

**ADOPTED REGULATION OF THE
DIRECTOR OF THE OFFICE OF ENERGY**

LCB File No. R064-13

Effective December 23, 2013

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

AUTHORITY: §§1 and 2, NRS 701A.365 and 701A.390, as amended by section 7 of Assembly Bill No. 239, chapter 504, Statutes of Nevada 2013, at page 3206.

A REGULATION relating to energy-related tax incentives; providing for the assessment and collection of certain fees; and providing other matters properly relating thereto.

Section 1. Chapter 701A of NAC is hereby amended by adding thereto a new section to read as follows:

1. An applicant shall pay to the Director the following fees:

(a) For the review and approval of an application submitted pursuant to NRS 701A.360, \$7,500. An applicant shall pay the fee concurrently with the submission of his or her application. The Director will not approve an application for which the fee has not been timely paid pursuant to this paragraph.

(b) For the review and approval of an annual compliance report submitted pursuant to section 29 of LCB File No. R094-10, \$250. An applicant shall pay the fee concurrently with the submission of his or her annual compliance report. The Director will deem incomplete pursuant to subsection 3 of section 29 of LCB File No. R094-10 an annual compliance report for which the fee has not been timely paid pursuant to this paragraph.

(c) In addition to any other fee required by this subsection, if the review and approval of an application submitted pursuant to NRS 701A.360 or an annual compliance report submitted

pursuant to section 29 of LCB File No. R094-10 requires an on-site inspection, \$500 per inspection.

2. The Director will review each fee prescribed by subsection 1 on or before December 31 of each even-numbered year to ensure that the amount of the fee reflects the actual cost to the Office of Energy in carrying out the duties described in subsection 1.

3. The fees collected pursuant to subsection 1 must be deposited by the Director into an interest-bearing account. The money deposited pursuant to this subsection and any interest earned on such money must be used only to pay the costs incurred by the Office of Energy in carrying out the duties described in subsection 1.

Sec. 2. Section 2 of LCB File No. R094-10 is hereby amended to read as follows:

Sec. 2. As used in sections 2 to 36, inclusive, of this regulation, *and section 1 of LCB File No. R064-13*, the words and terms defined in NRS 701A.300 to 701A.345, inclusive, and sections 3 to 13, inclusive, of this regulation have the meanings ascribed to them in those sections.

**LEGISLATIVE REVIEW OF ADOPTED REGULATIONS AS REQUIRED BY
NRS 233B.066
LCB FILE R064-13**

INFORMATIONAL STATEMENT

The following statement is submitted for adopted amendments to Nevada Administrative code (NAC) Chapter 701.

1. The proposed amended regulation is intended to implement the requirement of a fee, established under NRS 701a.390, to approve applications and review annual compliance filings for partial abatement of the local sales and use taxes or the taxes imposed pursuant to chapter 361 of NRS, or both local sales and use taxes and taxes imposed pursuant to chapter 361 of NRS.
2. Copies of the proposed regulation, the notice of workshop and notice of intent to act upon the regulation were sent by email to persons who were known to have an interest in the subject of renewable energy tax abatements as well as any person who had specifically requested such notice. These documents were also made available at the website of the Governor's Office of Energy (GOE), www.energy.nv.gov, the website of the Nevada Legislature at <http://leg.state.nv.us/App/Notice/A/>, faxed or emailed to all county libraries in Nevada and posted at the following locations:

Governor's Office of Energy
755 N Roop St., Suite 202
Carson City, Nevada 89701

Grant Sawyer Building
555 E Washington Ave
Las Vegas, Nevada 89101

Nevada State Library and Archives
100 North Stewart Street
Carson City, Nevada 89701

Nevada State Capitol
101 N Carson Street
Carson City, Nevada 89701

Carson City Library
900 North Roop Street
Carson City, Nevada 89701

A workshop was held on October 24, 2013, and the minutes of that workshop are attached hereto. No oral comments were made and no written comments were received at the workshop or after.

Thereafter, on October 24, 2013, the Director issued a Notice of Hearing and Notice of Intent to Act Upon a Permanent Regulation. The hearing was held in Carson City, at the Office of Energy with teleconference to the Grant Sawyer Building in Las Vegas, on November 25, 2013.

A copy of the minutes which provide comments made at each hearing can be found under the Laws, Regulations and Rulemaking at the link provided above. A recording of the workshop is also provided for review at the GOE.

3. The number of persons who:
 - a. **Attended each hearing:** October 24, 2013 - 5 (4 in Carson City; 1 in Las Vegas); November 25, 2013 - 4 (4 in Carson City; 0 in Las Vegas)
 - b. **Testified at each hearing:** October 24, 2013 - 0; November 25, 2013 - 0
 - c. **Submitted to the agency written comments:** No written comments were submitted to the Governor's Office of Energy.

4. The contact information for the persons who testified at each hearing and submitted comments to the Governor's Office of Energy are:

N/A

5. Comments were solicited from affected organizations in the same manner as they were solicited from the public. The NSOE also collaborated with attorneys from Nevada that have worked with or will work with applicants to determine if the new proposed fee would affect them, to address their concerns, and to advise them about the process of payment and encourage them to attend and/or provide written comments to the Director.

6. The permanent regulation was adopted on November 25, 2013. The regulation was adopted without changing any part of proposed regulation because there was no public comment received.

7. The estimated economic effect of the adopted regulation on the businesses which it is to regulate and on the public:
 - (a) Both adverse and beneficial effects on businesses and the public:

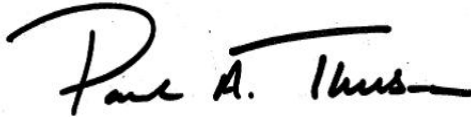
The regulation will impose a fee upon the business which it is to regulate. The beneficial effect is that the fee allows the Governor's Office of Energy to continue to administer the Renewable Energy Tax Abatement Program.
 - (b) Both immediate and long-term effects on businesses and the public:

The immediate effect is the ability to receive and process an application for partial tax abatement. The long term effects are thereby expanding renewable energy in the state of Nevada and creating construction jobs for Nevada workers.

8. The changes proposed by the Governor's Office of Energy should not incur any new costs for the enforcement of the proposed regulation.

9. The proposed regulation does not overlap or duplicate any existing state or federal regulation.

10. The proposed regulation does not include provisions that are more stringent than a federal regulation that regulates the same activity.
11. The regulation establishes the amount of a new fee pursuant to NRS 701a. 390. The fee was determined using an estimate of hours spent to administer one application to the Renewable Energy Tax Abatement program and subsequent annual compliance report filings.
12. The Director has determined that the proposed regulation is not likely to impose a direct or significant economic burden on a small business. The applicants that apply for a partial abatement of taxes are investing a minimum of \$3,000,000. A small business impact study was not conducted because the fee charged by the agency will not place a significant economic burden on those businesses.

A handwritten signature in black ink that reads "Paul A. Thomsen". The signature is written in a cursive style with a long horizontal line extending from the end of the name.

Paul Thomsen, Director
Governor's Office of Energy

November 26, 2013
Date