

SENATE BILL NO. 242—SENATOR SCHNEIDER

MARCH 13, 2009

Referred to Committee on Energy, Infrastructure and Transportation

**SUMMARY**—Enacts provisions relating to energy efficiency, renewable energy and building construction. (BDR 58-378)

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

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

AN ACT relating to energy; requiring the Director of the Office of Energy within the Office of the Governor to adopt regulations setting forth standards of efficiency for certain appliances; requiring a portion of the annual assessment levied on public utilities and certain other entities by the Public Utilities Commission of Nevada to be allocated to the Office of Energy; requiring certain contractors to offer upgrades for renewable energy and energy efficiency; requiring certain contractors assisting buyers in obtaining financing to offer, or work with lenders that offer, energy efficient mortgages; requiring the Real Estate Division of the Department of Business and Industry to make certain information about energy efficiency in residential property available for distribution by licensees; revising continuing education requirements relating to energy efficiency for real estate brokers, real estate broker-salesmen, mortgage brokers and certified or licensed real estate appraisers; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

- 1 **Section 1** of this bill enacts provisions requiring the Director of the Office of
- 2 Energy within the Office of the Governor to adopt regulations setting forth
- 3 minimum standards of efficiency for appliances that have not received an Energy
- 4 Star label in accordance with federal law, including consumer audio and video
- 5 equipment, pumps for residential pools, holding cabinets for hot food and portable



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electric spas. **Section 2** of this bill requires that a portion of the annual assessment levied on public utilities and certain other entities by the Public Utilities Commission of Nevada for the use of the Commission, in an amount determined by the Interim Finance Committee of not more than 0.05 mills, be allocated to supplement the budget of the Office of Energy. (NRS 704.033)

**Section 4** of this bill requires a contractor to offer certain upgrades for renewable energy and energy efficiency to a person who negotiates to purchase a single-family residence which is built by the contractor as part of a development of 25 or more single-family residences, and requires the Director of the Office of Energy to adopt regulations establishing minimum standards of efficiency for each type of upgrade. **Section 5** of this bill requires a contractor who assists buyers in arranging financing for the purchase of a single-family residence which is built by the contractor as part of a development of 25 or more single-family residences to offer, or work with a lender that offers, the option for the buyer to apply for an energy efficient mortgage which is comparable to those offered by the Federal National Mortgage Association (Fannie Mae), the Federal Home Loan Mortgage Corporation (Freddie Mac), the Federal Housing Administration, the Department of Housing and Urban Development and the Department of Veterans' Affairs.

**Section 8** of this bill requires the Real Estate Division of the Department of Business and Industry to select, and then require its licensees to distribute to each prospective party to a real estate transaction, a brochure or packet of information prepared by a public or private utility which is designed to assist in the identification, evaluation and selection of energy efficiency and conservation features in residential property. **Sections 11-13** of this bill amend the continuing education requirements for real estate brokers, real estate broker-salesmen, mortgage brokers and certified or licensed real estate appraisers to include a requirement for training in energy efficiency and conservation features in residential property. (NRS 645.575, 645B.051, 645C.440)

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

**Section 1.** Chapter 701 of NRS is hereby amended by adding thereto a new section to read as follows:

*1. The Director shall adopt regulations setting forth minimum standards of efficiency for appliances that have not received an Energy Star label in accordance with the program established pursuant to 42 U.S.C. §§ 6294a et seq. The regulations must include, without limitation, standards for:*

*(a) Consumer audio and video equipment, which must use:*

*(1) For a compact audio product:*

*(I) Two watts or less in audio standby mode if there is not a permanently illuminated clock display; and*

*(II) Four watts or less in audio standby mode if there is a permanently illuminated clock display;*

*(2) For a television, 3 watts or less in television standby mode; and*

*(3) For a digital versatile disc player or a digital versatile disc recorder, 3 watts or less in standby mode,*



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1   ↪ unless the equipment consists of more than one individually  
2   powered product, each with a separate main plug, in which case  
3   the individually powered product must not have a power usage  
4   that is greater than the allowable values;

5   (b) The controls and motor of a pump for a residential pool,  
6   which must meet the following requirements:

7   (1) The pump motor must not be a split-phase motor or a  
8   capacitor start induction run motor;

9   (2) If the pump motor has a capacity of 1 horsepower or  
10   more, the motor must be able to operate at two or more speeds,  
11   with the lower speed having a rotation rate of not more than  
12   one-half the maximum rotation rate of the motor; and

13   (3) The controls must be able to operate the pool pump at a  
14   minimum of two speeds, the default circulation speed of which  
15   must be the lowest speed, with a high-speed override capability for  
16   a temporary period that does not exceed one normal cycle;

17   (c) A holding cabinet for hot food, which must use 40 watts or  
18   less per cubic foot of measured interior volume in idle mode; and

19   (d) A portable electric spa, which must use in standby mode a  
20   number of watts which does not exceed the product of 5 times V,  
21   where "V" equals the total volume of the spa in gallons raised to  
22   the two-thirds power.

23   2. Except as otherwise provided in subsection 3, this section  
24   applies to new products sold, offered for sale or installed in this  
25   State on or after October 1, 2009.

26   3. This section does not apply to:

27   (a) New products manufactured in this State on or after  
28   October 1, 2009, and sold outside this State; or

29   (b) New products manufactured outside this State on or after  
30   October 1, 2009, and sold at wholesale inside this State for final  
31   retail sale and installation outside this State.

32   4. The Director or his designee may inspect a business that  
33   sells appliances subject to this section in a reasonable manner at  
34   any time during which the business is open to ensure compliance  
35   with the requirements of this section and the regulations adopted  
36   pursuant thereto.

37   5. As used in this section:

38   (a) "Compact audio product" means an integrated audio  
39   system that is encased in a single housing which includes an  
40   amplifier, radio tuner and attached or separable speakers and  
41   which reproduces audio from one or more of the following media:

42   (1) Magnetic tape;

43   (2) Compact disc;

44   (3) Digital versatile disc; or

45   (4) Flash memory.



1   ↪ *The term does not include products that are independently*  
2 *powered by internal batteries, have a powered external satellite*  
3 *antenna or provide a video output signal.*

4   (b) *“Holding cabinet for hot food” means a heated, fully*  
5 *enclosed compartment with one or more solid or partial glass*  
6 *doors that is designed to maintain the temperature of hot food*  
7 *which has been cooked in a separate appliance. The term does not*  
8 *include heated glass merchandising cabinets, drawer warmers or*  
9 *cook-and-hold appliances.*

10   (c) *“Portable electric spa” means a factory-built electric spa or*  
11 *hot tub that is supplied with equipment for heating and circulating*  
12 *water.*

13   (d) *“Pump for a residential pool” means a pump that is used to*  
14 *circulate and filter pool water to maintain clarity and sanitation.*

15   **Sec. 2.** NRS 704.033 is hereby amended to read as follows:

16   704.033 1. Except as otherwise provided in subsection ~~[6.]~~ 7,  
17 the Commission shall levy and collect an annual assessment from all  
18 public utilities, providers of discretionary natural gas service and  
19 alternative sellers subject to the jurisdiction of the Commission.

20   2. Except as otherwise provided in subsections 3 and ~~[4.]~~ 5, the  
21 annual assessment must be:

22   (a) For the use of the Commission, not more than 3.50 mills; and

23   (b) For the use of the Consumer’s Advocate, not more than 0.75  
24 mills,

25   ↪ on each dollar of gross operating revenue derived from the  
26 intrastate operations of ~~[such]~~ *those* utilities, providers of  
27 discretionary natural gas service and alternative sellers in the State  
28 of Nevada. The total annual assessment must be not more than 4.25  
29 mills.

30   3. The levy for the use of the Consumer’s Advocate must not  
31 be assessed against railroads.

32   4. *A portion of the levy for the use of the Commission, in an*  
33 *amount determined by the Interim Finance Committee of not*  
34 *more than 0.05 mills, must be allocated to supplement the budget*  
35 *of the Office of Energy within the Office of the Governor.*

36   5. The minimum assessment in any 1 year must be \$100.

37   ~~[5.]~~ 6. The gross operating revenue of the utilities must be  
38 determined for the preceding calendar year. In the case of:

39   (a) Telecommunication providers, except as *otherwise* provided  
40 in paragraph (c), the revenue shall be deemed to be all intrastate  
41 revenues.

42   (b) Railroads, the revenue shall be deemed to be the revenue  
43 received only from freight and passenger intrastate movements.

44   (c) All public utilities, providers of discretionary natural gas  
45 service and alternative sellers, the revenue does not include the



1 proceeds of any commodity, energy or service furnished to another  
2 public utility, provider of discretionary natural gas service or  
3 alternative seller for resale.

4 ~~[6.]~~ 7. Providers of commercial mobile radio service are not  
5 subject to the annual assessment and, in lieu thereof, shall pay to the  
6 Commission an annual licensing fee of \$200.

7 **Sec. 3.** Chapter 624 of NRS is hereby amended by adding  
8 thereto the provisions set forth as sections 4 and 5 of this act.

9 **Sec. 4.** 1. *A contractor shall offer a choice of upgrades for*  
10 *renewable energy and energy efficiency to a person who*  
11 *negotiates to purchase a single-family residence which is built by*  
12 *the contractor as part of a development of 25 or more single-*  
13 *family residences. The upgrades may be offered in a package, but*  
14 *the contractor shall allow the person to select individual upgrades*  
15 *and shall not require the selection of an entire package.*  
16 *Qualifying upgrades include, without limitation:*

- 17 (a) *Awnings and shutters;*  
18 (b) *Cool roof coating;*  
19 (c) *Energy efficient appliances;*  
20 (d) *A ground source heat pump;*  
21 (e) *Low-emissivity windows;*  
22 (f) *A programmable thermostat;*  
23 (g) *Ridge vents;*  
24 (h) *A system for solar energy that:*

25 (1) *Consists of a photovoltaic solar collector, or other*  
26 *device for photovoltaic solar energy, that has a primary purpose of*  
27 *providing for the collection, storage and distribution of solar*  
28 *energy for the generation of electricity; and*

29 (2) *Produces an average of at least 2 kilowatts of*  
30 *alternating current of electricity; and*

31 (i) *A system for solar thermal energy that has a primary*  
32 *purpose of providing for the collection, storage and distribution of*  
33 *solar energy for the production of hot water or air for space*  
34 *heating or water heating.*

35 2. *The Director of the Office of Energy within the Office of*  
36 *the Governor shall adopt regulations establishing minimum*  
37 *standards of efficiency for each type of qualifying upgrade.*

38 **Sec. 5.** 1. *A contractor who assists a buyer in arranging*  
39 *financing for the purchase of a single-family residence which is*  
40 *built by the contractor as part of a development of 25 or more*  
41 *single-family residences shall offer, or work with a lender that*  
42 *offers, the option for the buyer to apply for an energy efficient*  
43 *mortgage.*

44 2. *The energy efficient mortgage offered pursuant to*  
45 *subsection 1 must be comparable, as determined by the Director of*



1 *the Office of Energy within the Office of the Governor, to the*  
2 *energy efficient mortgages offered by the Federal National*  
3 *Mortgage Association, the Federal Home Loan Mortgage*  
4 *Corporation, the Federal Housing Administration, the Department*  
5 *of Housing and Urban Development and the Department of*  
6 *Veterans' Affairs.*

7 3. As used in this section, "energy efficient mortgage" means  
8 *a mortgage which credits the energy efficiency of a home in the*  
9 *mortgage by providing borrowers with the opportunity to finance*  
10 *cost-effective and energy-saving measures as part of a single*  
11 *mortgage and by increasing debt-to-income qualifying ratios on*  
12 *loans.*

13 Sec. 6. Chapter 645 of NRS is hereby amended by adding  
14 thereto the provisions set forth as sections 7 and 8 of this act.

15 Sec. 7. *"Residential property" has the meaning ascribed to it*  
16 *in NRS 113.100.*

17 Sec. 8. 1. *The Division shall select, and make available for*  
18 *distribution pursuant to subsection 2, brochures or packets of*  
19 *information prepared by a public or private utility that are*  
20 *designed to assist a person in the identification, evaluation and*  
21 *selection of energy efficiency and conservation features in*  
22 *residential property. The brochures or packets of information*  
23 *must include, without limitation, information relating to:*

- 24 (a) *Appliances;*
- 25 (b) *Building materials used in homes;*
- 26 (c) *Cool roofs;*
- 27 (d) *Energy efficient mortgages and financing;*
- 28 (e) *"Green" home certification programs;*
- 29 (f) *Heating and cooling systems, including water heating*  
30 *systems;*
- 31 (g) *Home energy audits and ratings;*
- 32 (h) *Insulation;*
- 33 (i) *Landscaping;*
- 34 (j) *Lighting and day lighting;*
- 35 (k) *Passive solar heating;*
- 36 (l) *Solar electricity;*
- 37 (m) *Water-conserving devices; and*
- 38 (n) *Windows.*

39 2. *The Division shall require a licensee to distribute a*  
40 *brochure or packet of information selected pursuant to subsection*  
41 *1 to each prospective party to a real estate transaction who is*  
42 *represented by the licensee.*

43 Sec. 9. NRS 645.0005 is hereby amended to read as follows:

44 645.0005 As used in this chapter, unless the context otherwise  
45 requires, the words and terms defined in NRS 645.001 to 645.042,



1 inclusive, *and section 7 of this act* have the meanings ascribed to  
2 them in those sections.

3 **Sec. 10.** NRS 645.194 is hereby amended to read as follows:

4 645.194 1. The Division shall prepare a booklet that provides  
5 relevant information concerning the disclosures that are required by  
6 federal, state and local laws and regulations by a buyer and a seller  
7 in a transaction involving the sale of residential property.

8 2. The Division shall make copies of the booklet prepared  
9 pursuant to subsection 1 available to licensees which the licensee  
10 must distribute to prospective buyers and sellers in the sale of  
11 residential property in accordance with the regulations adopted by  
12 the Commission.

13 3. The Commission shall approve the format and content of the  
14 information that must be included in the booklet.

15 ~~[4. As used in this section, "residential property" has the~~  
16 ~~meaning ascribed to it in NRS 113.100.]~~

17 **Sec. 11.** NRS 645.575 is hereby amended to read as follows:

18 645.575 1. The Commission shall adopt regulations that  
19 prescribe the standards for the continuing education of persons  
20 licensed pursuant to this chapter.

21 2. The standards adopted pursuant to subsection 1 must permit  
22 alternatives of subject material, taking cognizance of specialized  
23 areas of practice and alternatives in sources of programs considering  
24 availability in area and time. The standards must include, where  
25 qualified, generally accredited educational institutions, private  
26 vocational schools, educational programs and seminars of  
27 professional societies and organizations, other organized educational  
28 programs on technical subjects, or equivalent offerings. The  
29 Commission shall qualify only those educational courses that it  
30 determines address the appropriate subject matter and are given by  
31 an accredited university or community college. Subject to the  
32 provisions of this section, the Commission has exclusive authority  
33 to determine what is an appropriate subject matter for qualification  
34 as a continuing education course.

35 3. In addition to any other standards for continuing education  
36 that the Commission adopts by regulation pursuant to this section,  
37 the Commission may, without limitation, adopt by regulation  
38 standards for continuing education that:

39 (a) Establish a postlicensing curriculum of continuing education  
40 which must be completed by a person within the first year  
41 immediately after initial licensing of the person.

42 (b) Require a person whose license as a real estate broker or real  
43 estate broker-salesman has been placed on inactive status for any  
44 reason for 1 year or more or has been suspended or revoked to  
45 complete a course of instruction in broker management that is



1 designed to fulfill the educational requirements for issuance of a  
2 license which are described in paragraph (d) of subsection 2 of NRS  
3 645.343 ~~§~~ before the person's license is reissued or reinstated.

4 4. *In addition to any other standards for continuing*  
5 *education that the Commission adopts by regulation pursuant to*  
6 *this section, the Commission shall adopt by regulation standards*  
7 *for continuing education that require a person who holds a license*  
8 *as a real estate broker or real estate broker-salesman to complete a*  
9 *course of instruction in energy efficiency in residential property*  
10 *which includes, without limitation, instruction concerning each*  
11 *energy efficiency and conservation feature set forth in subsection*  
12 *1 of section 8 of this act.*

13 5. Except as otherwise provided in this subsection, the license  
14 of a real estate broker, broker-salesman or salesman must not be  
15 renewed or reinstated unless the Administrator finds that the  
16 applicant for the renewal license or for reinstatement to active status  
17 has completed the continuing education required by this chapter.  
18 Any amendment or repeal of a regulation does not operate to  
19 prevent an applicant from complying with this section for the next  
20 licensing period following the amendment or repeal.

21 **Sec. 12.** NRS 645B.051 is hereby amended to read as follows:

22 645B.051 1. Except as otherwise provided in this section, in  
23 addition to the requirements set forth in NRS 645B.050, to renew a  
24 license as a mortgage broker:

25 (a) If the licensee is a natural person, the licensee must submit to  
26 the Commissioner satisfactory proof that the licensee attended at  
27 least 10 hours of certified courses of continuing education during  
28 the 12 months immediately preceding the date on which the license  
29 expires.

30 (b) If the licensee is not a natural person, the licensee must  
31 submit to the Commissioner satisfactory proof that each natural  
32 person who supervises the daily business of the licensee attended at  
33 least 10 hours of certified courses of continuing education during  
34 the 12 months immediately preceding the date on which the license  
35 expires.

36 2. The Commissioner may provide by regulation that if a  
37 person attends more than 10 hours of certified courses of continuing  
38 education during a 12-month period, the extra hours may be used to  
39 satisfy the requirement for the immediately following 12-month  
40 period and for that immediately following 12-month period only.

41 3. *In addition to any other standards for continuing*  
42 *education that the Commissioner adopts by regulation pursuant to*  
43 *NRS 645B.0138, the Commissioner shall adopt by regulation*  
44 *standards for continuing education that require a licensee to*



*complete a course which includes, without limitation, training related to energy efficient mortgages and financing.*

4. As used in this section, "certified course of continuing education" means a course of continuing education which relates to the mortgage industry or mortgage transactions and which meets the requirements set forth by the Commissioner by regulation pursuant to NRS 645B.0138.

**Sec. 13.** NRS 645C.440 is hereby amended to read as follows:

645C.440 1. The Commission shall adopt regulations governing the continuing education of certified or licensed appraisers. The regulations must include the criteria for approving each course and the requirements for submission of proof of attendance at a course.

2. In approving courses for continuing education, the Commission shall authorize a variety of subjects and give consideration to specialized areas of practice and the availability of programs. An appropriate educational course given by an accredited university or community college must be approved by the Commission.

*3. In addition to any other standards for continuing education that the Commission adopts by regulation pursuant to this section, the Commission shall adopt by regulation standards for continuing education that require a certified or licensed appraiser to complete a course of instruction in energy efficiency in residential property which includes, without limitation, instruction concerning each energy efficiency and conservation feature set forth in subsection 1 of section 8 of this act.*

**Sec. 14.** 1. This section becomes effective upon passage and approval.

2. Section 8 of this act becomes effective:

(a) Upon passage and approval for the purpose of taking any actions required by the Real Estate Division of the Department of Business and Industry to select and distribute the brochures or packets of information concerning energy efficiency and conservation specified in that section; and

(b) On October 1, 2009, for all other purposes.

3. Sections 1, 4, 11, 12 and 13 of this act become effective upon passage and approval for the purpose of adopting regulations and on October 1, 2009, for all other purposes.

4. Sections 2, 3, 5, 6, 7, 9 and 10 of this act become effective on October 1, 2009.

