

PROPOSED REGULATION OF THE DIRECTOR OF THE OFFICE OF ENERGY

LCB File No. R125-11

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

AUTHORITY: §§1-33, 35 and 36, NRS 701A.390; §34, NRS 701A.450.

A REGULATION relating to energy-related tax incentives; prescribing the process by which owners of certain facilities for the generation or transmission of electricity generated from renewable energy or geothermal may apply to the Nevada Energy ~~Commissioner~~ *Director* for a partial abatement of certain taxes; providing for the redaction of confidential information from a pre-application or an application for a partial abatement of taxes under certain circumstances; providing for a hearing on an application for a partial abatement of taxes; authorizing certain persons and governmental entities to participate as parties in a hearing; providing for the termination of a partial abatement of taxes under certain circumstances; providing for use and administration of renewable energy funds; and providing other matters properly relating thereto.

Section 1. Chapter 701A of NAC is hereby amended by adding thereto the provisions set forth as sections 2 to 35, inclusive of this regulation.

Sec. 2. As used in sections 2 to 35, inclusive, of this regulation, the words and terms defined in NRS 701A.300 to 701A.345, inclusive, and sections 3 to 12, inclusive, of this regulation have the meanings ascribed to them in those sections.

Sec. 3. “Abatement agreement” means an agreement executed by the ~~Commissioner~~ *Director* and an applicant upon the issuance of a final decision by the ~~Commissioner~~ *Director* that the applicant is eligible for a partial abatement of taxes.

Sec. 4. “Applicant” means an owner who submits a pre-application or an application for a partial abatement of taxes.

Sec. 5. “Application” means an application for a partial abatement of taxes and includes, without limitation, the completed application form and all supporting documents.

Sec. 6. “Facility” means:

1. A facility for the generation of electricity from renewable energy in this State.
2. A facility for the generation of process heat from solar renewable energy in this State.
3. A wholesale facility for the generation of electricity from renewable energy in this State.
4. A facility for the generation of electricity from geothermal resources in this State.
5. A facility for the transmission of electricity if:
 - (a) The facility is interconnected to a facility described in subsection 1, 3 or 4; or
 - (b) The facility contributes to the capability of the electrical grid to accommodate and

transmit electricity produced from a facility described in subsection 1, 3 or 4.

Sec. 6.5. “Generating capacity” means the nameplate capacity of a facility.

Sec. 7. “Owner” means a person who holds an ownership interest in a project or facility or a possessory interest in public lands, or his or her successor in interest.

Sec. 8. “Partial abatement of taxes” means an abatement of a portion of:

1. Local sales and use taxes;
2. The property taxes imposed pursuant to chapter 361 of NRS; or
3. Both local sales and use taxes and the property taxes imposed pursuant to chapter 361 of

NRS, authorized by NRS 701A.360 and approved by the ~~Commissioner~~ *Director* in a final decision issued pursuant to section 21 of this regulation.

Sec. 9. “Pre-application” means a proposal submitted pursuant to section 13 of this regulation and includes, without limitation, the completed pre-application form and all supporting documents.

Sec. 10. “Project” means all the necessary purchasing and construction that will result in a facility for which an applicant applies for a partial abatement of taxes.

Sec. 11. “Significant change” means a substantive and material change in the size or scope of a project or facility from that described in an application and includes, without limitation:

1. A change of more than 10 percent in:
 - (a) The size or location of the land on which the project or facility is located;
 - (b) The size of a building or ancillary structure;
 - (c) The generating capacity of the facility or the output capacity for a facility for the generation of process heat from solar renewable energy;
 - (d) The estimated cost of any building or ancillary structure or other property to which the partial abatement of taxes would be applicable;
 - (e) The amount of the tax abatement being sought; and
 - (f) The ownership of or any ownership interest in the project or facility.
2. A change in the schedule or ability to meet the time commitments established in the application.
3. Any similar substantive and material change in the information upon which an applicant relies in establishing eligibility for a partial abatement of taxes.

Sec. 12. “Wages” has the meaning ascribed to it in NRS 612.190.

Sec. 13. 1. To apply for a partial abatement of taxes, an applicant must submit electronically a pre-application to the ~~Commissioner~~ *Director* on the form and in the manner prescribed by the ~~Commissioner~~ *Director*.

2. The ~~Commissioner~~ *Director* will review each pre-application to make a preliminary determination of whether the applicant has provided information sufficient to demonstrate that the applicant is eligible for a partial abatement of taxes. In reviewing a pre-application, the ~~Commissioner~~ *Director* will assume that all information provided by the applicant is true and

correct. The ~~{Commissioner}~~ *Director* may request such additional information from an applicant as the ~~{Commissioner}~~ *Director* determines is necessary. If a pre-application is incomplete, the ~~{Commissioner}~~ *Director* will specify a reasonable amount of time within which the applicant must complete the pre-application. If the applicant does not complete the pre-application within the time specified by the ~~{Commissioner,}~~ *Director*, the ~~{Commissioner}~~ *Director* will reject the pre-application.

3. The ~~{Commissioner}~~ *Director* will make a preliminary determination of an applicant's eligibility for a partial abatement of taxes and provide written notice of the preliminary determination to the applicant not later than 10 business days after the ~~{Commissioner}~~ *Director* receives a complete pre-application from the applicant. A preliminary determination made by the ~~{Commissioner}~~ *Director* is not a final decision regarding the eligibility of the applicant for a partial abatement of taxes.

4. If the ~~{Commissioner}~~ *Director* makes a preliminary determination that an applicant may be eligible for a partial abatement of taxes, the ~~{Commissioner}~~ *Director* will:

(a) Provide to the applicant:

(1) Written notice that the applicant may submit an application for a partial abatement of taxes; and

(2) An application form; and

(b) Provide to the governing body of each county, city or town in which the applicant's project or facility is located:

(1) A copy of the pre-application submitted by the applicant; and

(2) A copy of the notice provided to the applicant pursuant to subparagraph (1) of paragraph (a).

5. If the ~~Commissioner~~ *Director* makes a preliminary determination that an applicant is not eligible for a partial abatement of taxes, the ~~Commissioner~~ *Director* will provide to the applicant written notice of the preliminary determination which must include each reason for rejecting the pre-application. An applicant whose pre-application has been rejected is not thereby precluded from submitting any new or amended pre-application pursuant to this section.

6. A pre-application for the construction of a facility that was commenced after July 1, 2009, may be submitted at any time, but at least 15 business days before submission of the application. After January 31, 2011, a pre-application must be submitted not later than 6 months before the applicant's anticipated first date of purchasing tangible personal property.

Sec. 14. 1. In accordance with the provisions of chapter 239 of NRS, all information relating to a pre-application which is submitted to the ~~Commissioner~~ *Director* and which is not otherwise declared by law to be confidential is a public record. If an applicant believes that information contained in the pre-application is confidential and should be redacted and protected from publication, the applicant must:

(a) Submit with the original pre-application a redacted copy of the pre-application which clearly identifies each item in the pre-application that the applicant believes is confidential and should be redacted and protected from publication; and

(b) Provide for each identified item a citation to the legal authority for and argument as to why the particular item is confidential and should be redacted and protected from publication.

2. As soon as practicable after receipt of the original and redacted pre-applications, the ~~Commissioner~~ *Director* will, for each individual item which the applicant believes is confidential and should be redacted and protected from publication:

(a) Make a determination as to whether the item has been protected as confidential and may be redacted from the pre-application; and

(b) Provide the applicant with written notice regarding the ~~{Commissioner's}~~ *Director's* determination.

3. Not later than 3 business days after an applicant receives the written notice of the ~~{Commissioner's}~~ *Director's* determination made pursuant to subsection 2, the applicant shall indicate to the ~~{Commissioner}~~ *Director* in writing with respect to each item which the ~~{Commissioner}~~ *Director* has determined may not be redacted from the pre-application:

(a) That the applicant consents to publication of the item; or

(b) That the applicant objects to publication of the item and indicate the legal basis, if any, and any argument in support of the applicant's objection. If the ~~{Commissioner}~~ *Director* again rejects the applicant's argument that the item should not be made public, the applicant may withdraw the pre-application or seek an order from a court of competent jurisdiction protecting the item from publication.

4. If the ~~{Commissioner}~~ *Director* determines that one or more items in a pre-application are confidential and should not be made public, or if a court of competent jurisdiction rules that one or more items in a pre-application are confidential and must not be made public, the ~~{Commissioner}~~ *Director* will prepare a copy of the pre-application from which the items that will not be made public have been redacted. The ~~{Commissioner}~~ *Director* will make public only the redacted pre-application.

Sec. 15. 1. If the ~~{Commissioner}~~ *Director* provides notice to an applicant pursuant to subsection 4 of section 13 of this regulation that the applicant may submit an application for a partial abatement of taxes, the applicant must submit to the ~~{Commissioner}~~ *Director*

electronically, on the form and in the manner prescribed by the ~~Commissioner,~~ *Director*, a request for the assignment of an application filing number. The ~~Commissioner,~~ *Director* will assign an application filing number to the applicant not later than 2 business days after the ~~Commissioner,~~ *Director* receives the request. The application filing number must appear on all correspondence, applications and other documents submitted by the applicant to the ~~Commissioner,~~ *Director*.

2. If the applicant does not submit the application within 5 business days after the assignment of the application filing number, the application filing number expires and the applicant must request a new application filing number from the ~~Commissioner,~~ *Director* in the manner prescribed in subsection 1.

3. The application filing number of an application expires if the application is rejected by the Director.

Sec. 16. 1. An applicant who has received written notice from the ~~Commissioner,~~ *Director* that the applicant may submit an application for a partial abatement of taxes must submit electronically a complete application to the Director on the form provided by the ~~Commissioner,~~ *Director* and in the manner prescribed by the Director . ~~and the Commissioner.~~

2. The application must be submitted not later than 5 business days after the applicant receives an application filing number pursuant to section 15 of this regulation.

3. Not later than 5 business days after receipt of an application, the Director shall review the application for timeliness and completeness. If the Director determines that an application is not timely filed, the Director shall reject the application and shall provide written notice of the rejection to the applicant . ~~and the Commissioner.~~ For the purpose of determining whether an

application is timely filed, the date on which the Director determines the application to be complete shall be deemed to be the date of receipt of the application. If the Director determines that an application is incomplete, the Director shall provide written notice that the application is incomplete to the applicant ~~and the Commissioner~~ and shall identify in the notice those items which the Director has determined are incomplete. The applicant shall provide to the Director the information necessary to complete the application not later than 5 business days after receipt of the notice that the application is incomplete. If the applicant does not provide the information within the required time, the Director shall reject the application and shall provide written notice of the rejection to the applicant . ~~and the Commissioner.~~

4. An applicant whose application has been rejected pursuant to subsection 3 may request a new application filing number from the ~~Commissioner~~ *Director* and submit a new application.

5. The Director shall provide a copy of the application to:

- (a) ~~The Commissioner;~~
- ~~(b)~~ The Chief of the Budget Division of the Department of Administration; and
- ~~(e)~~ (b) The Department of Taxation.

6. If an application is submitted without any redactions authorized pursuant to section 17 of this regulation, the Director shall provide a copy of the application to:

- (a) The board of county commissioners of each county in which the project or facility is located;
- (b) The county assessor of each county in which the project or facility is located;
- (c) In addition to the notice required by subsection 4 of NRS 701A.360, the county treasurer of each county in which the project or facility is located;
- (d) The governing body of each city or town in which the project or facility is located; and

(e) The Commission on Economic Development.

7. An applicant shall amend his or her application not later than 15 business days after any significant change that is applicable to the application.

Sec. 17. 1. In accordance with the provisions of chapter 239 of NRS, all information relating to an application which is submitted to the Director ~~for the Commissioner~~ and which is not otherwise declared by law to be confidential is a public record. If an applicant believes that information contained in the application is confidential and should be redacted and protected from publication, the applicant must:

(a) Submit with the original application a redacted copy of the application which clearly identifies each item in the application that the applicant believes is confidential and should be redacted and protected from publication; and

(b) Provide for each identified item a citation to the legal authority for and argument as to why the particular item is confidential and should be redacted and protected from publication.

2. ~~For the Director shall provide the Commissioner with the redacted copy of the application submitted pursuant to paragraph (a) of subsection 1 at the time that the Director provides a copy of the original application to the Commissioner.~~ As soon as practicable after receipt of copies of the original and redacted applications, the ~~Commissioner~~ *Director* will, for each individual item which the applicant believes is confidential and should be redacted and protected from publication:

(a) Make a determination as to whether the item has been protected as confidential and may be redacted from the application; and

(b) Provide the applicant with written notice regarding the ~~Commissioner's~~ *Director's* determination.

3. Not later than 3 business days after an applicant receives the written notice of the ~~Commissioner's~~ *Director's* determination made pursuant to subsection 2, the applicant shall indicate to the ~~Commissioner~~ *Director* in writing with respect to each item which the ~~Commissioner~~ *Director* has determined may not be redacted from the application:

- (a) That the applicant consents to publication of the item; or
- (b) That the applicant objects to publication of the item and indicate the legal basis, if any, and any argument in support of the applicant's objection. If the ~~Commissioner~~ *Director* again rejects the applicant's argument that the item should not be made public, the applicant may withdraw the application or seek an order from a court of competent jurisdiction protecting the item from publication.

4. If the ~~Commissioner~~ *Director* determines that one or more items in an application are confidential and should not be made public, or if a court of competent jurisdiction rules that one or more items in an application are confidential and must not be made public, the ~~Commissioner~~ *Director* will prepare a copy of the application from which the items that will not be made public have been redacted. ~~The Commissioner will provide the redacted application to the Director as soon as practicable.~~ Upon receipt of the redacted application ~~from the Commissioner,~~ the Director shall, as soon as practicable, provide a copy of the redacted application to:

- (a) The Chief of the Budget Division of the Department of Administration;
- (b) The Department of Taxation;
- (c) The board of county commissioners of each county in which the project or facility is located;
- (d) The county assessor of each county in which the project or facility is located;

(e) In addition to the notice required by subsection 4 of NRS 701A.360, the county treasurer of each county in which the project or facility is located;

(f) The governing body of each city or town in which the project or facility is located; and

(g) The Commission on Economic Development.

5. If an applicant submits an application which the applicant believes contains information that is confidential and should be redacted and protected from publication:

(a) A recipient of a copy of the original application:

(1) Shall not make any portion of the original application public before the ~~{Commissioner}~~ *Director* has issued a written determination concerning the items which the applicant believes are confidential and should be redacted and protected from publication; and

(2) May make public only the information contained in the redacted application prepared by the ~~{Commissioner}~~ *Director*; and

(b) A recipient of a redacted application may make public only the information contained in the redacted application prepared by the ~~{Commissioner}~~ *Director*.

6. Any of the persons or governmental entities listed in subsection 4 may request from the ~~{Commissioner}~~ *Director* in writing information that the ~~{Commissioner}~~ *Director* has determined to be protected as confidential. The ~~{Commissioner}~~ *Director* may, in his or her discretion, provide the requested information. If the ~~{Commissioner}~~ *Director* provides any such information, the entity or person to whom he or she provides the information must limit access to and use of the information only to those people for whom such information is necessary in the performance of their duties, and all such additional information provided may not be made public.

Sec. 18. In preparing the fiscal notes required by NRS 701A.375, the Chief of the Budget Division of the Department of Administration and the Department of Taxation shall ensure that:

1. Any information in the application which the ~~{Commissioner}~~ *Director* has determined is confidential and must be redacted and protected from publication be viewed and used only by those persons who must have access to the redacted information for the purpose of preparing the fiscal notes; and

2. The published fiscal note does not contain any information that the ~~{Commissioner}~~ *Director* has determined is confidential and must be redacted and protected from publication.

Sec. 19. The ~~{Commissioner}~~ *Director* will not take any action regarding a requested partial abatement of property taxes pursuant to chapter 361 of NRS on an application submitted by an owner of a facility for the generation of electricity from geothermal resources unless the ~~{Commissioner}~~ *Director* receives written notice of approval of the application from the board of county commissioners of each county in which the facility is located. The ~~{Commissioner}~~ *Director* will process an application for a requested partial abatement of sales and use taxes pursuant to the provisions of sections 2 to 35, inclusive, of this regulation.

~~{Sec. 20. Upon receipt of the fiscal notes prepared pursuant to NRS 701A.375 and, if required by NRS 701A.365, the written notice of approval of an application from the board of county commissioners of each county in which the facility is located, the Director shall provide the documents to the Commissioner within 2 business days.}~~

Sec. 20. 1. Upon receipt of the documents described in sections 18 ~~and {,}~~ 19 ~~{and 20}~~ of this regulation, the ~~{Commissioner}~~ *Director* will set a date for a hearing on an application. The ~~{Commissioner}~~ *Director* will provide notice of the hearing to:

(a) ~~{The Director;~~

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

~~(e)~~ (b) The Department of Taxation;

~~(d)~~ (c) The board of county commissioners of each county in which the project or facility is located;

~~(e)~~ (d) The county assessor of each county in which the project or facility is located;

~~(f)~~ (e) The county treasurer of each county in which the project or facility is located;

~~(g)~~ (f) The governing body of each city or town in which the project or facility is located;

~~(h)~~ (g) The Commission on Economic Development; and

~~(i)~~ (h) The applicant.

2. At a hearing conducted pursuant to this section, the applicant has the burden of proving by reasonable evidence that his or her application satisfies all the requirements for eligibility for a partial abatement of taxes.

3. At a hearing conducted pursuant to this section, the ~~Commissioner~~ *Director* or the ~~Commissioner's~~ *Director's* designee may ask questions of any witness.

4. If the ~~Commissioner~~ *Director* takes any action authorized by subsection 3 of NRS 701A.365, the ~~Commissioner~~ *Director* will do so at the hearing conducted pursuant to this section and will state on the record his or her reasons for so doing.

5. The ~~Commissioner~~ *Director* will issue findings of facts, conclusions of law and a final decision regarding an application not later than 10 business days after the date on which the hearing is concluded. The ~~Commissioner~~ *Director* may condition the approval of an application upon such terms as he or she determines are necessary. If the ~~Commissioner~~ *Director* determines that an applicant is eligible for a partial abatement of taxes, the ~~Commissioner~~ *Director* will execute an abatement agreement with the applicant as soon as practicable. The date

on which the abatement agreement is executed by the ~~Commissioner~~ *Director* shall be considered the date of the approval of the application for the purposes of NRS 701A.370.

Sec. 21. 1. In addition to the applicant, any of the following persons or governmental entities may be a party to a hearing if the person or entity files a notice of intent to participate with the ~~Commissioner~~ *Director*:

(a) ~~The Director~~;

~~(b)~~ The Chief of the Budget Division of the Department of Administration;

~~(c)~~ (b) The Department of Taxation;

~~(d)~~ (c) The board of county commissioners of any county in which the project or facility is located;

~~(e)~~ (d) The county assessor of any county in which the project or facility is located;

~~(f)~~ (e) The county treasurer of any county in which the project or facility is located;

~~(g)~~ (f) The governing body of any city or town in which the project or facility is located;

and

~~(h)~~ (g) The Commission on Economic Development.

2. A person or state governmental entity that files a notice of intent to participate pursuant to this section shall file the notice with the ~~Commissioner~~ *Director* and provide a copy of the notice to the applicant not later than 5 business days after the date on which notice of the hearing is published. A county, city, or town governmental entity shall file its notice of intent to participate and provide a copy of the notice to the applicant not later than 15 business days after the date on which notice of the hearing is published. The notice of intent to participate must include, without limitation:

- (a) A statement of whether the party intends to support or oppose all or any portion of the application;
- (b) The legal arguments in support of the party's position; and
- (c) The identification of any witnesses or evidence that the party intends to present in support of the party's position.

3. Except as otherwise provided in subsection 4, any person or governmental entity that files a notice of intent to participate may attend the hearing personally or may be represented at the hearing by an attorney, agent or other representative.

4. The ~~{Commissioner}~~ *Director* may require any person who files a notice of intent to participate to appear personally at the hearing if the ~~{Commissioner}~~ *Director* determines that the appearance will assist the ~~{Commissioner}~~ *Director* in determining whether the applicant is qualified for a partial abatement of taxes.

Sec. 22. 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 ~~{Commissioner}~~ *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 ~~Commissioner~~ *Director* will consider an employee:

(a) To be a full-time employee working on the 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 the 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 ~~Commissioner~~ *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 ~~Commissioner~~ *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. The ~~{Commissioner}~~ *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 150 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 weekly basis and calculated for each week during the construction period as the total wages paid to all employees who performed construction work on the project for that week divided by the total number of hours worked by all employees who performed construction work on the project for that week, excluding management and administrative employees.

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 that the cost of providing health insurance or a 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) For in-network providers, a minimum employer contribution of at least 80 percent of medical expenses after the employee's deductible limit is met.

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

(a) The correct adjusted wage commencing on August 1 of each year; and

(b) If the wage has been adjusted higher, an amount equivalent to the difference 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 subsection must be made before September 1 of each year.

Sec. 23. 1. If the ~~Commissioner~~ *Director* issues a final decision in which he or she determines that an applicant has satisfied all the requirements for eligibility for a partial abatement of taxes, the final decision must include:

(a) The terms of the partial abatement of taxes;

(b) A certificate of eligibility; and

(c) A copy of the abatement agreement executed by the ~~Commissioner~~ *Director* and the applicant.

2. A partial abatement of taxes approved by the ~~Commissioner~~ *Director* is prospective only and must not be applied retroactively to any tax imposed before the execution of the abatement agreement between the ~~Commissioner~~ *Director* and the applicant.

Sec. 24. 1. If the ~~Commissioner~~ *Director* issues a final decision in which he or she determines that an applicant has satisfied all the requirements for eligibility for a partial abatement of sales and use taxes, unless the certificate of eligibility and abatement agreement

otherwise provide, the following tangible property which will be used exclusively for the construction, operation or maintenance of the facility qualifies for the partial abatement of sales and use taxes:

(a) Materials for any building that will be located on the site of the facility, including, without limitation, residential structures if employees at the facility will be required to reside at the site of the facility;

(b) Equipment, fixtures or furniture needed and used on the site of the facility;

(c) Materials for any road, parking lot or other structure that is not a building which will be located on the site of the facility;

(d) Materials to provide water, fuel or electrical power necessary for the facility, including, without limitation, the costs inherent in tie lines and transmission lines;

(e) Equipment, fixtures or other tangible items necessary for the generation of power on the site of the facility;

(f) Motor vehicles, if the motor vehicles are specifically purchased for exclusive use on the site of the facility;

(g) Power tools and motorized heavy equipment, including, without limitation, bulldozers, graders, loaders and other similar equipment, if the power tools or motorized heavy equipment is specifically purchased for exclusive use on the site of the facility and will remain on the site of the facility throughout the construction of the project and operation of the facility;

(h) Mobile housing or office units, if the units will be located at the site of the facility throughout the construction of the project and operation of the facility;

(i) Materials, equipment, fixtures, components or other tangible items located at the site of the facility and necessary for the construction and operation of a facility for the transmission of electricity; and

(j) Materials for any road required for access along the site of a facility for the transmission of electricity that is specifically purchased for exclusive use on such roads.

2. If an applicant seeks a partial abatement of sales and use taxes for any tangible property other than the property described in subsection 1, the applicant's application must specifically include a request that the ~~Commissioner~~ *Director* determine whether the property for which the partial abatement is requested qualifies for the partial abatement of sales and use taxes. The ~~Commissioner~~ *Director* shall consult with the Department of Taxation before making any determination on an applicant's request under this subsection. If the application includes a request pursuant to this subsection, the ~~Commissioner's~~ *Director's* final decision must include a determination of whether the property qualifies for the partial abatement of sales and use taxes.

Sec. 25. If the ~~Commissioner~~ *Director* issues a final decision in which he or she determines that an applicant has satisfied all the requirements for eligibility for a partial abatement of the property taxes imposed pursuant to chapter 361 of NRS, unless the certificate of eligibility and abatement agreement otherwise provide, all real and personal property owned or leased by the owner that would be taxable pursuant to chapter 361 of NRS that will be specifically and exclusively used on the site of the facility shall qualify for the partial abatement of property taxes.

Sec. 26. 1. An applicant who has executed an abatement agreement with the ~~Commissioner~~ *Director* shall:

(a) Maintain a list of the names and contact information of each person, entity, contractor and subcontractor working on the construction of the project and operation of the facility who is authorized to claim the benefit of the partial abatement of taxes approved by the

~~Commissioner;~~ *Director;*

(b) Ensure that the information contained in the list maintained pursuant to paragraph (a) is complete, current and accurate;

(c) Ensure that the list maintained pursuant to paragraph (a) is available for inspection by the authorized employees or agents of the ~~Commissioner;~~ *Director,* the Department of Taxation, any county in which the facility is located and vendors during normal business hours; and

(d) Ensure that each person, entity, contractor or subcontractor who is named on the list maintained pursuant to paragraph (a) complies with the terms of the abatement agreement.

2. If a person, entity, contractor or subcontractor fails to comply with the terms of the abatement agreement, the owner shall repay to the State of Nevada the amount of sales and use taxes abated resulting from the noncompliance of the person, entity, contractor or subcontractor pursuant to the process established in section 29. If the owner fails to comply with the terms of the abatement agreement, the owner shall repay to the State of Nevada the amount of sales and use taxes and the amount of property taxes abated resulting from the noncompliance of the owner pursuant to the process established in section 29.

Sec. 27. 1. Each applicant who executes an abatement agreement with the ~~Commissioner;~~ *Director* shall file an annual compliance report with the Director on the form prescribed by the ~~Commissioner;~~ *Director.* The applicant shall file the annual compliance report on or before the anniversary date of the abatement agreement. The annual compliance report must include all information and documentation required by the Director.

2. ~~{The Director shall provide a copy of each annual compliance report filed pursuant to this section to the Commissioner as soon as practicable.}~~

~~—3.}~~ The ~~{Commissioner}~~ *Director* will review each annual compliance report as soon as practicable after receipt of the annual compliance report . ~~{from the Director.}~~ An annual compliance report which is incomplete will be rejected and shall be deemed not to have been filed. If the ~~{Commissioner}~~ *Director* determines that he or she requires additional information to determine whether the applicant is in compliance with the terms of the abatement agreement, the ~~{Commissioner}~~ *Director* may request additional information from the applicant.

~~{4.}~~ 3. If the ~~{Commissioner}~~ *Director* determines that the annual compliance report and any additional information requested by the ~~{Commissioner}~~ *Director* establish that the applicant is in compliance with the terms of the abatement agreement, the ~~{Commissioner}~~ *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.

Sec. 28. 1. If, at any time or for any reason, the ~~{Commissioner}~~ *Director* determines that an owner, person, entity, contractor or subcontractor has failed to comply with the terms of the abatement agreement or has ceased to meet any eligibility requirement for a partial abatement of taxes, the ~~{Commissioner}~~ *Director* will notify the owner in writing of the determination. The notice must include, without limitation:

(a) A statement of the facts upon which the determination is based;

(b) Identification of the provisions of NRS 701A.300 to 701A.390, inclusive, or sections 2 to 35, inclusive, of this regulation or the terms of the abatement agreement with which the owner is not in compliance;

(c) A time by which the owner must respond to the ~~{Commissioner}~~ *Director* in writing;

(d) A time by which the owner must remedy the noncompliance identified by the ~~{Commissioner}~~ *Director*;

(e) A statement that the owner may request a hearing before the ~~{Commissioner}~~ *Director*; and

(f) Any other information that the ~~{Commissioner}~~ *Director* believes will aid the owner in remedying the noncompliance identified by the ~~{Commissioner}~~ *Director*.

2. If an owner requests a hearing pursuant to this section, the ~~{Commissioner}~~ *Director* will set a date, time and place for the hearing and will provide written notice of the hearing to the owner. The ~~{Commissioner}~~ *Director* will issue written findings of fact, conclusions of law and an order.

3. If, after a hearing conducted pursuant to this section and a reasonable opportunity to remedy any noncompliance, the ~~{Commissioner}~~ *Director* determines that the owner has ceased to meet the eligibility requirements for a partial abatement of taxes, the ~~{Commissioner}~~ *Director* will immediately:

(a) Terminate the partial abatement of taxes;

(b) In addition to the notice requirement of subsection 3 of NRS 701A.380, provide notice of the termination to:

- (1) ~~{The Director}~~;
- ~~—(2)~~ The Chief of the Budget Division of the Department of Administration;

- ~~[(3)]~~ (2) The Department of Taxation;
 - ~~[(4)]~~ (3) The board of county commissioners of each county in which the project or facility is located;
 - ~~[(5)]~~ (4) The county assessor of each county in which the project or facility is located;
 - ~~[(6)]~~ (5) The county treasurer of each county in which the project or facility is located;
 - ~~[(7)]~~ (6) The governing body of each city or town in which the project or facility is located;
 - ~~[(8)]~~ (7) The Commission on Economic Development; and
 - ~~[(9)]~~ (8) The owner.
4. The ~~[(Commissioner)]~~ *Director* or his or her designee may conduct an on-site inspection of the project or facility and the owner at any time to determine if the owner is in compliance with the abatement agreement.
5. The ~~[(Commissioner)]~~ *Director* or his or her designee, upon a request of the board of county commissioners or the city or town council in which the project or facility is located, may conduct an on-site inspection of the project or facility or audit of the owner to determine if the owner is in compliance with the abatement agreement.

Sec. 29. 1. If the ~~[(Commissioner)]~~ *Director* determines pursuant to section 29 that a project or facility is not in compliance with the abatement agreement for that project or facility or has ceased to meet any eligibility requirement for a partial abatement of taxes, the owner shall repay to the State of Nevada the amount of sales and use taxes and the amount of property taxes abated for entire time in which the ~~[(Commissioner)]~~ *Director* has determined that it was not qualified to claim the abatement.

2. Repayment to the State of Nevada must be made within 60 days after the date of the written notice from the ~~Commissioner~~ *Director* to the owner that repayment is due. If the owner fails to timely repay the amount of the abated taxes, the abated taxes shall also bear interest at the rate of interest most recently established pursuant to NRS 99.040 calculated as starting on the effective date of the abatement agreement. The ~~Commissioner~~ *Director* may take such actions as are required by law or as she deems necessary to effectuate the collection of any sums she determines are due.

3. Any amounts paid to the State of Nevada to recoup abated local sales and use taxes and property taxes shall be paid by the State of Nevada to the appropriate local agency. If the State of Nevada recovers any interest, the payment to the appropriate local agency shall include an apportioned share of the interest recovered.

Sec. 30. The ~~Commissioner~~ *Director* may require that any pre-application, application, amendment, annual report or other document submitted to the ~~Commissioner~~ *Director* be attested to by the owner.

Sec. 31. 1. If an owner intends to sell, assign or otherwise transfer all or some of the owner's interest in the project or facility, the owner must:

(a) If the sale, assignment or other transfer will occur before the hearing regarding the owner's application, amend the application to include information regarding the proposed successor in interest and the terms and conditions of the transaction.

(b) If the sale, assignment or other transfer will occur after an abatement agreement has been issued on a project or facility, provide written proof that the successor in interest is apprised of and will fully comply with the abatement agreement.

2. Upon receipt of one of the documents required in paragraph 1, the ~~Commissioner~~ *Director* shall provide a copy of the document to:

- (a) ~~The Director;~~
- ~~(b)~~ The Chief of the Budget Division of the Department of Administration;
- ~~(e)~~ (b) The Department of Taxation;
- ~~(d)~~ (c) The board of county commissioners of any county in which the project or facility is located;
- ~~(e)~~ (d) The county assessor of any county in which the project or facility is located;
- ~~(f)~~ (e) The county treasurer of any county in which the project or facility is located;
- ~~(g)~~ (f) The governing body of any city or town in which the project or facility is located;

and

- ~~(h)~~ (g) The Commission on Economic Development.

3. No successor in interest pursuant to this section is entitled to the abatement of any taxes pursuant to this regulation until the ~~Commissioner~~ *Director* has received the documents regarding the transfer of interest to paragraph 1.

Sec. 32. 1. On or before the second Monday of March, June, September and December of each year, the State Controller shall deposit all money in his or her possession that ~~is~~ *are* subject to the provisions of NRS 701A.450 into the Renewable Energy Fund in such an account or accounts as directed by the ~~Commissioner~~ *Director*. All monies received by the ~~Commissioner~~ *Director* from the State Controller pursuant to NRS 701A.450 shall be deposited by the ~~Commissioner~~ *Director* into one or more interest-bearing accounts in financial institutions located in Nevada. All records related to the account or accounts are public records and shall be maintained in the office of the ~~Commissioner~~ *Director*.

2. At least annually, the ~~Commissioner~~ *Director* shall have the account or accounts audited by an independent auditor, and any report made by the auditor is a public record and shall be maintained in the office of the ~~Commissioner~~ *Director*.

3. On or before June 30 of each year, the ~~Commissioner~~ *Director* will disburse from the account or accounts all of the money contained therein as follows:

(a) Seventy-five percent shall be available to be used by the Public Utilities Commission of Nevada to offset the cost of electricity to retail customers pursuant to subsection 4 of NRS 701A.450; and

(b) Twenty-five percent shall be dedicated solely to be used by the ~~Commissioner~~ *Director* for the operation and staffing of his or her office, and for purposes related to the ~~Commissioner's~~ *Director's* duties and obligations pursuant to chapters 701 and 701A of NRS and sections 2 to 35, inclusive, of this regulation.

Sec. 33. 1. An interested person who wishes to petition the ~~Commissioner~~ *Director* for the adoption, filing, amendment or repeal of a regulation in this chapter must file with the ~~Commissioner~~ *Director* the original and one copy of the petition.

2. The petition must include:

(a) The name and address of the petitioner;

(b) A clear and concise statement of the regulation to be adopted, filed, amended or repealed;

(c) The reason for the adoption, filing, amendment or repeal of the regulation; and

(d) The statutory authority for the adoption, filing, amendment or repeal of the regulation.

3. The ~~Commissioner~~ *Director* may refuse to review a petition which requests the adoption, filing, amendment or repeal of a regulation if:

(a) The original petition is not accompanied by one copy of the petition; or

(b) The petition does not contain the information required by subsection 2.

4. The ~~{Commissioner}~~ *Director* will notify the petitioner in writing of his decision within 30 days after the petition is filed.

Sec. 34. 1. Except as otherwise provided in subsection 4, an interested person may petition the ~~{Commissioner}~~ *Director* to issue a declaratory order or advisory opinion concerning the applicability of a statute or regulation within the ~~{Commissioner's}~~ *Director's* purview or jurisdiction. The original and one copy of the petition must be filed with the ~~{Commissioner}~~ *Director*.

2. The petition must include:

(a) The name and address of the petitioner;

(b) The reason for requesting the order or opinion;

(c) A statement of facts that support the petition; and

(d) A clear and concise statement of the question to be decided by the ~~{Commissioner}~~ *Director* and the relief sought by the petitioner.

3. An interested person may not file a petition for a declaratory order or an advisory opinion concerning a question or matter that is an issue in an administrative, civil or criminal proceeding in which the interested person is a party.

4. The ~~{Commissioner}~~ *Director* may refuse to review a petition which requests him or her to issue a declaratory order or advisory opinion if:

(a) The original petition is not accompanied by one copy of the petition;

(b) The petition does not contain the information required by subsection 2; or

(c) The petition seeks a declaratory order or an advisory opinion prohibited by subsection 3.

5. The ~~{Commissioner}~~ *Director* may:

(a) Conduct an informal hearing to determine issues of fact or to hear arguments relating to the petition and may enter reasonable orders that govern the conduct of such a hearing.

(b) Request the petitioner to provide additional information or arguments relating to the petition.

(c) Issue a declaratory order or an advisory opinion based upon the contents of the petition and any material submitted with the petition.

(d) Consider relevant decisions that have been issued by the ~~Commissioner~~ *Director* which apply or interpret the statute, regulation or decision in question.

(e) Enter any reasonable order to assist his or her review of the petition.

6. The ~~Commissioner~~ *Director* will maintain a record of the order or opinion that is indexed by subject matter and mail a copy of the order or opinion to the petitioner within 60 days after:

(a) The petition is filed;

(b) An informal hearing is conducted; or

(c) Any additional information or written argument is received by the ~~Commissioner,~~ *Director,*

↳ whichever occurs later.

7. The ~~Commissioner~~ *Director* will not render an oral advisory opinion or respond over the telephone to a request for an advisory opinion. An oral response or a response given over the telephone by a member of the staff of the ~~Commissioner~~ *Director* is not a decision or an advisory opinion of the ~~Commissioner,~~ *Director.*