

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.



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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 and must*
39 *report any such higher or more stringent standards, along with*
40 *supporting documents, to the Director; and*

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



5. The Director shall solicit comments regarding the adoption 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 replaces the heating source of the premises, exclusive of maintenance,* 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 ~~is a 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.*



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

3 **5.** *As used in this section, “electric resistance” means passing*
4 *an electric current through a resistance, coil, wire or other*
5 *obstacle which impedes electricity and causes it to produce heat.*

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

7 701A.110 1. Except as otherwise provided in this section, the
8 Director shall grant a partial abatement from the portion of the taxes
9 imposed pursuant to chapter 361 of NRS, other than any taxes
10 imposed for public education, on a building or other structure that is
11 determined to meet the equivalent of the silver level or higher by an
12 independent contractor authorized to make that determination in
13 accordance with the Green Building Rating System adopted by the
14 Director pursuant to NRS 701A.100, if:

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

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

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

23 (b) The owner of the property:

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

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

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

40 ***(I) Chief of the Budget Division of the Department of***
41 ***Administration;***

42 ***(II) Department of Taxation;***

43 ***(III) County assessor;***

44 ***(IV) County treasurer;***

45 ***(V) Commission on Economic Development;***



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

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

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

(2) County assessor;

(3) County treasurer; and

(4) Commission on Economic Development.

5. The Director shall adopt regulations:

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

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

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

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

6. As used in this section:

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

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

(c) "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 the 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



- 1 (3) Any other ad valorem tax for which the proceeds thereof
- 2 are dedicated to the public education of pupils in kindergarten
- 3 through grade 12.
- 4 **Sec. 4.** This act becomes effective upon passage and approval.

