits that a business must
11 provide to its employees if the business is going to use benefits paid
12 to employees as a basis to qualify for a partial abatement; ~~and~~

13 (2) *The duration and percentage of the abatements of taxes*
14 *approved pursuant to NRS 701A.220, which must include, without*
15 *limitation, provisions specifying that the determination of the*
16 *duration and percentage of the abatement must be based in part*
17 *on the anticipated beneficial economic effect to the State of the*
18 *business, including, without limitation, the projected long-term job*
19 *opportunities created by the business, the amount of components*
20 *and equipment purchased by the business in this State, whether*
21 *the business causes a manufacturer of renewable energy*
22 *components to locate in Nevada and whether the energy generated*
23 *by the business is used in Nevada; and*

24 (3) The notice that must be provided pursuant to
25 subsection 4.

26 (b) May adopt such other regulations as the Commission on
27 Economic Development determines to be necessary to carry out the
28 provisions of this section and NRS 360.755.

29 10. The Nevada Tax Commission:

30 (a) Shall adopt regulations regarding:

31 (1) The capital investment that a new business must make to
32 meet the requirement set forth in paragraph (d), (e) or (g) of
33 subsection 2; and

34 (2) Any security that a business is required to post to qualify
35 for a partial abatement pursuant to this section.

36 (b) May adopt such other regulations as the Nevada Tax
37 Commission determines to be necessary to carry out the provisions
38 of this section and NRS 360.755.

39 11. An applicant for an abatement who is aggrieved by a final
40 decision of the Commission on Economic Development may
41 petition for judicial review in the manner provided in chapter 233B
42 of NRS.

43 *12. As used in this section:*

44 (a) *“Local sales and use taxes” means any taxes imposed on*
45 *the gross receipts of any retailer from the sale of tangible personal*



1 *property sold at retail, or stored, used or otherwise consumed, in*
2 *any political subdivision of this State, except the taxes imposed by*
3 *NRS 374.110 or 374.190 or the Sales and Use Tax Act.*

4 (b) *“Taxes imposed for public education” means:*

5 (1) *Any ad valorem tax authorized or required by chapter*
6 *387 of NRS;*

7 (2) *Any ad valorem tax authorized or required by chapter*
8 *350 of NRS for obligations of a school district, including, without*
9 *limitation, any ad valorem tax necessary to carry out the*
10 *provisions of subsection 5 of NRS 350.020; and*

11 (3) *Any other ad valorem tax for which the proceeds*
12 *thereof are dedicated to the public education of pupils in*
13 *kindergarten through grade 12.*

14 **Sec. 16.** NRS 360.755 is hereby amended to read as follows:

15 360.755 1. If the Commission on Economic Development
16 approves an application by a business for a partial abatement
17 pursuant to NRS 360.750, the agreement with the Commission must
18 provide that the business:

19 (a) Agrees to allow the Department to conduct audits of the
20 business to determine whether the business is in compliance with
21 the requirements for the partial abatement; ~~and~~

22 (b) *Agrees to file with the Department on an annual basis,*
23 *under penalty of perjury, a statement certifying that the business is*
24 *in compliance with the requirements for the partial abatement;*
25 *and*

26 (c) Consents to the disclosure of the audit reports in the manner
27 set forth in this section.

28 2. If the Department conducts an audit of the business to
29 determine whether the business is in compliance with the
30 requirements for the partial abatement, the Department shall, upon
31 request, provide the audit report to the Commission on Economic
32 Development.

33 3. Until the business has exhausted all appeals to the
34 Department and the Nevada Tax Commission relating to the audit,
35 the information contained in the audit report provided to the
36 Commission on Economic Development:

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

38 (b) Is not a public record; and

39 (c) Must not be disclosed to any person who is not an officer or
40 employee of the Commission on Economic Development unless the
41 business consents to the disclosure.

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

44 (a) The audit report provided to the Commission on Economic
45 Development is a public record; and



1 (b) Upon request by any person, the Executive Director of the
2 Commission on Economic Development shall disclose the audit
3 report to the person who made the request, except for any
4 information in the audit report that is protected from disclosure
5 pursuant to subsection 5.

6 5. Before the Executive Director of the Commission on
7 Economic Development discloses the audit report to the public, the
8 business may submit a request to the Executive Director to protect
9 from disclosure any information in the audit report which, under
10 generally accepted business practices, would be considered a trade
11 secret or other confidential proprietary information of the business.
12 After consulting with the business, the Executive Director shall
13 determine whether to protect the information from disclosure. The
14 decision of the Executive Director is final and is not subject to
15 judicial review. If the Executive Director determines to protect the
16 information from disclosure, the protected information:

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

18 (b) Is not a public record;

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

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

24 **Sec. 17.** NRS 361.0687 is hereby amended to read as follows:

25 361.0687 1. A person who intends to locate or expand a
26 business in this State may, pursuant to NRS 360.750, apply to the
27 Commission on Economic Development for a partial abatement
28 from the taxes imposed by this chapter.

29 2. For a business to qualify pursuant to NRS 360.750 for a
30 partial abatement from the taxes imposed by this chapter, the
31 Commission on Economic Development must determine that, in
32 addition to meeting the other requirements set forth in subsection 2
33 of that section:

34 (a) If the business is a new business in a county whose
35 population is 100,000 or more or a city whose population is 60,000
36 or more:

37 (1) The business will make a capital investment in the county
38 of at least \$50,000,000 if the business is an industrial or
39 manufacturing business or at least \$5,000,000 if the business is not
40 an industrial or manufacturing business; and

41 (2) The average hourly wage that will be paid by the new
42 business to its employees in this State is at least 100 percent of the
43 average statewide hourly wage as established by the Employment
44 Security Division of the Department of Employment, Training and
45 Rehabilitation on July 1 of each fiscal year.



1 (b) If the business is a new business in a county whose
2 population is less than 100,000 or a city whose population is less
3 than 60,000:

4 (1) The business will make a capital investment in the county
5 of at least \$5,000,000 if the business is an industrial or
6 manufacturing business or at least \$500,000 if the business is not an
7 industrial or manufacturing business; and

8 (2) The average hourly wage that will be paid by the new
9 business to its employees in this State is at least 100 percent of the
10 average statewide hourly wage or the average countywide hourly
11 wage, whichever is less, as established by the Employment Security
12 Division of the Department of Employment, Training and
13 Rehabilitation on July 1 of each fiscal year.

14 3. Except as otherwise provided in NRS 701A.210 ~~and~~ *and*
15 *701A.220*, if a partial abatement from the taxes imposed by this
16 chapter is approved by the Commission on Economic Development
17 pursuant to NRS 360.750:

18 (a) The partial abatement must:

19 (1) Be for a duration of at least 1 year but not more than 10
20 years;

21 (2) Not exceed 50 percent of the taxes on personal property
22 payable by a business each year pursuant to this chapter; and

23 (3) Be administered and carried out in the manner set forth in
24 NRS 360.750.

25 (b) The Executive Director of the Commission on Economic
26 Development shall notify the county assessor of the county in which
27 the business is located of the approval of the partial abatement,
28 including, without limitation, the duration and percentage of the
29 partial abatement that the Commission granted. The Executive
30 Director shall, on or before April 15 of each year, advise the county
31 assessor of each county in which a business qualifies for a partial
32 abatement during the current fiscal year as to whether the business is
33 still eligible for the partial abatement in the next succeeding fiscal
34 year.

35 *4. As used in this section, "industrial or manufacturing*
36 *business" does not include a facility for the generation of*
37 *electricity from renewable energy.*

38 **Sec. 18.** Chapter 482 of NRS is hereby amended by adding
39 thereto a new section to read as follows:

40 *Every vehicle dealer licensed in this State shall ensure that,*
41 *beginning with the 2012 model year and continuing with*
42 *subsequent model years, each new vehicle he offers for sale is*
43 *accompanied by a prominent disclosure setting forth the estimated*
44 *amount of carbon dioxide that the vehicle emits, unless the*



1 *information concerning the emissions for that vehicle is*
2 *unavailable.*

3 **Sec. 19.** NRS 482.36414 is hereby amended to read as
4 follows:

5 482.36414 A person who assumes operation of a franchise
6 pursuant to NRS 482.36396 to 482.36414, inclusive, must be
7 licensed as a dealer pursuant to the provisions of NRS 482.318 to
8 482.363, inclusive ~~H~~, *and section 18 of this act.*

9 **Sec. 20.** Section 2.320 of the Charter of the City of Henderson,
10 being chapter 266, Statutes of Nevada 1971, as last amended by
11 chapter 48, Statutes of Nevada 1997, at page 89, is hereby amended
12 to read as follows:

13 Sec. 2.320 Sale, lease, exchange of real property owned
14 by the City: Procedure; disposition of proceeds.

15 1. Subject to the provisions of this section, the City may
16 sell, lease or exchange real property in Clark County, Nevada,
17 acquired by the City pursuant to federal law from the United
18 States of America.

19 2. Except as otherwise provided in subsection 3:

20 (a) The City may sell, lease or exchange real property
21 only by resolution. Following the adoption of a resolution to
22 sell, lease or exchange, the City Council shall cause a notice
23 of its intention to sell, lease or exchange the real property to
24 be published once in a newspaper qualified pursuant to the
25 provisions of chapter 238 of NRS and published in the City.
26 The notice must be published at least 30 days before the date
27 set by the City Council for the sale, lease or exchange, and
28 must state:

29 (1) The date, time and place of the proposed sale, lease
30 or exchange.

31 (2) The place where and the time within which
32 applications and deposits may be made by prospective
33 purchasers or lessees.

34 (3) Such other information as the City Council desires.

35 (b) Applications or offers to purchase, lease or exchange
36 pursuant to the notice required in paragraph (a) must be in
37 writing, must not be accepted by the City Council for
38 consideration before the date of publication of the notice and
39 must be accompanied by a deposit of not less than 1 percent
40 of the total offer to purchase. If a lease, sale or exchange is
41 not consummated because:

42 (1) The City refuses or is unable to consummate the
43 lease, sale or exchange, the deposit must be refunded.

44 (2) The person who made the application or offer to
45 lease, buy or exchange refuses or is unable to consummate



1 the lease, sale or exchange, the City shall retain an amount of
2 the deposit that does not exceed 5 percent of the total offer to
3 purchase.

4 3. The City Council may waive the requirements of
5 subsection 2 for any lease of residential property that is for a
6 term of 1 year or less.

7 4. The City Council shall not make a lease for a term of
8 3 years or longer or enter into a contract for the sale or
9 exchange of real property until after the property has been
10 appraised by one disinterested appraiser employed by the City
11 Council. Except as otherwise provided in subsections 7 and 8,
12 it must be the policy of the City Council to require that all
13 such sales, leases or exchanges be made at or above the
14 current appraised value as determined by the appraiser unless
15 the City Council, in a public hearing held before the adoption
16 of the resolution to sell, lease or exchange the property,
17 determines by affirmative vote of not fewer than two-thirds of
18 the entire City Council based upon specified findings of fact
19 that a lesser value would be in the best interest of the public.
20 For the purposes of this subsection, an appraisal is not
21 considered current if it is more than 3 years old.

22 5. It must be the policy of the City Council to sell, lease
23 and exchange real property in a manner that will result in the
24 maximum benefit accruing to the City from the sales, leases
25 and exchanges. The City Council may attach any condition to
26 the sale, lease or exchange as appears to the City Council to
27 be in the best interests of the City.

28 6. The City Council may sell unimproved real property
29 owned by the City on a time payment basis. The down
30 payment must be in an amount determined by the City
31 Council, and the interest rate must be in an amount
32 determined by the City Council, but must not be less than 6
33 percent per annum on the declining balance.

34 7. Notwithstanding the provisions of subsection 4, the
35 City Council may dispose of any real property belonging to
36 the City to the United States of America, the State of Nevada,
37 Clark County, any other political subdivision of the State, or
38 any quasi-public or nonprofit entity for a nominal
39 consideration whenever the public interest requires such a
40 disposition. In any such case, the consideration paid must
41 equal the cost of the acquisition to the City.

42 8. The City Council may sell, lease or exchange real
43 property for less than its appraised value to any person who
44 maintains or intends to maintain a business within the
45 boundaries of the City which is eligible *for an abatement*



1 *from local sales and use taxes* pursuant to ~~[NRS 374.357 for~~
2 ~~an abatement from the sales and use taxes imposed pursuant~~
3 ~~to chapter 374 of NRS.]~~ *section 13 of this act. As used in this*
4 *subsection, “local sales and use taxes” has the meaning*
5 *ascribed to it in NRS 360.750.*

6 9. Proceeds from all sales and exchanges of real property
7 owned by the City, after deduction of the cost of the real
8 property, reasonable costs of publication, title insurance,
9 escrow and normal costs of sale, must be placed in the Land
10 Fund previously created by the City in the City Treasury and
11 hereby continued. Except as otherwise provided in subsection
12 10, money in the Land Fund may be expended only for:

13 (a) Acquisition of assets of a long-term character which
14 are intended to continue to be held or used, such as land,
15 buildings, machinery, furniture, computer software and other
16 equipment.

17 (b) Capital improvements of improvements thereon.

18 (c) Expenses incurred in the preparation of a long-term
19 comprehensive master planning study and any expenses
20 incurred in the master planning of the City.

21 (d) All costs, including salaries, for administration of the
22 Land Fund, and the land within the City.

23 (e) Expenses incurred in making major improvements and
24 repairs to the water, sewer and street systems as differentiated
25 from normal maintenance costs.

26 ↪ Money received from leases of real property owned by the
27 City must be placed in the Land Fund if the term of lease is
28 20 years or longer, whether the 20 years is for an initial term
29 of lease or for an initial term and an option for renewal.
30 Money received by the City from all other leases and interest
31 on time payment sales of real property owned by the City
32 must be apportioned in the ratio of 20 percent to current
33 operational expenses of the City, 20 percent to the Land
34 Fund, and 60 percent divided between the Land Fund and
35 current operational expenses as determined by the Council.

36 10. If available, money in the Land Fund may be
37 borrowed by the City pursuant to the provisions of NRS
38 354.430 to 354.460, inclusive.

39 **Sec. 21.** Section 17 of chapter 539, Statutes of Nevada 2007,
40 at page 3389, is hereby amended to read as follows:

41 Sec. 17. 1. This section and sections 1, 4 to 8,
42 inclusive, and 10 to 16, inclusive, of this act become effective
43 upon passage and approval.

44 2. Sections 2 and 3 of this act become effective:



* S B 3 9 5 R 1 *

1 (a) Upon passage and approval for the purpose of
2 adopting regulations and performing any other preparatory
3 administrative tasks that are necessary to carry out the
4 provisions of this act; and

5 (b) On July 1, 2007, for all other purposes.

6 3. Sections ~~5, 7,~~ 8 and 11 of this act expire by
7 limitation on June 30, 2009.

8 4. Section 9 of this act becomes effective on July 1,
9 2009.

10 **Sec. 22.** NRS 374.357 is hereby repealed.

11 **Sec. 22.5.** 1. There is hereby appropriated from the State
12 General Fund the sum of \$25,000 to the Interim Finance Committee
13 for allocation during the Fiscal Year 2009-2010 to the Office of
14 Energy to cover the costs of adopting the regulations required
15 pursuant to chapter 701 of NRS. Money appropriated pursuant to
16 this section may only be allocated by the Interim Finance
17 Committee upon demonstrated need by the Office of Energy and
18 approved by the State Board of Examiners.

19 2. Any remaining balance of the appropriation made by
20 subsection 1 must not be allocated by the Interim Finance
21 Committee after June 30, 2010, and must be reverted to the State
22 General Fund on or before September 17, 2010. Any remaining
23 balance of the money allocated to the Office of Energy pursuant to
24 subsection 1 must not be committed for expenditure after June 30,
25 2010, must not be spent for any purpose after September 17, 2010,
26 and must be reverted to the State General Fund on or before
27 September 17, 2010.

28 **Sec. 23.** The provisions of sections 1, 2, 7, 13 to 17, inclusive,
29 20 and 22 of this act do not apply to or affect the terms of any
30 abatement of taxes approved by the Commission on Economic
31 Development before July 1, 2009.

32 **Sec. 24.** As soon as practicable after July 1, 2009, the
33 Governor shall appoint to the Commission on Economic
34 Development any new members required to be appointed to the
35 Commission pursuant to NRS 231.040, as amended by section 6 of
36 this act.

37 **Sec. 25.** 1. This section and section 21 of this act become
38 effective upon passage and approval.

39 2. Sections 1 to 20, inclusive, and 22 to 24, inclusive, of this
40 act become effective on July 1, 2009.



TEXT OF REPEALED SECTION

374.357 Abatement for eligible machinery or equipment used by certain new or expanded businesses. [Effective July 1, 2009.]

1. A person who maintains a business or intends to locate a business in this State may, pursuant to NRS 360.750, apply to the Commission on Economic Development for an abatement from the taxes imposed by this chapter on the gross receipts from the sale, and the storage, use or other consumption, of eligible machinery or equipment for use by a business which has been approved for an abatement pursuant to NRS 360.750.

2. If an application for an abatement is approved pursuant to NRS 360.750:

(a) The taxpayer is eligible for an abatement from the tax imposed by this chapter for not more than 2 years.

(b) The abatement must be administered and carried out in the manner set forth in NRS 360.750.

3. As used in this section, unless the context otherwise requires, "eligible machinery or equipment" means machinery or equipment for which a deduction is authorized pursuant to 26 U.S.C. § 179. The term does not include:

- (a) Buildings or the structural components of buildings;
- (b) Equipment used by a public utility;
- (c) Equipment used for medical treatment;
- (d) Machinery or equipment used in mining; or
- (e) Machinery or equipment used in gaming.

