

SENATE BILL NO. 73—COMMITTEE ON ENERGY,
INFRASTRUCTURE AND TRANSPORTATION

(ON BEHALF OF THE OFFICE OF ENERGY
IN THE OFFICE OF THE GOVERNOR)

PREFILED DECEMBER 15, 2008

Referred to Committee on Energy, Infrastructure and Transportation

SUMMARY—Revises provisions governing energy conservation
and efficiency standards. (BDR 58-438)

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

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

Legislative Counsel's Digest:

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



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

1 **Section 1.** NRS 701.220 is hereby amended to read as follows:
2 701.220 1. The Director shall adopt regulations for the
3 conservation of energy in buildings, including manufactured homes.
4 Such regulations must include the adoption of the most recent
5 version of the International Energy Conservation Code, issued by
6 the International Code Council, and any amendments to the Code
7 that will not materially lessen the effective energy savings
8 requirements of the Code and are deemed necessary to support
9 effective compliance and enforcement of the Code, and must
10 establish the minimum standards for:

11 (a) The construction of floors, walls, ceilings and roofs;
12 (b) The equipment and systems for heating, ventilation and
13 air-conditioning;
14 (c) Electrical equipment and systems;
15 (d) Insulation; and
16 (e) Other factors which affect the use of energy in a building.
17 ➔ The regulations must provide for the adoption of the most recent
18 version of the International Energy Conservation Code, and any
19 amendments thereto, every third year.

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

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

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

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

38 (b) *May adopt higher or more stringent standards if approved*
39 *by the Director; and*

40 (c) *Shall enforce the standards adopted.*

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



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

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

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

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

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

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

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

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

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

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

(a) *Shall enforce subsection 1;*

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

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

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



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

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

(a) No funding is provided by any governmental entity in this State for the acquisition, design or construction of the building or other structure or for the acquisition of any land therefor. For the purposes of this paragraph:

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

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

(b) The owner of the property:

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

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

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

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

(II) Department of Taxation;

(III) County assessor;

(IV) County treasurer;

(V) Commission on Economic Development;

(VI) Board of county commissioners; and

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

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

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



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

~~(2) Department of Taxation;~~

~~(3) County assessor;~~

~~(4) County treasurer; and~~

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

~~(b) The~~ *the* application and proof required by subsection 1, the Director shall determine whether the building or other structure is eligible for the abatement and, if so, forward a certificate of eligibility for the abatement to the:

~~{(1)}~~ *(a)* Department of Taxation;

~~{(2)}~~ *(b)* County assessor;

~~{(3)}~~ *(c)* County treasurer; and

~~{(4)}~~ *(d)* Commission on Economic Development.

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

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

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

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

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

4. The partial abatement:

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

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

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

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

(b) Does not apply during any period in which the owner of the building or other structure is receiving another abatement or



1 exemption pursuant to this chapter or NRS 361.045 to 361.159,
2 inclusive, from the taxes imposed pursuant to chapter 361 of NRS.

3 (c) Terminates upon any determination by the Director that the
4 building or other structure has ceased to meet the equivalent of the
5 silver level or higher. The Director shall provide notice and a
6 reasonable opportunity to cure any noncompliance issues before
7 making a determination that the building or other structure has
8 ceased to meet that standard. The Director shall immediately
9 provide notice of each determination of termination to the:

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

12 (2) County assessor;

13 (3) County treasurer; and

14 (4) Commission on Economic Development.

15 5. The Director shall adopt regulations:

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

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

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

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

27 6. As used in this section:

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

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

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

34 (1) Any ad valorem tax authorized or required by chapter
35 387 of NRS;

36 (2) Any ad valorem tax authorized or required by chapter
37 350 of NRS for the obligations of a school district, including,
38 without limitation, any ad valorem tax necessary to carry out the
39 provisions of subsection 5 of NRS 350.020; and

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

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

