

**LCB File No. R220-05**

**PROPOSED REGULATION OF THE  
COMMISSION ON ECONOMIC DEVELOPMENT**

**NOTICE OF INTENT TO ACT UPON REGULATION**

**Notice of Hearing for the Adoption of Regulations of the  
Nevada Commission on Economic Development**

The Nevada Commission on Economic Development will hold a public hearing at 1:00 p.m., on Wednesday, June 21, 2006. The hearing will be video conferenced at the Nevada Legislative Counsel Bureau, 401 South Carson St, Room 2134, Carson City, Nevada, 89701 and 555 East Washington Avenue, Room V4406, Las Vegas, Nevada 89101. The purpose of the hearing is to receive comments from all interested persons regarding the adoption of regulations that pertain to Chapter 231 of the Nevada Administrative Code.

The following information is provided pursuant to the requirements of NRS 233B.0603:

LCB File No. R220-05

Authority: §§1-10, NRS 361.0775

A REGULATION relating to real property taxes; providing for the partial abatement of real property taxes on property with buildings or other structures that meet or exceed certain standards of the Leadership in Energy and Environmental Design Green Building Rating System; and providing other matters properly relating thereto.

The adoption of these regulations will create a beneficial economic effect on the public.

There may be an as yet undetermined fiscal impact to local governmental agencies.

The Nevada Commission on Economic Development will have no additional costs incurred to administer the regulations adopted. Enforcement of the regulations can be accomplished through present resources at no additional cost.

The proposed adoption of these regulations does not overlap or duplicate any regulations of other state or local agencies, nor do they overlap or duplicate a federal regulation, nor are they required pursuant to federal law.

The proposed adoption of these regulations does not establish a new fee or increase an existing fee.

Persons wishing to comment upon the proposed action of the Nevada Commission on Economic Development may appear at the scheduled public hearing or may address their comments, data, views or arguments in written form to the Nevada Commission on Economic Development, 108 East Proctor Street, Carson City, Nevada, 89701. Written submissions must be received by the Nevada Commission on Economic Development on or before Tuesday, June 13, 2006. If no person who is directly affected by the proposed action appears to request time to make an oral presentation, the Nevada Commission on Economic Development may proceed immediately to act upon any written submissions.

A copy of this notice and the regulations to be adopted will be on file at the State Library, 100 Stewart Street, Carson City, Nevada, 89701, for inspection by members of the public during business hours. Additional copies of the notice and the regulations to be adopted will be available at the Nevada Commission on Economic Development's offices at 108 East Proctor Street, Carson City, Nevada, 89701 and 555 East Washington Avenue, Suite 5400, Las Vegas, Nevada, 89101 and in all counties in which an office of the agency is not maintained, at the main public library, for inspection and copying by members of the public during business hours. This notice and the text of the proposed regulation are also available in the State of Nevada Register of Administrative Regulations, which is prepared and published monthly by the Legislative Counsel Bureau pursuant to NRS 233B.0653, and on the Internet at <http://www.leg.state.nv.us>. Copies of this notice and proposed regulation will also be mailed to the members of the public upon request. A reasonable fee may be charged for copies if it is deemed necessary. This does not apply to a public body subject to the Open Meeting Law.

Upon adoption of any regulation, the agency, if requested to do so by an interested person, wither before adoption or within 30 days thereafter, will issue a concise statement of the principal reasons for and against the adoption or incorporate therein its reason for overruling the consideration urged against its adoption.

This notice of hearing has been posted at the following locations:

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| Nevada Commission on Economic Development  | 108 East Proctor Street, Carson City, NV 89701      |
| Nevada Commission on Economic Development  | 555 E. Washington Ave., Ste. 5400, Las Vegas, 89101 |
| Nevada State Library                       | 100 Stewart Street, Carson City, NV 89701           |
| Churchill County Library                   | 553 South Maine Street, Fallon, NV 89406            |
| Douglas County Public Library              | 1625 Library Lane, Minden, NV 89423                 |
| Elko-Lander-Eureka Counties Library System | 720 Court Street, Elko, NV 89801                    |
| Esmeralda County Library                   | P.O. Box 128, Silverpeak, NV 89047-0128             |
| Eureka Branch Library                      | 10190 Monroe Street, Eureka, NV 89316               |
| Humboldt County Library                    | 85 East 5th Street, Winnemucca, NV, 89445           |
| Lincoln County Library                     | 63 Main Street, Pioche, NV 89043-0330               |
| Lyon County Library System                 | 20 Nevin Way, Yerington, NV 89447-2399              |
| Mineral County Library                     | First and A Streets, Hawthorne, NV 89415            |
| Pershing County Library                    | 1125 Central Avenue, Lovelock, NV 89419-0781        |
| Storey County Library                      | 95 South "R" Street, Virginia City, NV 89440        |
| Tonopah Library District                   | 171 Central Street, Tonopah, NV 89049               |
| Washoe County Library System               | 301 South Center Street, Reno, NV 89501-2102        |
| White Pine County Library                  | 950 Campton Street, Ely, NV 89301-1965              |

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**PROPOSED REGULATION OF THE  
COMMISSION ON ECONOMIC DEVELOPMENT**

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

AUTHORITY: §§3, NRS 231.050 and AB 3, 22<sup>nd</sup> Special Session.

A REGULATION relating to the partial abatement from real property tax for certain new and existing buildings and structures that meet LEED certification or equivalent authority; and providing other matters properly relating thereto.

**Section 1.** Chapter 231 of NAC is hereby amended by adding thereto the provisions set forth as sections 2 to 11, inclusive, of this regulation.

**Sec. 2.** *As used in sections 2 to 11, inclusive, of this regulation, unless the context otherwise requires, the words and terms defined in sections 3 to 11, inclusive, of this regulation have the meanings ascribed to them in those sections.*

**Sec. 3.** *“Commission” means the commission on economic development.*

**Sec. 4.** *“Green Building Rating System” means the performance standards adopted by the Director of the Office of Energy for the measurement and verification of generally accepted energy and environmental principles applied in buildings and structures, such as the standards of the Leadership in Energy and Environmental Design (LEED) Green Building Rating System or its equivalent.*

**Sec. 5.** *“Certification” means a building or structure has achieved and exceeded the minimum requirements of the Leadership in Energy and Environmental Design (LEED) Green Building Rating System for New Construction or Major Renovations or its equivalent; or the Leadership in Energy and Environmental Design (LEED) Green Building Rating System for Existing Buildings or its equivalent.*

**Sec. 6.** *“Level of certification” means the recognition that a privately-owned building or structure exceeds the minimum level of environmental and energy technologies and strategies required for certification, based on a point system recognized by the Director of the Office of Energy, such as LEED points or the equivalent.*

*a. The minimum points necessary to achieve the LEED Silver Level or equivalent for new construction or major renovation buildings is 33 to 38 points. The minimum points necessary to achieve the LEED Silver Level or equivalent for existing buildings is 40 to 47 points.*

*b. The minimum points necessary to achieve the LEED Gold Level or equivalent for new construction or major renovation buildings is 39 to 51 points. The minimum points necessary to achieve the LEED Silver Level or equivalent for existing buildings is 48 to 63 points.*

*c. The minimum points necessary to achieve the LEED Platinum Level or equivalent for new construction or major renovation buildings is 52 to 69 points. The minimum points necessary to achieve the LEED Silver Level or equivalent for existing buildings is 64 to 85 points.*

**Sec. 7.** *In addition to any other abatements for which property may be eligible, a person who intends to locate or expand a business in this state may apply to the Commission for a partial abatement of property taxes imposed on the new or expanded business if the property of the new or expanded business meets the requirements of Sections 2 through 9.*

**Sec. 8. 1.** *A person who intends to locate or expand a business in this state must apply for the partial abatement for a green building or structure on a form prescribed by the executive*

*director of the commission. The application must be received in the offices of the commission not later than:*

*a. one month before the certificate of occupancy is issued in the case of a newly constructed building, or*

*b. one month before the completion of all scheduled renovations or retrofit of the component parts of the building needed to meet LEED standards or the equivalent in the case of an existing building or structure.*

*2. The application must include a letter of verification from the Director of the Office of Energy that the property for which an abatement is sought meets or exceeds the following requirements:*

*a. An independent third party LEED accredited professional has certified the building or structure at the LEED or equivalent standard Silver Level;*

*b. An independent third party LEED accredited professional has certified the building or structure has complied with at least six of the seven LEED or equivalent standard prerequisites; and*

*c. The Director of the Office of Energy has reviewed and verified the certification awarded the building or structure.*

**Sec. 9.** *The Commission shall consider the application for partial abatement at the first regularly scheduled meeting following receipt of the application, if the application is received at least fifteen working days before the meeting. Applications received less than fifteen working days before the meeting will be considered at the next available regularly scheduled meeting.*

**Sec. 10. 1. *The Commission shall consider whether the application meets the LEED Silver Level of certification or the equivalent standard and the requirements of Sections 3 through 9. The Commission may authorize a partial abatement of the property tax on real property as follows:***

***a. For a new building or structure:***

***(i) Fifty percent of the total real property tax for 5 consecutive years if the building or structure on the property is certified at a level of at least 33 LEED points and 6 LEED prerequisites;***

***(ii) Fifty percent of the total real property tax for 7 consecutive years if the building or structure on the property is certified at a level of at least 39 LEED points and 6 LEED prerequisites;***

***(iii) Fifty percent of the total real property tax for 10 consecutive years if the building or structure on the property is certified at a level of at least 52 LEED points and 7 LEED prerequisites.***

***b. For an existing building or structure:***

***(i) Thirty percent of the total real property tax for 5 consecutive years if the building or structure on the property is certified at a level of at least 40 LEED points and 6 LEED prerequisites;***

***(ii) Thirty percent of the total real property tax for 7 consecutive years if the building or structure on the property is certified at a level of at least 48 LEED points and 6 LEED prerequisites;***

*(iii) Thirty percent of the total real property tax for 10 consecutive years if the building or structure on the property is certified at a level of at least 64 LEED points and 7 LEED prerequisites.*

*2. A partial abatement granted pursuant to this section must not exceed the quantity or duration set forth in this subsection. Additional incremental abatements may be granted by the commission for the same property if the buildings or structures on that property certify to higher levels of LEED points in a succeeding fiscal year.*

*3. If the commission grants a partial abatement to a business for a property pursuant to Section 10,*

*(a) Between July 1 and December 31, the partial abatement applies from the date on which the commission makes such a determination, unless the applicant and the governing body of the local government whose tax revenue will be affected by the partial abatement agree upon another date and the governing body provides written authorization for that date; or*

*(b) Between January 1 and June 30, the partial abatement may be applied beginning on July 1 of the next fiscal year, unless the applicant and the governing body of the local government whose tax revenue will be affected by the partial abatement agree upon another date and the governing body provides written authorization for that date.*

*4. Upon granting an abatement pursuant to Section 10, the commission shall forward within 10 days a certificate of eligibility for the partial abatement that states the parcel number and the percentage of the property tax that is to be partially abated to:*

*(a) The department of taxation; and*

*(b) The county assessor of each county in which real property used in connection with the business will be located.*

**Sec. 11.** *1. The county assessor shall implement the abatement upon receipt of the commission's order for abatement for property assessed by him.*

*2. The Department shall implement the abatement upon receipt of the commission's order for abatement for property assessed by it.*