

Senate Bill No. 73–Committee on Energy,
Infrastructure and Transportation

CHAPTER.....

AN ACT relating to energy; revising the role of local governing bodies in enforcing standards for conservation of energy and energy efficiency; revising provisions relating to the use of electric resistance for heating spaces; requiring that applications for a partial abatement of certain property taxes be filed with various offices; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Section 1 of this bill requires local governing bodies that may adopt their own building codes to incorporate the standards for conservation of energy and energy efficiency adopted by the Director of the Office of Energy into their building codes, or to incorporate stricter standards, and then to enforce such standards. **Section 2** of this bill: (1) revises the circumstances under which it is permissible to use electric resistance for the heating of spaces; and (2) requires the owner of a building seeking to use electric resistance for the heating of spaces to apply for permission from the local governing body. **Section 3** of this bill removes the requirement that the Office of Energy provide copies of an application for a partial abatement of taxes for the use of green building standards to certain other offices and instead requires the applicant to file copies of his application with those other offices. **Section 3** also adds the board of county commissioners and, if the property is located within the boundaries of a city, the city manager and city council.

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

Section 1. NRS 701.220 is hereby amended to read as follows:
701.220 1. The Director shall adopt regulations for the conservation of energy in buildings, including manufactured homes. Such regulations must include the adoption of the most recent version of the International Energy Conservation Code, issued by the International Code Council, and any amendments to the Code that will not materially lessen the effective energy savings requirements of the Code and are deemed necessary to support effective compliance and enforcement of the Code, and must establish the minimum standards for:

- (a) The construction of floors, walls, ceilings and roofs;
- (b) The equipment and systems for heating, ventilation and air-conditioning;
- (c) Electrical equipment and systems;
- (d) Insulation; and
- (e) Other factors which affect the use of energy in a building.



↳ The regulations must provide for the adoption of the most recent version of the International Energy Conservation Code, and any amendments thereto, every third year.

2. The Director may exempt a building from a standard if he determines that application of the standard to the building would not accomplish the purpose of the regulations.

3. The regulations must authorize allowances in design and construction for sources of renewable energy used to supply all or a part of the energy required in a building.

4. The standards adopted by the Director are the minimum standards for the conservation of energy and energy efficiency ~~[which apply only to areas in which the governing body of the local government has not adopted standards for the conservation of energy and energy efficiency in buildings. Such governing bodies shall assist the Director in the enforcement of the regulations adopted pursuant to this section.]~~ *in buildings in this State. The governing body of a local government that is authorized by law to adopt and enforce a building code:*

(a) Except as otherwise provided in paragraph (b), shall incorporate the standards adopted by the Director in its building code;

(b) May adopt higher or more stringent standards and must report any such higher or more stringent standards, along with supporting documents, to the Director; and

(c) Shall enforce the standards adopted.

5. The Director shall solicit comments regarding the adoption of regulations pursuant to this section from:

- (a) Persons in the business of constructing and selling homes;
- (b) Contractors;
- (c) Public utilities;
- (d) Local building officials; and
- (e) The general public,

↳ before adopting any regulations. The Director must conduct at least three hearings in different locations in the State, after giving 30 days' notice of each hearing, before he may adopt any regulations pursuant to this section.

Sec. 2. NRS 701.230 is hereby amended to read as follows:

701.230 1. In a county whose population is 100,000 or more, a building whose construction, *or retrofit that replaces the heating source of the premises, exclusive of maintenance,* began on or after October 1, 1983, must not contain a system using electric resistance for heating spaces unless:



(a) The system is merely supplementary to another means of heating;

(b) Under the particular circumstances, no other primary means of heating the spaces is ~~{a feasible or economical alternative to heating by}~~ *possible other than* electric resistance; ~~{or}~~

(c) ~~[The Office of Energy determines that the present or future availability of other sources of energy is so limited as to justify the use of such a system.]~~ *The system is a hydronic radiant heating system or a system that uses ground-source heat pumps or water-source heat pumps; or*

(d) *The system using electric resistance for heating spaces uses electricity produced from renewable energy systems that exist on the owner's property, including, without limitation, net metering systems.*

2. *The owner of a property who seeks to use a system using electric resistance for heating spaces must submit an application for an exception pursuant to subsection 1 to the governing body of the applicable local government before beginning construction or retrofitting of the system.*

3. *The governing body of the local government:*

(a) *Shall enforce subsection 1;*

(b) *Shall determine whether the property owner is eligible for an exception pursuant to subsection 1 within 30 days after receiving a complete application from the owner of the property; and*

(c) *Shall forward its decision to the owner of the property and to the Director.*

4. This section does not prohibit the use of incandescent or fluorescent lighting.

5. *As used in this section, "electric resistance" means passing an electric current through a resistance, coil, wire or other obstacle which impedes electricity and causes it to produce heat.*

Sec. 3. NRS 701A.110 is hereby amended to read as follows:

701A.110 1. Except as otherwise provided in this section, the Director shall grant a partial abatement from the portion of the taxes imposed pursuant to chapter 361 of NRS, other than any taxes imposed for public education, on a building or other structure that is determined to meet the equivalent of the silver level or higher by an independent contractor authorized to make that determination in accordance with the Green Building Rating System adopted by the Director pursuant to NRS 701A.100, if:

(a) No funding is provided by any governmental entity in this State for the acquisition, design or construction of the building or



other structure or for the acquisition of any land therefor. For the purposes of this paragraph:

(1) Private activity bonds must not be considered funding provided by a governmental entity.

(2) The term "private activity bond" has the meaning ascribed to it in 26 U.S.C. § 141.

(b) The owner of the property:

(1) Submits an application for the partial abatement to the Director. If such an application is submitted for a project that has not been completed on the date of that submission and there is a significant change in the scope of the project after that date, the application must be amended to include the change or changes.

(2) Except as otherwise provided in this subparagraph, provides to the Director, within 48 months after applying for the partial abatement, proof that the building or other structure meets the equivalent of the silver level or higher, as determined by an independent contractor authorized to make that determination in accordance with the Green Building Rating System adopted by the Director pursuant to NRS 701A.100. The Director may, for good cause shown, extend the period for providing such proof.

(3) Files a copy of each application and amended application submitted to the Director pursuant to subparagraph (1) with the:

(I) Chief of the Budget Division of the Department of Administration;

(II) Department of Taxation;

(III) County assessor;

(IV) County treasurer;

(V) Commission on Economic Development;

(VI) Board of county commissioners; and

(VII) City manager and city council, if any.

2. As soon as practicable after the Director receives ~~f~~:

~~—(a) The application required by subsection 1, the Director shall forward a copy of that application to the:~~

~~—(1) Chief of the Budget Division of the Department of Administration;~~

~~—(2) Department of Taxation;~~

~~—(3) County assessor;~~

~~—(4) County treasurer; and~~

~~—(5) Commission on Economic Development.~~

~~—(b) The] the~~ application and proof required by subsection 1, the Director shall determine whether the building or other structure is



eligible for the abatement and, if so, forward a certificate of eligibility for the abatement to the:

- ~~[(1)]~~ (a) Department of Taxation;
- ~~[(2)]~~ (b) County assessor;
- ~~[(3)]~~ (c) County treasurer; and
- ~~[(4)]~~ (d) Commission on Economic Development.

3. As soon as practicable after receiving a copy of:

(a) An application pursuant to *subparagraph (3) of* paragraph ~~[(a)]~~ (b) of subsection ~~[(2)]~~ 1:

(1) The Chief of the Budget Division shall publish a fiscal note that indicates an estimate of the fiscal impact of the partial abatement on the State; and

(2) The Department of Taxation shall publish a fiscal note that indicates an estimate of the fiscal impact of the partial abatement on each affected local government, and forward a copy of the fiscal note to each affected local government.

(b) A certificate of eligibility pursuant to ~~[(paragraph (b) of)]~~ subsection 2, the Department of Taxation shall forward a copy of the certificate to each affected local government.

4. The partial abatement:

(a) Must be for a duration of not more than 10 years and in an annual amount that equals, for a building or other structure that meets the equivalent of:

(1) The silver level, 25 percent of the portion of the taxes imposed pursuant to chapter 361 of NRS, other than any taxes imposed for public education, that would otherwise be payable for the building or other structure, excluding the associated land;

(2) The gold level, 30 percent of the portion of the taxes imposed pursuant to chapter 361 of NRS, other than any taxes imposed for public education, that would otherwise be payable for the building or other structure, excluding the associated land; or

(3) The platinum level, 35 percent of the portion of the taxes imposed pursuant to chapter 361 of NRS, other than any taxes imposed for public education, that would otherwise be payable for the building or other structure, excluding the associated land.

(b) Does not apply during any period in which the owner of the building or other structure is receiving another abatement or exemption pursuant to this chapter or NRS 361.045 to 361.159, inclusive, from the taxes imposed pursuant to chapter 361 of NRS.

(c) Terminates upon any determination by the Director that the building or other structure has ceased to meet the equivalent of the silver level or higher. The Director shall provide notice and a reasonable opportunity to cure any noncompliance issues before



making a determination that the building or other structure has ceased to meet that standard. The Director shall immediately provide notice of each determination of termination to the:

(1) Department of Taxation, who shall immediately notify each affected local government of the determination;

(2) County assessor;

(3) County treasurer; and

(4) Commission on Economic Development.

5. The Director shall adopt regulations:

(a) Establishing the qualifications and methods to determine eligibility for the abatement;

(b) Prescribing such forms as will ensure that all information and other documentation necessary to make an appropriate determination is filed with the Director; and

(c) Prescribing the criteria for determining when there is a significant change in the scope of a project for the purposes of subparagraph (1) of paragraph (b) of subsection 1,

➤ and the Department of Taxation shall adopt such additional regulations as it determines to be appropriate to carry out the provisions of this section.

6. As used in this section:

(a) "Building or other structure" does not include any building or other structure for which the principal use is as a residential dwelling for not more than four families.

(b) "Director" means the Director of the Office of Energy appointed pursuant to NRS 701.150.

(c) "Taxes imposed for public education" means:

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

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

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

Sec. 4. This act becomes effective upon passage and approval.

