

Amendment No. 388

Senate Amendment to Senate Bill No. 395

(BDR 58-1219)

Proposed by: Senate Committee on Energy, Infrastructure and Transportation**Amends:** Summary: No Title: Yes Preamble: No Joint Sponsorship: No Digest: Yes

Adoption of this amendment will:

- (1) MAINTAIN the 2/3s majority vote requirement for final passage of S.B. 395 (§§ 2, 13, 15).
 (2) ADD an appropriation where one does not currently exist in S.B. 395.

| ASSEMBLY ACTION | | | Initial and Date | SENATE ACTION | | | Initial and Date | | |
|-----------------|--------------------------|------|--------------------------|---------------|--------------|--------------------------|------------------|--------------------------|-------|
| Adopted | <input type="checkbox"/> | Lost | <input type="checkbox"/> | _____ | Adopted | <input type="checkbox"/> | Lost | <input type="checkbox"/> | _____ |
| Concurred In | <input type="checkbox"/> | Not | <input type="checkbox"/> | _____ | Concurred In | <input type="checkbox"/> | Not | <input type="checkbox"/> | _____ |
| Receded | <input type="checkbox"/> | Not | <input type="checkbox"/> | _____ | Receded | <input type="checkbox"/> | Not | <input type="checkbox"/> | _____ |

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) *green bold italic underlining* is new language proposed in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill that is proposed to be retained in this amendment; and (6) green bold dashed underlining is newly added transitory language.

MSN/TMC



Date: 4/19/2009

S.B. No. 395—Makes various changes regarding renewable energy and energy efficiency and alters the composition of the Commission on Economic Development. (BDR 58-1219)



SENATE BILL NO. 395—COMMITTEE ON ENERGY,
INFRASTRUCTURE AND TRANSPORTATION

(ON BEHALF OF THE GOVERNOR)

MARCH 23, 2009

Referred to Committee on Energy, Infrastructure and Transportation

SUMMARY—Makes various changes regarding renewable energy and energy efficiency and alters the composition of the Commission on Economic Development. (BDR 58-1219)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: Yes.

~

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

AN ACT relating to state financial administration; making various changes regarding renewable energy and energy efficiency; altering the composition of the Commission on Economic Development; **making certain appropriations**; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Sections 1 and 2 of this bill: (1) expand the types of facilities relating to renewable energy for which a tax abatement may be granted; (2) ~~broaden the definition of "biomass" to include landfill gas; (3)~~ provide that certain facilities must have a generating capacity of 1 megawatt instead of 10 kilowatts; and ~~((4)) (3)~~ add to the definition of "renewable energy" hydrogen derived from renewables.

~~Sections 1, 2, 13 and 17 of this bill impose a new requirement to qualify for a tax abatement by providing that a facility for the generation of electricity from renewable energy must either bring into the State a manufacturer of components for the generation of renewable energy or procure a certain percentage of the components that it uses from a manufacturer which operates in this State.~~

Section 3 of this bill incrementally extends and increases the portfolio standards for providers of electric service so that, by 2025, at least 25 percent of the electricity sold to retail customers by those providers must be derived from portfolio energy systems or efficiency measures.

Section 4 of this bill alters the definition of "utility facility," as that term is used in the Utility Environmental Protection Act which provides for the issuance of permits for the construction of utility facilities, to require a nameplate capacity of not more than 70 megawatts rather than a generating capacity of not more than 35 megawatts.

Section 5 of this bill exempts certain ~~(Nevada geothermal)~~ **renewable energy** facilities from certain findings that are a condition precedent to permitting under the Utility Environmental Protection Act.

Sections 6 and 24 of this bill alter the composition of the Commission on Economic Development to require that at least two of the appointed members be from counties whose population is less than 100,000. (NRS 231.040)

Section 8 of this bill requires the Chief of the Purchasing Division of the Department of Administration to adopt regulations establishing standards favoring the procurement of appliances, equipment, lighting and other devices that bear the "Energy Star" label or meet other requirements prescribed by federal law unless to do so would not be cost-effective.

Section 10 of this bill requires the State Public Works Board to adopt standards and performance guidelines concerning the efficient use of water and energy.

~~Section~~ **Sections 13 and 22** of this bill ~~eliminates~~ **eliminate** abatements from the local school support tax but ~~leave~~ **retain** abatements from other local sales and use taxes.

Section 15 of this bill requires, with respect to tax abatements relating to renewable energy, that the Commission on Economic Development forward certificates of eligibility to the Office of Energy.

Section 16 of this bill states that businesses which receive a partial abatement pursuant to NRS 360.750 must annually file with the Department of Taxation a sworn certification of compliance with the terms of the abatement.

Section 18 of this bill requires ~~new~~ vehicle dealers in Nevada, beginning with the 2012 model year and thereafter, to ensure that each new vehicle offered for sale is accompanied by a disclosure of the vehicle's estimated carbon dioxide emissions ~~if such information is available~~.

~~Section 22.5 of this bill appropriates \$25,000 to the Interim Finance Committee for allocation to the Office of Energy, upon a showing of need, to cover the costs of adopting the regulations which the Director of the Office is required to adopt pursuant to chapter 701 of NRS.~~

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

Section 1. NRS 701A.220 is hereby amended to read as follows:

701A.220 1. If a partial abatement from the taxes imposed pursuant to chapter 361 of NRS is approved by the Commission on Economic Development pursuant to NRS 360.750 for a facility for the generation of electricity from renewable energy ~~for~~ **a facility for the transmission of electricity produced from renewable energy, a facility for the manufacturing of renewable energy devices, a facility for the production of an energy storage device or a facility for the research and development of renewable energy:**

(a) The partial abatement ~~must be~~

(1) ~~For~~ **Must be for** a duration of not more than 10 years;

(2) ~~Equal to 50~~ **May be equal to up to 100** percent of the taxes on real and personal property payable by the facility each year; and

(3) Administered and carried out in the manner set forth in NRS 360.750.

(b) ~~If the partial abatement pertains to a facility for the generation of electricity from renewable energy, the person applying for the abatement must satisfy the additional requirements set forth in paragraph (c) of subsection 2 of NRS 361.0687.~~

~~(c)~~ The Executive Director of the Commission on Economic Development shall:

(1) Notify **the Department of Taxation and** the county assessor of the county in which the facility is located of the approval of the partial abatement; and

(2) Advise **the Department of Taxation and** the county assessor of the county in which the facility is located as to the dates on which the partial abatement will begin and end.

2. **In addition to any partial abatement described in subsection 1, the Commission on Economic Development may approve a partial abatement from the taxes imposed pursuant to chapter 361 of NRS on lines and collector systems**

1 *that transmit electricity from a facility for the generation of electricity from*
 2 *renewable energy to ~~larger~~ interstate transmission lines which transmit the*
 3 *electricity to market. The abatement described in this subsection must not exceed*
 4 *25 percent.*

5 3. As used in this section:

6 (a) "Biomass" means any organic matter that is available on a renewable basis,
 7 including, without limitation:

8 (1) Agricultural crops and agricultural wastes and residues;

9 (2) Wood and wood wastes and residues;

10 (3) ~~Landfill gas;~~

11 ~~(4)~~ Animal wastes;

12 ~~(4)~~ ~~(5)~~ Municipal wastes; and

13 ~~(5)~~ ~~(6)~~ Aquatic plants.

14 (b) "Energy storage device" means a device for use and storage of electrical
 15 energy that alleviates the consumption of fossil fuel and does not produce fossil
 16 fuel emissions.

17 (c) "Facility for the generation of electricity from renewable energy" means a
 18 facility for the generation of electricity that:

19 (1) Uses renewable energy as its primary source of energy; and

20 (2) Has a generating capacity of at least ~~10 kilowatts;~~ *1 megawatt.*

21 ➤ The term includes all the machinery and equipment that is used in the facility to
 22 collect and store the renewable energy and to convert the renewable energy into
 23 electricity. The term does not include a facility that is located on residential
 24 property.

25 ~~(d) *"Landfill gas" means gas generated from the decomposition of*~~
 26 ~~*municipal solid waste.*~~

27 ~~(e)~~ "Renewable energy" means ~~is~~ *a source of energy that occurs naturally or*
 28 *is regenerated naturally, including, without limitation:*

29 (1) Biomass;

30 (2) *Geothermal energy;*

31 (3) *Hydrogen derived from renewables;*

32 (4) Solar energy; ~~for~~

33 ~~(3) Wind;~~

34 (5) *Waterpower; or*

35 (6) *Wind.*

36 ➤ The term does not include coal, natural gas, oil, propane or any other fossil fuel,
 37 or nuclear energy.

38 ~~(f)~~ *(e) "Renewable energy device" means a system, mechanism or series of*
 39 *mechanisms that produce renewable energy.*

40 Sec. 2. NRS 701A.230 is hereby amended to read as follows:

41 701A.230 1. If an application for an abatement from taxes pursuant to ~~NRS~~
 42 ~~374.357~~ *section 13 of this act* is approved pursuant to NRS 360.750 for a facility
 43 for the generation of electricity from renewable energy ~~for~~ *, a facility for the*
 44 *transmission of electricity produced from renewable energy, a facility for the*
 45 *manufacturing of renewable energy devices, a facility for the production of an*
 46 *energy storage device* ~~is~~ *or a facility for the research and development of*
 47 *renewable energy:*

48 ~~(1)~~ *(a) The taxpayer is eligible for the abatement for 2 years.*

49 ~~(2)~~ *(b) The abatement must be administered and carried out in the manner set*
 50 *forth in NRS 360.750.*

51 ~~(c) If the application pertains to a facility for the generation of electricity~~
 52 ~~from renewable energy, the person applying for the abatement must satisfy the~~
 53 ~~additional requirements set forth in subsection 3 of section 13 of this act.~~

2. *In addition to any abatement described in subsection 1, the Commission on Economic Development may approve an abatement from the taxes imposed pursuant to chapter 361 of NRS on lines and collector systems that transmit electricity from a facility for the generation of electricity from renewable energy to ~~larger~~ interstate transmission lines which transmit the electricity to market.*

3. For the purposes of this section and the abatement, unless the context otherwise requires:

(a) "Biomass" means any organic matter that is available on a renewable basis, including, without limitation:

(1) Agricultural crops and agricultural wastes and residues;

(2) Wood and wood wastes and residues;

(3) ~~Landfill gas~~;

~~(4)~~ Animal wastes;

~~(4)~~ ~~(5)~~ Municipal wastes; and

~~(5)~~ ~~(6)~~ Aquatic plants.

(b) "Eligible machinery or equipment" means:

(1) If the business that qualifies for the abatement is a facility for the production of an energy storage device, machinery or equipment which is leased or purchased and for which a deduction is authorized pursuant to 26 U.S.C. § 179. The term does not include:

(I) Buildings or the structural components of buildings;

(II) ~~Equipment used by a public utility~~;

~~(III)~~ Equipment used for medical treatment;

~~(IV)~~ (III) Machinery or equipment used in mining;

~~(V)~~ (IV) Machinery or equipment used in gaming; or

~~(VI)~~ (V) Aircraft.

(2) If the business that qualifies for the abatement is a facility for the generation *and transmission* of electricity from renewable energy, all the machinery and equipment that is used in the facility to ~~collect~~:

(I) *Collect* and store the renewable energy ~~and to convert~~;

(II) *Convert* the renewable energy into electricity ~~and~~; *and*

(III) *Transmit the electricity*.

(3) *Lines and collector systems as described in subsection 2.*

(c) "Energy storage device" means a device for use and storage of electrical energy that alleviates the consumption of fossil fuel and does not produce fossil fuel emissions.

(d) "Facility for the generation *and transmission* of electricity from renewable energy" means a facility for the generation *and transmission* of electricity that:

(1) Uses renewable energy as its primary source of energy; and

(2) Has a generating capacity of at least ~~10 kilowatts~~ *1 megawatt*.

➤ The term includes all the machinery and equipment that is used in the facility to collect and store the renewable energy, ~~and~~ to convert the renewable energy into electricity ~~and to transmit the electricity~~. The term does not include a facility that is located on residential property.

(e) ~~"Fuel cell" means a device or contrivance which, through the chemical process of combining ions of hydrogen and oxygen, produces electricity and water.~~

~~(f) "Landfill gas" means gas generated from the decomposition of municipal solid waste.~~

~~(g) "Renewable energy" means a source of energy that occurs naturally or is regenerated naturally, including, without limitation:~~

(1) Biomass;

(2) ~~Fuel cells~~;

~~(3) Geothermal energy;~~

~~[(4)]~~ (3) *Hydrogen derived from renewables;*

(4) Solar energy;

(5) Waterpower; and

(6) Wind.

☞ The term does not include coal, natural gas, oil, propane or any other fossil fuel, or nuclear energy.

~~[(8)]~~ (f) *“Renewable energy device” means a system, mechanism or series of mechanisms that produce renewable energy.*

Sec. 3. NRS 704.7821 is hereby amended to read as follows:

704.7821 1. For each provider of electric service, the Commission shall establish a portfolio standard. The portfolio standard must require each provider to generate, acquire or save electricity from portfolio energy systems or efficiency measures in an amount that is:

(a) For the period consisting of calendar years 2005 and 2006, not less than 6 percent of the total amount of electricity sold by the provider to its retail customers in this State during ~~that~~ each such calendar year ~~period~~.

(b) For the period consisting of calendar years 2007 and 2008, not less than 9 percent of the total amount of electricity sold by the provider to its retail customers in this State during ~~that~~ each such calendar year ~~period~~.

(c) For the period consisting of calendar years 2009 and 2010, not less than 12 percent of the total amount of electricity sold by the provider to its retail customers in this State during ~~that~~ each such calendar year ~~period~~.

(d) For the period consisting of calendar years 2011 and 2012, not less than 15 percent of the total amount of electricity sold by the provider to its retail customers in this State during ~~that~~ each such calendar year ~~period~~.

(e) For the period consisting of calendar years 2013 and 2014, not less than 18 percent of the total amount of electricity sold by the provider to its retail customers in this State during ~~that~~ each such calendar year ~~period~~.

(f) For the period consisting of calendar ~~year 2015 and for each calendar year thereafter,~~ years 2015 through 2019, and 2016 and the period consisting of calendar years 2017 and 2018, not less than 20 percent of the total amount of electricity sold by the provider to its retail customers in this State during ~~that~~ each such calendar year ~~period~~.

(g) For the period consisting of calendar years 2019 and 2020 through, the period consisting of calendar years 2021 and 2022 and the period consisting of calendar years 2023 and 2024, not less than 22 percent of the total amount of electricity sold by the provider to its retail customers in this State during each such calendar year ~~period~~.

(h) For calendar year 2025 and for each calendar year thereafter, not less than 25 percent of the total amount of electricity sold by the provider to its retail customers in this State during each such calendar year.

2. Except as otherwise provided in subsection 3, in addition to the requirements set forth in subsection 1, the portfolio standard for each provider must require that:

(a) Of the total amount of electricity that the provider is required to generate, acquire or save from portfolio energy systems or efficiency measures during ~~each calendar year~~ :

(1) The periods consisting of calendar years 2009 and 2010, 2011 and 2012, and 2013 and 2014, not less than 5 percent of that amount must be generated or acquired from solar renewable energy systems; ~~and~~

(2) The periods consisting of calendar years 2015 and 2016, 2017 and 2018, 2019 and 2020, 2021 and 2022, and 2023 and 2024, and calendar year 2025

1 and each calendar year thereafter, not less than 6 percent of that amount must be
2 generated or acquired from solar renewable energy systems.

3 (b) Of the total amount of electricity that the provider is required to generate,
4 acquire or save from portfolio energy systems or efficiency measures during each
5 calendar year or period of calendar years, not more than 25 percent of that
6 amount may be based on energy efficiency measures. If the provider intends to use
7 energy efficiency measures to comply with its portfolio standard during any
8 calendar year or period of calendar years, of the total amount of electricity
9 saved from energy efficiency measures for which the provider seeks to obtain
10 portfolio energy credits pursuant to this paragraph, at least 50 percent of that
11 amount must be saved from energy efficiency measures installed at service
12 locations of residential customers of the provider, unless a different percentage is
13 approved by the Commission.

14 (c) If the provider acquires or saves electricity from a portfolio energy system
15 or efficiency measure pursuant to a renewable energy contract or energy efficiency
16 contract with another party:

17 (1) The term of the contract must be not less than 10 years, unless the other
18 party agrees to a contract with a shorter term; and

19 (2) The terms and conditions of the contract must be just and reasonable, as
20 determined by the Commission. If the provider is a utility provider and the
21 Commission approves the terms and conditions of the contract between the utility
22 provider and the other party, the contract and its terms and conditions shall be
23 deemed to be a prudent investment and the utility provider may recover all just and
24 reasonable costs associated with the contract.

25 3. The provisions of paragraphs (b) and (c) of subsection 2 do not apply to a
26 provider of new electric resources pursuant to chapter 704B of NRS with respect to
27 its use of an energy efficiency measure that is financed by a customer, or which is a
28 geothermal energy system for the provision of heated water to one or more
29 customers and which reduces the consumption of electricity or any fossil fuel,
30 except that, of the total amount of electricity that the provider is required to
31 generate, acquire or save from portfolio energy systems or efficiency measures
32 during each calendar year or period of calendar years, not more than 25 percent
33 of that amount may be based on energy efficiency measures.

34 4. If, for the benefit of one or more retail customers in this State, the provider,
35 or the customer of a provider of new electric resources pursuant to chapter 704B of
36 NRS, has paid for or directly reimbursed, in whole or in part, the costs of the
37 acquisition or installation of a solar energy system which qualifies as a renewable
38 energy system and which reduces the consumption of electricity, the total reduction
39 in the consumption of electricity during each calendar year that results from the
40 solar energy system shall be deemed to be electricity that the provider generated or
41 acquired from a renewable energy system for the purposes of complying with its
42 portfolio standard.

43 5. The Commission shall adopt regulations that establish a system of portfolio
44 energy credits that may be used by a provider to comply with its portfolio standard.

45 6. Except as otherwise provided in subsection 7, each provider shall comply
46 with its portfolio standard during each calendar year or period of calendar
47 years, as applicable.

48 7. If, for any calendar year or period of calendar years, as applicable, a
49 provider is unable to comply with its portfolio standard through the generation of
50 electricity from its own renewable energy systems or, if applicable, through the use
51 of portfolio energy credits, the provider shall take actions to acquire or save
52 electricity pursuant to one or more renewable energy contracts or energy efficiency
53 contracts. If the Commission determines that, for a calendar year or period of

calendar years, there is not or will not be a sufficient supply of electricity for any reason, including, without limitation, the inability of the provider to obtain the necessary permits or other approvals from any governmental entity for the construction of transmission facilities necessary to transmit renewable energy to the provider's system or there is not or will not be a sufficient amount of energy savings made available to the provider pursuant to renewable energy contracts and energy efficiency contracts with just and reasonable terms and conditions, the Commission shall exempt the provider, for that calendar year ~~or~~ or period of calendar years, from the remaining requirements of its portfolio standard or from any appropriate portion thereof, as determined by the Commission.

8. The Commission shall adopt regulations that establish:

(a) Standards for the determination of just and reasonable terms and conditions for the renewable energy contracts and energy efficiency contracts that a provider must enter into to comply with its portfolio standard.

(b) Methods to classify the financial impact of each long-term renewable energy contract and energy efficiency contract as an additional imputed debt of a utility provider. The regulations must allow the utility provider to propose an amount to be added to the cost of the contract, at the time the contract is approved by the Commission, equal to a compensating component in the capital structure of the utility provider. In evaluating any proposal made by a utility provider pursuant to this paragraph, the Commission shall consider the effect that the proposal will have on the rates paid by the retail customers of the utility provider.

9. As used in this section:

(a) "Energy efficiency contract" means a contract to attain energy savings from one or more energy efficiency measures owned, operated or controlled by other parties.

(b) "Renewable energy contract" means a contract to acquire electricity from one or more renewable energy systems owned, operated or controlled by other parties.

(c) "Terms and conditions" includes, without limitation, the price that a provider must pay to acquire electricity pursuant to a renewable energy contract or to attain energy savings pursuant to an energy efficiency contract.

Sec. 4. NRS 704.860 is hereby amended to read as follows:

704.860 "Utility facility" means:

1. Electric generating plants and their associated facilities, except:

(a) Electric generating plants and their associated facilities that are or will be located entirely within the boundaries of a county whose population is 100,000 or more; or

(b) Electric generating plants and their associated facilities which use or will use renewable energy, as defined in NRS 704.7811, as their primary source of energy to generate electricity and which have or will have a ~~generating~~ nameplate capacity of not more than ~~35~~ 70 megawatts, including, without limitation, a net metering system, as defined in NRS 704.771.

As used in this subsection, "associated facilities" includes, without limitation, any facilities for the storage, transmission or treatment of water, including, without limitation, facilities to supply water or for the treatment or disposal of wastewater, which support or service an electric generating plant.

2. Electric transmission lines and transmission substations that:

(a) Are designed to operate at 200 kilovolts or more;

(b) Are not required by local ordinance to be placed underground; and

(c) Are constructed outside any incorporated city.

3. Gas transmission lines, storage plants, compressor stations and their associated facilities when constructed outside:

- (a) Any incorporated city; and
(b) Any county whose population is 100,000 or more.
4. Water storage, transmission and treatment facilities, other than facilities for the storage, transmission or treatment of water from mining operations.
5. Sewer transmission and treatment facilities.

Sec. 5. NRS 704.890 is hereby amended to read as follows:

704.890 1. Except as otherwise provided in subsection 3, the Commission may not grant a permit for the construction, operation and maintenance of a utility facility, either as proposed or as modified by the Commission, to a person unless it finds and determines:

- (a) The nature of the probable effect on the environment;
(b) ~~That~~ *Except with respect to a ~~geothermal~~ renewable energy facility that is built in Nevada pursuant to NRS 704.820 to 704.900, inclusive, and emits greenhouse gases, the* extent to which the facility is needed to ensure reliable utility service to customers in this State;
(c) That the need for the facility balances any adverse effect on the environment;
(d) That the facility represents the minimum adverse effect on the environment, considering the state of available technology and the nature and economics of the various alternatives;
(e) That the location of the facility as proposed conforms to applicable state and local laws and regulations issued thereunder and the applicant has obtained, or is in the process of obtaining, all other permits, licenses and approvals required by federal, state and local statutes, regulations and ordinances; and
(f) That the facility will serve the public interest.

2. If the Commission determines that the location of all or a part of the proposed facility should be modified, it may condition its permit upon such a modification. If the applicant has not obtained all the other permits, licenses and approvals required by federal, state and local statutes, regulations and ordinances as of the date on which the Commission decides to issue a permit, the Commission shall condition its permit upon the applicant obtaining those permits and approvals.

3. The requirements set forth in paragraph (f) of subsection 1 do not apply to any application for a permit which is filed by a state government or political subdivision thereof.

Sec. 6. NRS 231.040 is hereby amended to read as follows:

231.040 1. The Commission on Economic Development is composed of the Lieutenant Governor, who is its Chairman, and six members who are appointed by the Governor.

2. The Governor shall appoint as members of the Commission persons who *are residents of Nevada and who* have proven experience in economic development which was acquired by them while engaged in finance, manufacturing, mining, agriculture, the field of transportation, or in general business other than tourism or gaming.

3. The Governor shall appoint ~~four~~ *to the Commission:*

- (a) *At least one member who is a resident of* ~~the~~ *Clark County.*
(b) *At least one member who is a resident of* Washoe County.
(c) ~~A county~~ *At least two members who are residents of counties* whose population is ~~[50,000 or less.]~~ *less than 100,000.*

Sec. 7. NRS 266.267 is hereby amended to read as follows:

266.267 1. A city council shall not enter into a lease of real property owned by the city for a term of 3 years or longer or enter into a contract for the sale of real property until after the property has been appraised pursuant to NRS 268.059.

Except as otherwise provided in this section, paragraph (a) of subsection 1 of NRS 268.050 and subsection 3 of NRS 496.080:

(a) The sale or lease of real property must be made in the manner required pursuant to NRS 268.059, 268.061 and 268.062; and

(b) A lease or sale must be made at or above the highest appraised value of the real property as determined pursuant to the appraisal conducted pursuant to NRS 268.059.

2. The city council may sell or lease real property for less than its appraised value to any person who maintains or intends to maintain a business within the boundaries of the city which is eligible pursuant to ~~NRS 374.357~~ *section 13 of this act* for an abatement from ~~the~~ *local* sales and use taxes ~~imposed pursuant to chapter 374 of NRS.~~ *, as that term is defined in NRS 360.750.*

Sec. 8. Chapter 333 of NRS is hereby amended by adding thereto a new section to read as follows:

1. The Chief shall adopt regulations which set forth standards to be used by using agencies when purchasing new appliances, equipment, lighting and other devices that use electricity ~~or~~ natural gas, propane or oil. Except as otherwise provided in subsection 2, the standards must require that such new appliances, equipment, lighting and other devices have received the Energy Star label pursuant to the program established pursuant to 42 U.S.C. § 6294a, or its successor ~~or~~ , or meet the requirements established pursuant to 48 C.F.R. § 23.203.

2. The standards described in subsection 1 do not apply insofar as:

(a) No items in a given class of appliances, equipment, lighting or other devices have been evaluated to determine whether they are eligible to receive the Energy Star label ~~or~~ or have been designated by the Federal Government to meet the requirements established pursuant to 48 C.F.R. § 23.203; or

(b) The purchase of new appliances, equipment, lighting or other devices that have received the Energy Star label would not be cost-effective in an individual instance, comparing the cost of the item to the cost of the amount of ~~electricity~~ energy that will be saved over the useful life of the item.

Sec. 9. NRS 333.340 is hereby amended to read as follows:

333.340 1. Every contract or order for goods must be awarded to the lowest responsible bidder. To determine the lowest responsible bidder, the Chief:

(a) Shall consider, if applicable ~~the~~ *:*

(1) The imposition of the inverse preference described in NRS 333.336.

(2) The required standards adopted pursuant to section 8 of this act.

(b) May consider:

(1) The location of the using agency to be supplied.

(2) The qualities of the articles to be supplied.

(3) The total cost of ownership of the articles to be supplied.

(4) Except as otherwise provided in subparagraph (5), the conformity of the articles to be supplied with the specifications.

(5) If the articles are an alternative to the articles listed in the original request for bids, whether the advertisement for bids included a statement that bids for an alternative article will be considered if:

(I) The specifications of the alternative article meet or exceed the specifications of the article listed in the original request for bids;

(II) The purchase of the alternative article results in a lower price; and

(III) The Chief deems the purchase of the alternative article to be in the best interests of the State of Nevada.

(6) The purposes for which the articles to be supplied are required.

(7) The dates of delivery of the articles to be supplied.

2. If a contract or an order is not awarded to the lowest bidder, the Chief shall provide the lowest bidder with a written statement which sets forth the specific reasons that the contract or order was not awarded to him.

3. As used in this section, "total cost of ownership" includes, but is not limited to:

- (a) The history of maintenance or repair of the articles;
- (b) The cost of routine maintenance and repair of the articles;
- (c) Any warranties provided in connection with the articles;
- (d) The cost of replacement parts for the articles; and
- (e) The value of the articles as used articles when given in trade on a subsequent purchase.

Sec. 10. Chapter 341 of NRS is hereby amended by adding thereto a new section to read as follows:

1. For the purposes of the design and construction of buildings or other projects of this State, the Board shall adopt by regulation:

- (a) Standards for the efficient use of water.*
- (b) Standards for the efficient use of energy, including, without limitation, the use of sources of renewable energy.*
- (c) Performance guidelines for new, remodeled and renovated buildings.*
- (d) Performance guidelines for retrofit projects, including, without limitation, guidelines for:*
 - (1) Energy consumption.*
 - (2) The use of potable water.*
 - (3) The use of water for purposes relating to landscaping.*
 - (4) The disposal of solid waste.*

2. The standards and performance guidelines adopted in accordance with subsection 1 must include a mechanism for their evaluation and revision to ensure that such standards and guidelines:

- (a) Are cost-effective over the life of the applicable project.*
- (b) Produce certain threshold levels of cost savings.*

3. In adopting the standards and performance guidelines pursuant to subsection 1, the Board may consider, without limitation:

- (a) The Leadership in Energy and Environmental Design Green Building Rating System established by the United States Green Building Council or its successor;*
- (b) The Green Globes assessment and rating system developed by the Green Building Initiative or its successor;*
- (c) The standards established by the United States Environmental Protection Agency pursuant to the Energy Star Program;*
- (d) The standards established by the American Society of Heating, Refrigerating and Air-Conditioning Engineers or its successor;*
- (e) The criteria established pursuant to the Federal Energy Management Program established by the United States Department of Energy; and*
- (f) The criteria established by the International Energy Conservation Code.*

4. The regulations adopted pursuant to this section must include provisions for their enforcement.

~~44~~ *5. As used in this section, "renewable energy" has the meaning ascribed to it in NRS 701A.220.*

Sec. 11. NRS 341.119 is hereby amended to read as follows:

341.119 1. Upon the request of the head of a state agency, the Board may delegate to that agency any of the authority granted the Board pursuant to NRS 341.141 to 341.148, inclusive ~~14~~, and section 10 of this act.

2. This section does not limit any of the authority of the Legislature when the Legislature is in regular or special session or the Interim Finance Committee when the Legislature is not in regular or special session to consult with the Board concerning a construction project or to approve the advance planning of a project.

Sec. 12. NRS 341.153 is hereby amended to read as follows:

341.153 1. The Legislature hereby finds as facts:

(a) That the construction of public buildings is a specialized field requiring for its successful accomplishment a high degree of skill and experience not ordinarily acquired by public officers and employees whose primary duty lies in some other field.

(b) That this construction involves the expenditure of large amounts of public money which, whatever their particular constitutional, statutory or governmental source, involve a public trust.

(c) That the application by state agencies of conflicting standards of performance results in wasteful delays and increased costs in the performance of public works.

2. The Legislature therefore declares it to be the policy of this State that all construction of buildings upon property of the State or held in trust for any division of the State Government be supervised by, and final authority for its completion and acceptance vested in, the Board as provided in NRS 341.141 to 341.148, inclusive ~~H~~, and section 10 of this act.

Sec. 13. Chapter 360 of NRS is hereby amended by adding thereto a new section to read as follows:

1. A person who maintains a business or intends to locate a business in this State may, pursuant to NRS 360.750, apply to the Commission on Economic Development for an abatement from the local sales and use taxes imposed on the gross receipts from the sale, and the storage, use or other consumption, of eligible machinery or equipment for use by a business which has been approved for an abatement pursuant to NRS 360.750.

2. Except as otherwise provided in NRS 701A.230, if an application for an abatement is approved pursuant to NRS 360.750:

(a) The taxpayer is eligible for an abatement from the local sales and use taxes for not more than 2 years for machinery or equipment which is leased or purchased. In the case of machinery or equipment that is leased, the lessee is the taxpayer who is eligible for an abatement.

(b) The abatement must be administered and carried out in the manner set forth in NRS 360.750.

~~3. In addition to meeting any other applicable requirements, if a person is applying for an abatement from the local sales and use taxes for a business that operates a facility for the generation of electricity from renewable energy:~~

~~(a) The business must bring into the State or cause to be brought into the State a manufacturer of components for the generation of renewable energy, which manufacturer satisfies the requirements of subsection 2 of NRS 360.750;~~

~~or~~

~~(b) The business must purchase a certain minimum percentage of the components it requires for the generation of energy from companies that manufacture those components in the State. The Commission on Economic Development shall adopt regulations setting forth the minimum percentage necessary to satisfy the requirements of this paragraph.~~

~~4. For the purposes of this section, except as otherwise provided in NRS 701A.230 or unless the context otherwise requires:~~

(a) *“Eligible machinery or equipment” means machinery or equipment which is leased or purchased and for which a deduction is authorized pursuant to 26 U.S.C. § 179. The term does not include:*

(1) *Buildings or the structural components of buildings;*

(2) ~~Equipment used by a public utility;~~

~~(3) Equipment used for medical treatment;~~

~~(4) Machinery or equipment used in mining;~~

~~(5) Machinery or equipment used in gaming; or~~

~~(6) Aircraft.~~

(b) ~~“Facility for the generation of electricity from renewable energy” has the meaning ascribed to it in NRS 701A.220.~~

~~(c) “Local sales and use taxes” has the meaning ascribed to it in NRS 360.750.~~

Sec. 14. NRS 360.225 is hereby amended to read as follows:

360.225 1. During the course of an investigation undertaken pursuant to NRS 360.130 of a person claiming:

(a) A partial abatement of property taxes pursuant to NRS 361.0687;

(b) An exemption from taxes pursuant to NRS 363B.120;

(c) A deferral of the payment of taxes on the sale of capital goods pursuant to NRS 372.397 or 374.402; or

(d) An abatement of taxes on the gross receipts from the sale, storage, use or other consumption of eligible machinery or equipment pursuant to ~~NRS 374.357;~~ *section 13 of this act,*

the Department shall investigate whether the person meets the eligibility requirements for the abatement, partial abatement, exemption or deferral that the person is claiming.

2. If the Department finds that the person does not meet the eligibility requirements for the abatement, exemption or deferral which the person is claiming, the Department shall report its findings to the Commission on Economic Development and take any other necessary actions.

Sec. 15. NRS 360.750 is hereby amended to read as follows:

360.750 1. A person who intends to locate or expand a business in this State may apply to the Commission on Economic Development for a partial abatement of one or more of the ~~local~~ :

(a) Local sales and use taxes imposed on the new or expanded business for taxes;

(b) Taxes imposed on the new or expanded business pursuant to chapter 361 ~~363B or 374~~ of NRS, other than taxes imposed for public education; or

(c) Taxes imposed pursuant to chapter 363B of NRS.

2. The Commission on Economic Development shall approve an application for a partial abatement if the Commission makes the following determinations:

(a) The business is consistent with:

(1) The State Plan for Industrial Development and Diversification that is developed by the Commission pursuant to NRS 231.067; and

(2) Any guidelines adopted pursuant to the State Plan.

(b) The applicant has executed an agreement with the Commission which must:

(1) Comply with the requirements of NRS 360.755;

(2) State that the business will, after the date on which a certificate of eligibility for the abatement is issued pursuant to subsection 5, continue in operation in this State for a period specified by the Commission, which must be at least 5 years, and will continue to meet the eligibility requirements set forth in this subsection; and

1 (3) Bind the successors in interest of the business for the specified period.

2 (c) The business is registered pursuant to the laws of this State or the applicant
3 commits to obtain a valid business license and all other permits required by the
4 county, city or town in which the business operates.

5 (d) Except as otherwise provided in NRS 361.0687, if the business is a new
6 business in a county whose population is 100,000 or more or a city whose
7 population is 60,000 or more, the business meets at least two of the following
8 requirements:

9 (1) The business will have 75 or more full-time employees on the payroll
10 of the business by the fourth quarter that it is in operation.

11 (2) Establishing the business will require the business to make a capital
12 investment of at least \$1,000,000 in this State.

13 (3) The average hourly wage that will be paid by the new business to its
14 employees in this State is at least 100 percent of the average statewide hourly wage
15 as established by the Employment Security Division of the Department of
16 Employment, Training and Rehabilitation on July 1 of each fiscal year and:

17 (I) The business will provide a health insurance plan for all employees
18 that includes an option for health insurance coverage for dependents of the
19 employees; and

20 (II) The cost to the business for the benefits the business provides to its
21 employees in this State will meet the minimum requirements for benefits
22 established by the Commission by regulation pursuant to subsection 9.

23 (e) Except as otherwise provided in NRS 361.0687, if the business is a new
24 business in a county whose population is less than 100,000 or a city whose
25 population is less than 60,000, the business meets at least two of the following
26 requirements:

27 (1) The business will have 15 or more full-time employees on the payroll
28 of the business by the fourth quarter that it is in operation.

29 (2) Establishing the business will require the business to make a capital
30 investment of at least \$250,000 in this State.

31 (3) The average hourly wage that will be paid by the new business to its
32 employees in this State is at least 100 percent of the average statewide hourly wage
33 or the average countywide hourly wage, whichever is less, as established by the
34 Employment Security Division of the Department of Employment, Training and
35 Rehabilitation on July 1 of each fiscal year and:

36 (I) The business will provide a health insurance plan for all employees
37 that includes an option for health insurance coverage for dependents of the
38 employees; and

39 (II) The cost to the business for the benefits the business provides to its
40 employees in this State will meet the minimum requirements for benefits
41 established by the Commission by regulation pursuant to subsection 9.

42 (f) If the business is an existing business, the business meets at least two of the
43 following requirements:

44 (1) The business will increase the number of employees on its payroll by
45 10 percent more than it employed in the immediately preceding fiscal year or by six
46 employees, whichever is greater.

47 (2) The business will expand by making a capital investment in this State
48 in an amount equal to at least 20 percent of the value of the tangible property
49 possessed by the business in the immediately preceding fiscal year. The
50 determination of the value of the tangible property possessed by the business in the
51 immediately preceding fiscal year must be made by the:

52 (I) County assessor of the county in which the business will expand, if
53 the business is locally assessed; or

(II) Department, if the business is centrally assessed.

(3) The average hourly wage that will be paid by the existing business to its new employees in this State is at least the amount of the average hourly wage required to be paid by businesses pursuant to subparagraph (2) of either paragraph (a) or (b) of subsection 2 of NRS 361.0687, whichever is applicable, and:

(I) The business will provide a health insurance plan for all new employees that includes an option for health insurance coverage for dependents of the employees; and

(II) The cost to the business for the benefits the business provides to its new employees in this State will meet the minimum requirements for benefits established by the Commission by regulation pursuant to subsection 9.

(g) In lieu of meeting the requirements of paragraph (d), (e) or (f), if the business furthers the development and refinement of intellectual property, a patent or a copyright into a commercial product, the business meets at least two of the following requirements:

(1) The business will have 10 or more full-time employees on the payroll of the business by the fourth quarter that it is in operation.

(2) Establishing the business will require the business to make a capital investment of at least \$500,000 in this State.

(3) The average hourly wage that will be paid by the new business to its employees in this State is at least the amount of the average hourly wage required to be paid by businesses pursuant to subparagraph (2) of either paragraph (a) or (b) of subsection 2 of NRS 361.0687, whichever is applicable, and:

(I) The business will provide a health insurance plan for all employees that includes an option for health insurance coverage for dependents of the employees; and

(II) The cost to the business for the benefits the business provides to its employees in this State will meet with minimum requirements established by the Commission by regulation pursuant to subsection 9.

3. Notwithstanding the provisions of subsection 2, the Commission on Economic Development:

(a) Shall not consider an application for a partial abatement unless the Commission has requested a letter of acknowledgment of the request for the abatement from any affected county, school district, city or town.

(b) May, if the Commission determines that such action is necessary:

(1) Approve an application for a partial abatement by a business that does not meet the requirements set forth in paragraph (d), (e), (f) or (g) of subsection 2;

(2) Make the requirements set forth in paragraph (d), (e), (f) or (g) of subsection 2 more stringent; or

(3) Add additional requirements that a business must meet to qualify for a partial abatement.

4. If a person submits an application to the Commission on Economic Development pursuant to subsection 1, the Commission shall provide notice to the governing body of the county, the board of trustees of the school district and the governing body of the city or town, if any, in which the person intends to locate or expand a business. The notice required pursuant to this subsection must set forth the date, time and location of the hearing at which the Commission will consider the application.

5. If the Commission on Economic Development approves an application for a partial abatement, the Commission shall immediately forward a certificate of eligibility for the abatement to:

(a) The Department;

(b) The Nevada Tax Commission; ~~and~~

(c) If the partial abatement is from the property tax imposed pursuant to chapter 361 of NRS, the county treasurer ~~and~~; *and*

(d) If the abatement is related to renewable energy, including, without limitation, an abatement described in NRS 701A.220 or 701A.230, the Office of Energy within the Office of the Governor.

6. An applicant for a partial abatement pursuant to this section or an existing business whose partial abatement is in effect shall, upon the request of the Executive Director of the Commission on Economic Development, furnish the Executive Director with copies of all records necessary to verify that the applicant meets the requirements of subsection 2.

7. If a business whose partial abatement has been approved pursuant to this section and is in effect ceases:

(a) To meet the requirements set forth in subsection 2; or

(b) Operation before the time specified in the agreement described in paragraph (b) of subsection 2,

the business shall repay to the Department or, if the partial abatement was from the property tax imposed pursuant to chapter 361 of NRS, to the county treasurer, the amount of the exemption that was allowed pursuant to this section before the failure of the business to comply unless the Nevada Tax Commission determines that the business has substantially complied with the requirements of this section. Except as otherwise provided in NRS 360.232 and 360.320, the business shall, in addition to the amount of the exemption required to be paid pursuant to this subsection, pay interest on the amount due at the rate most recently established pursuant to NRS 99.040 for each month, or portion thereof, from the last day of the month following the period for which the payment would have been made had the partial abatement not been approved until the date of payment of the tax.

8. A county treasurer:

(a) Shall deposit any money that he receives pursuant to subsection 7 in one or more of the funds established by a local government of the county pursuant to NRS 354.6113 or 354.6115; and

(b) May use the money deposited pursuant to paragraph (a) only for the purposes authorized by NRS 354.6113 and 354.6115.

9. The Commission on Economic Development:

(a) Shall adopt regulations relating to:

(1) The minimum level of benefits that a business must provide to its employees if the business is going to use benefits paid to employees as a basis to qualify for a partial abatement; ~~and~~

(2) The duration and percentage of the abatements of taxes approved pursuant to NRS 701A.220, which must include, without limitation, provisions specifying that the determination of the duration and percentage of the abatement must be based in part on the anticipated beneficial economic effect to the State of the business, including, without limitation, the projected long-term job opportunities created by the business, the amount of components and equipment purchased by the business in this State, whether the business causes a manufacturer of renewable energy components to locate in Nevada and whether the energy generated by the business is used in Nevada; and

(3) The notice that must be provided pursuant to subsection 4.

(b) May adopt such other regulations as the Commission on Economic Development determines to be necessary to carry out the provisions of this section and NRS 360.755.

10. The Nevada Tax Commission:

(a) Shall adopt regulations regarding:

(1) The capital investment that a new business must make to meet the requirement set forth in paragraph (d), (e) or (g) of subsection 2; and

(2) Any security that a business is required to post to qualify for a partial abatement pursuant to this section.

(b) May adopt such other regulations as the Nevada Tax Commission determines to be necessary to carry out the provisions of this section and NRS 360.755.

11. An applicant for an abatement who is aggrieved by a final decision of the Commission on Economic Development may petition for judicial review in the manner provided in chapter 233B of NRS.

12. As used in this section ~~the word "local"~~:

(a) "Local sales and use taxes" means any taxes imposed on the gross receipts of any retailer from the sale of tangible personal property sold at retail, or stored, used or otherwise consumed, in any political subdivision of this State, except the taxes imposed by NRS 374.110 or 374.190 or the Sales and Use Tax Act.

(b) "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 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. 16. NRS 360.755 is hereby amended to read as follows:

360.755 1. If the Commission on Economic Development approves an application by a business for a partial abatement pursuant to NRS 360.750, the agreement with the Commission must provide that the business:

(a) Agrees to allow the Department to conduct audits of the business to determine whether the business is in compliance with the requirements for the partial abatement; ~~and~~

(b) Agrees to file with the Department on an annual basis, under penalty of perjury, a statement certifying that the business is in compliance with the requirements for the partial abatement; and

(c) Consents to the disclosure of the audit reports in the manner set forth in this section.

2. If the Department conducts an audit of the business to determine whether the business is in compliance with the requirements for the partial abatement, the Department shall, upon request, provide the audit report to the Commission on Economic Development.

3. Until the business has exhausted all appeals to the Department and the Nevada Tax Commission relating to the audit, the information contained in the audit report provided to the Commission on Economic Development:

(a) Is confidential proprietary information of the business;

(b) Is not a public record; and

(c) Must not be disclosed to any person who is not an officer or employee of the Commission on Economic Development unless the business consents to the disclosure.

4. After the business has exhausted all appeals to the Department and the Nevada Tax Commission relating to the audit:

(a) The audit report provided to the Commission on Economic Development is a public record; and

(b) Upon request by any person, the Executive Director of the Commission on Economic Development shall disclose the audit report to the person who made the

request, except for any information in the audit report that is protected from disclosure pursuant to subsection 5.

5. Before the Executive Director of the Commission on Economic Development discloses the audit report to the public, the business may submit a request to the Executive Director to protect from disclosure any information in the audit report which, under generally accepted business practices, would be considered a trade secret or other confidential proprietary information of the business. After consulting with the business, the Executive Director shall determine whether to protect the information from disclosure. The decision of the Executive Director is final and is not subject to judicial review. If the Executive Director determines to protect the information from disclosure, the protected information:

- (a) Is confidential proprietary information of the business;
- (b) Is not a public record;
- (c) Must be redacted by the Executive Director from any audit report that is disclosed to the public; and
- (d) Must not be disclosed to any person who is not an officer or employee of the Commission on Economic Development unless the business consents to the disclosure.

Sec. 17. NRS 361.0687 is hereby amended to read as follows:

361.0687 1. A person who intends to locate or expand a business in this State may, pursuant to NRS 360.750, apply to the Commission on Economic Development for a partial abatement from the taxes imposed by this chapter.

2. For a business to qualify pursuant to NRS 360.750 for a partial abatement from the taxes imposed by this chapter, the Commission on Economic Development must determine that, in addition to meeting the other requirements set forth in subsection 2 of that section:

(a) If the business is a new business in a county whose population is 100,000 or more or a city whose population is 60,000 or more:

(1) The business will make a capital investment in the county of at least \$50,000,000 if the business is an industrial or manufacturing business or at least \$5,000,000 if the business is not an industrial or manufacturing business; and

(2) The average hourly wage that will be paid by the new business to its employees in this State is at least 100 percent of the average statewide hourly wage as established by the Employment Security Division of the Department of Employment, Training and Rehabilitation on July 1 of each fiscal year.

(b) If the business is a new business in a county whose population is less than 100,000 or a city whose population is less than 60,000:

(1) The business will make a capital investment in the county of at least \$5,000,000 if the business is an industrial or manufacturing business or at least \$500,000 if the business is not an industrial or manufacturing business; and

(2) The average hourly wage that will be paid by the new business to its employees in this State is at least 100 percent of the average statewide hourly wage or the average countywide hourly wage, whichever is less, as established by the Employment Security Division of the Department of Employment, Training and Rehabilitation on July 1 of each fiscal year.

~~(c) In addition to meeting the applicable requirements of paragraphs (a) and (b), if the business is a business that operates a facility for the generation of electricity from renewable energy:~~

~~(1) The business will bring into the State or cause to be brought into the State a manufacturer of components for the generation of renewable energy, which manufacturer satisfies the requirements of subsection 2 of NRS 360.750;~~

~~(2) The business will purchase a certain minimum percentage of the components it requires for the generation of renewable energy from companies that manufacture those components in the State. The Commission on Economic Development shall adopt regulations setting forth the minimum percentage necessary to satisfy the requirements of this subparagraph.~~

3. Except as otherwise provided in NRS 701A.210 ~~§~~ and 701A.220, if a partial abatement from the taxes imposed by this chapter is approved by the Commission on Economic Development pursuant to NRS 360.750:

(a) The partial abatement must:

(1) Be for a duration of at least 1 year but not more than 10 years;

(2) Not exceed 50 percent of the taxes on personal property payable by a business each year pursuant to this chapter; and

(3) Be administered and carried out in the manner set forth in NRS 360.750.

(b) The Executive Director of the Commission on Economic Development shall notify the county assessor of the county in which the business is located of the approval of the partial abatement, including, without limitation, the duration and percentage of the partial abatement that the Commission granted. The Executive Director shall, on or before April 15 of each year, advise the county assessor of each county in which a business qualifies for a partial abatement during the current fiscal year as to whether the business is still eligible for the partial abatement in the next succeeding fiscal year.

4. ~~As used in this section~~ ~~§~~

~~(a) "Facility for the generation of electricity from renewable energy" has the meaning ascribed to it in NRS 701A.220.~~

~~(b) "Industrial", "industrial or manufacturing business" does not include a facility for the generation of electricity from renewable energy.~~

Sec. 18. Chapter 482 of NRS is hereby amended by adding thereto a new section to read as follows:

Every ~~new~~ vehicle dealer licensed in this State shall ensure that, beginning with the 2012 model year and continuing with subsequent model years, each new vehicle he offers for sale is accompanied by a prominent disclosure setting forth the estimated amount of carbon dioxide that the vehicle emits ~~§~~, unless the information concerning the emissions for that vehicle is unavailable.

Sec. 19. NRS 482.36414 is hereby amended to read as follows:

482.36414 A person who assumes operation of a franchise pursuant to NRS 482.36396 to 482.36414, inclusive, must be licensed as a dealer pursuant to the provisions of NRS 482.318 to 482.363, inclusive ~~§~~, and section 18 of this act.

Sec. 20. Section 2.320 of the Charter of the City of Henderson, being chapter 266, Statutes of Nevada 1971, as last amended by chapter 48, Statutes of Nevada 1997, at page 89, is hereby amended to read as follows:

Sec. 2.320 Sale, lease, exchange of real property owned by the City: Procedure; disposition of proceeds.

1. Subject to the provisions of this section, the City may sell, lease or exchange real property in Clark County, Nevada, acquired by the City pursuant to federal law from the United States of America.

2. Except as otherwise provided in subsection 3:

(a) The City may sell, lease or exchange real property only by resolution. Following the adoption of a resolution to sell, lease or exchange, the City Council shall cause a notice of its intention to sell, lease or exchange the real property to be published once in a newspaper qualified pursuant to the provisions of chapter 238 of NRS and published in the City.

1 The notice must be published at least 30 days before the date set by the City
2 Council for the sale, lease or exchange, and must state:

3 (1) The date, time and place of the proposed sale, lease or
4 exchange.

5 (2) The place where and the time within which applications and
6 deposits may be made by prospective purchasers or lessees.

7 (3) Such other information as the City Council desires.

8 (b) Applications or offers to purchase, lease or exchange pursuant to
9 the notice required in paragraph (a) must be in writing, must not be
10 accepted by the City Council for consideration before the date of
11 publication of the notice and must be accompanied by a deposit of not less
12 than 1 percent of the total offer to purchase. If a lease, sale or exchange is
13 not consummated because:

14 (1) The City refuses or is unable to consummate the lease, sale or
15 exchange, the deposit must be refunded.

16 (2) The person who made the application or offer to lease, buy or
17 exchange refuses or is unable to consummate the lease, sale or exchange,
18 the City shall retain an amount of the deposit that does not exceed 5 percent
19 of the total offer to purchase.

20 3. The City Council may waive the requirements of subsection 2 for
21 any lease of residential property that is for a term of 1 year or less.

22 4. The City Council shall not make a lease for a term of 3 years or
23 longer or enter into a contract for the sale or exchange of real property until
24 after the property has been appraised by one disinterested appraiser
25 employed by the City Council. Except as otherwise provided in subsections
26 7 and 8, it must be the policy of the City Council to require that all such
27 sales, leases or exchanges be made at or above the current appraised value
28 as determined by the appraiser unless the City Council, in a public hearing
29 held before the adoption of the resolution to sell, lease or exchange the
30 property, determines by affirmative vote of not fewer than two-thirds of the
31 entire City Council based upon specified findings of fact that a lesser value
32 would be in the best interest of the public. For the purposes of this
33 subsection, an appraisal is not considered current if it is more than 3 years
34 old.

35 5. It must be the policy of the City Council to sell, lease and exchange
36 real property in a manner that will result in the maximum benefit accruing
37 to the City from the sales, leases and exchanges. The City Council may
38 attach any condition to the sale, lease or exchange as appears to the City
39 Council to be in the best interests of the City.

40 6. The City Council may sell unimproved real property owned by the
41 City on a time payment basis. The down payment must be in an amount
42 determined by the City Council, and the interest rate must be in an amount
43 determined by the City Council, but must not be less than 6 percent per
44 annum on the declining balance.

45 7. Notwithstanding the provisions of subsection 4, the City Council
46 may dispose of any real property belonging to the City to the United States
47 of America, the State of Nevada, Clark County, any other political
48 subdivision of the State, or any quasi-public or nonprofit entity for a
49 nominal consideration whenever the public interest requires such a
50 disposition. In any such case, the consideration paid must equal the cost of
51 the acquisition to the City.

52 8. The City Council may sell, lease or exchange real property for less
53 than its appraised value to any person who maintains or intends to maintain

a business within the boundaries of the City which is eligible *for an abatement from local sales and use taxes* pursuant to ~~NRS 374.357 for an abatement from the sales and use taxes imposed pursuant to chapter 374 of NRS.~~ *section 13 of this act. As used in this subsection, "local sales and use taxes" has the meaning ascribed to it in NRS 360.750.*

9. Proceeds from all sales and exchanges of real property owned by the City, after deduction of the cost of the real property, reasonable costs of publication, title insurance, escrow and normal costs of sale, must be placed in the Land Fund previously created by the City in the City Treasury and hereby continued. Except as otherwise provided in subsection 10, money in the Land Fund may be expended only for:

(a) Acquisition of assets of a long-term character which are intended to continue to be held or used, such as land, buildings, machinery, furniture, computer software and other equipment.

(b) Capital improvements of improvements thereon.

(c) Expenses incurred in the preparation of a long-term comprehensive master planning study and any expenses incurred in the master planning of the City.

(d) All costs, including salaries, for administration of the Land Fund, and the land within the City.

(e) Expenses incurred in making major improvements and repairs to the water, sewer and street systems as differentiated from normal maintenance costs.

➔ Money received from leases of real property owned by the City must be placed in the Land Fund if the term of lease is 20 years or longer, whether the 20 years is for an initial term of lease or for an initial term and an option for renewal. Money received by the City from all other leases and interest on time payment sales of real property owned by the City must be apportioned in the ratio of 20 percent to current operational expenses of the City, 20 percent to the Land Fund, and 60 percent divided between the Land Fund and current operational expenses as determined by the Council.

10. If available, money in the Land Fund may be borrowed by the City pursuant to the provisions of NRS 354.430 to 354.460, inclusive.

Sec. 21. Section 17 of chapter 539, Statutes of Nevada 2007, at page 3389, is hereby amended to read as follows:

Sec. 17. 1. This section and sections 1, 4 to 8, inclusive, and 10 to 16, inclusive, of this act become effective upon passage and approval.

2. Sections 2 and 3 of this act become effective:

(a) Upon passage and approval for the purpose of adopting regulations and performing any other preparatory administrative tasks that are necessary to carry out the provisions of this act; and

(b) On July 1, 2007, for all other purposes.

3. Sections ~~[5, 7]~~ 8 and 11 of this act expire by limitation on June 30, 2009.

4. Section 9 of this act becomes effective on July 1, 2009.

Sec. 22. NRS 374.357 is hereby repealed.

Sec. 22.5. 1. There is hereby appropriated from the State General Fund the sum of \$25,000 to the Interim Finance Committee for allocation during the Fiscal Year 2009-2010 to the Office of Energy to cover the costs of adopting the regulations required pursuant to chapter 701 of NRS. Money appropriated pursuant to this section may only be allocated by the Interim Finance Committee upon demonstrated need by the Office of Energy and approved by the State Board of Examiners.

2. Any remaining balance of the appropriation made by subsection 1 must not be allocated by the Interim Finance Committee after June 30, 2010, and must be reverted to the State General Fund on or before September 17, 2010. Any remaining balance of the money allocated to the Office of Energy pursuant to subsection 1 must not be committed for expenditure after June 30, 2010, must not be spent for any purpose after September 17, 2010, and must be reverted to the State General Fund on or before September 17, 2010.

Sec. 23. The provisions of sections 1, 2, 7, 13 to 17, inclusive, 20 and 22 of this act do not apply to or affect the terms of any abatement of taxes approved by the Commission on Economic Development before July 1, 2009.

Sec. 24. As soon as practicable after July 1, 2009, the Governor shall appoint to the Commission on Economic Development any new members required to be appointed to the Commission pursuant to NRS 231.040, as amended by section 6 of this act.

Sec. 25. 1. This section and section 21 of this act become effective upon passage and approval.

2. Sections 1 to 20, inclusive, ~~and 22, 23 and~~ to 24, inclusive, of this act become effective on July 1, 2009.

TEXT OF REPEALED SECTION

374.357 Abatement for eligible machinery or equipment used by certain new or expanded businesses. [Effective July 1, 2009.]

1. A person who maintains a business or intends to locate a business in this State may, pursuant to NRS 360.750, apply to the Commission on Economic Development for an abatement from the taxes imposed by this chapter on the gross receipts from the sale, and the storage, use or other consumption, of eligible machinery or equipment for use by a business which has been approved for an abatement pursuant to NRS 360.750.

2. If an application for an abatement is approved pursuant to NRS 360.750:

(a) The taxpayer is eligible for an abatement from the tax imposed by this chapter for not more than 2 years.

(b) The abatement must be administered and carried out in the manner set forth in NRS 360.750.

3. As used in this section, unless the context otherwise requires, "eligible machinery or equipment" means machinery or equipment for which a deduction is authorized pursuant to 26 U.S.C. § 179. The term does not include:

- (a) Buildings or the structural components of buildings;
- (b) Equipment used by a public utility;
- (c) Equipment used for medical treatment;
- (d) Machinery or equipment used in mining; or
- (e) Machinery or equipment used in gaming.