

**PROPOSED REGULATION OF THE
NEVADA GOVERNOR’S OFFICE OF ENERGY**

LCB File No. R022-17

Regulation on Renewable Energy Tax Abatement program

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

AUTHORITY: §§1-;

Section 1. Chapter 701A of NAC is hereby amended by adding thereto the provisions set forth as sections 2 to 5, inclusive, of this regulation.

Sec. 2 . *The money in the Account may be used for purposes which satisfy the initiatives and Performance Measures established by the Office of Energy, the Legislature, or the Governor.*

Sec. 3. NAC 701A.575 is hereby amended to read as follows:

The Director will issue a final decision denying an application for a partial abatement of property taxes imposed pursuant to chapter 361 *upon receipt of relevant written information from the board of county commissioners, received pursuant to NRS 701A.365(2), justifying a determination pursuant to NRS 701A.365 (2) (b) (1) or (2).* ~~[unless the Director receives written notice of approval of the application from the board of county commissioners of each county in which the facility is located or the application is deemed approved.]~~

Sec. 4. NAC 701A.590 is hereby amended to read as follows:

1. In determining whether an applicant has established that he or she has made the capital investment required by subparagraph (2) of paragraph (d) of subsection 1 of NRS 701A.365 or subparagraph (2) of paragraph (e) of subsection 1 of NRS 701A.365, the Director will consider:
 - a) A capital investment to be any expenditure for an asset that qualifies as “section 1245 property,” as that term is defined in 26 U.S.C. § 1245, if the asset will be associated with and an integral part of the facility; and
 - b) The amount paid for such an asset, including any capitalized interest, to be the amount of the capital investment for that asset. Any finance charge, tax or interest

paid for the asset must not be included in the determination of the amount of the capital investment for that asset.

2. In determining whether an applicant has satisfied the requirements of subparagraph (1) of paragraph (d) of subsection 1 of NRS 701A.365 or subparagraph (1) of paragraph (e) of subsection 1 of NRS 701A.365, the Director will consider an employee:

- a) To be a full-time employee working on construction of the facility if the applicant establishes that the employee works or was regularly scheduled to work 40 or more hours per week engaged in activity that furthers construction of the facility.
- b) To be a resident of Nevada if the applicant establishes that the employee possesses a current and valid Nevada driver's license or a current and valid identification card issued by the Department of Motor Vehicles.

3. In determining whether an applicant has satisfied the average hourly wage requirements of subparagraph (3) of paragraph (d) of subsection 1 of NRS 701A.365 or subparagraph (3) of paragraph (e) of subsection 1 of NRS 701A.365, the Director will consider a person to be an employee of the facility if the applicant establishes that the person works on the site of the facility and is engaged in work that furthers the maintenance or operation of the facility. The Director will consider an applicant to have satisfied those average hourly wage requirements if the applicant establishes that the average hourly wage paid to employees engaged in the maintenance and operation of the facility meets or exceeds 110 percent of the average statewide hourly wage, excluding management and administrative employees, as established by the Employment Security Division of the Department of Employment, Training and Rehabilitation as determined on a monthly basis and calculated as the total wages paid to all employees who performed maintenance and operation work on the facility for that month divided by the total number of hours worked by all employees who performed maintenance or operation work on the facility for that month, excluding management and administrative employees.

4. Except as otherwise provided in subsection 6 of NRS 701A.365, the Director will consider an applicant to have satisfied the average hourly wage requirements of subparagraph (4) of paragraph (d) of subsection 1 of NRS 701A.365 or subparagraph (4) of paragraph (e) of subsection 1 of NRS 701A.365 if the applicant establishes that the average hourly wage paid to employees engaged in the construction of a project meets or exceeds 175 percent of the

average statewide hourly wage, excluding management and administrative employees, as established by the Employment Security Division of the Department of Employment, Training and Rehabilitation based on reports submitted on a weekly basis and calculated during the construction period as the total wages paid to all employees who performed construction work on the project during the course of the construction period.

5. To establish that an applicant has satisfied the requirements of sub-subparagraph (II) of subparagraph (4) of paragraph (d) of subsection 1 of NRS 701A.365 or sub-subparagraph (II) of subparagraph (4) of paragraph (e) of subsection 1 of NRS 701A.365, the applicant must establish through certification by a third party provider of insurance, or through other documentation which is approved by the Director, that the health insurance plan for an employee and the employee's dependents during the construction of the project includes, without limitation:

- a. Emergency care;
- b. Inpatient and outpatient hospital services;
- c. Physicians' services;
- d. Outpatient medical services;
- e. Laboratory services;
- f. Diagnostic testing services; and
- g. Except as otherwise provided in this paragraph, for an in-network provider, a minimum employer contribution of at least 80 percent of medical expenses after the employee's deductible limit is met. The Director may approve a minimum employer contribution of less than 80 percent if an employer submits a written request stating reasonable grounds for such an exception.

6. An applicant may satisfy the average hourly wage requirements in subsection 3 ~~for 4~~ if the applicant's employees are paid:

- a) The **most recent wage currently posted by the Department of Employment Training and Rehabilitation** ~~correct adjusted wage commencing on August 1 of each year~~; and
- b) If the wage has been adjusted higher, an amount equivalent between the wage the employee was actually paid and the adjusted wage for all hours worked from July

1 through July 31. A payment made under this paragraph must be made not later than 30 days after publication of the average statewide hourly wage by the Employment Security Division of the Department of Employment, Training and Rehabilitation.

As used in this section, “provider of insurance” has the meaning ascribed to it in NRS 679A.118.

Sec. 5. NAC 701A.620 is hereby amended to read as follows:

1. Each applicant who executes an abatement agreement with the Director shall file an annual compliance report with the Director on the form prescribed by the Director. The applicant shall file the annual compliance report on or before the anniversary date of the abatement agreement. ***The Director may grant a 30-day extension to submit the annual compliance report upon request.*** The annual compliance report must include all information and documentation required by the Director.

2. The Director will review each annual compliance report as soon as practicable after receipt of the annual compliance report from the applicant. An annual compliance report which is incomplete will be rejected and shall be deemed not to have been filed. If the Director determines that additional information is required to determine whether the applicant is in compliance with the terms of the abatement agreement, the Director may request additional information from the applicant.

3. If the Director determines that the annual compliance report and any additional information requested by the Director establish that the applicant is in compliance with the terms of the abatement agreement, the Director will notify the applicant of the determination in writing and provide a copy of the notice to:

- a) The Department of Taxation;
- b) The board of county commissioners of each county in which the project or facility is located;
- c) The county assessor of each county in which the project or facility is located; and
- d) The county treasurer of each county in which the project or facility is located.