

Amendment No. 606

Senate Amendment to Senate Bill No. 407 (BDR 58-1133)

Proposed by: Senate Committee on Commerce, Labor and Energy

Amendment Box: Replaces Amendment No. 260.

Amends: Summary: Yes Title: Yes Preamble: No Joint Sponsorship: No Digest: Yes

Adoption of this amendment will REMOVE the 2/3s majority vote requirement from S.B. 407.

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) variations of *green bold underlining* is language proposed to be added 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 proposed to be retained in this amendment.

MSN/BJF



Date: 4/24/2017

S.B. No. 407—Creates the Nevada Green Bank Program. (BDR 58-1133)



SENATE BILL NO. 407—SENATORS SPEARMAN, SEGERBLOM, MANENDO, CANCELA, PARKS; ATKINSON, CANNIZZARO, DENIS, FARLEY, FORD, RATTI AND WOODHOUSE

MARCH 20, 2017

Referred to Committee on Commerce, Labor and Energy

SUMMARY—Creates the Nevada ~~{Green Bank Program,}~~ **Clean Energy Fund**. (BDR 58-1133)

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; creating the Nevada ~~{Green Bank Program,}~~ **Clean Energy Fund**; creating the Board of Directors of the ~~{Nevada Green Bank Program,}~~ **Fund** to administer the ~~{Program; creating the Account for Clean Energy Loans administered by the Board of Directors; providing, with limited exceptions, that money in the Account must be used to make loans for the purpose of financing clean energy improvements to residential real property; setting forth the duties and powers of the Board with respect to the Program and the Account,}~~ **Fund**; setting forth the duties and powers of ~~{an energy improvement program that makes loans of money distributed to the energy improvement program from the Account; authorizing the Board to issue bonds; authorizing the Board to charge and collect certain charges and fees in connection with the making of certain mortgage loans,}~~ **the Board**; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

~~{Sections 2-12 of this}~~ **This bill** ~~{establish}~~ **establishes** the Nevada ~~{Green Bank Program,}~~ **Clean Energy Fund** to ~~{(1) distribute money to energy improvement programs that are established and administered by certain local governments, nonprofit corporations and financial institutions to make loans to qualified borrowers for clean energy improvements to primary residences owned by those qualified borrowers; and (2) to make mortgage loans to finance the acquisition, construction or refinancing of clean energy improvements to primary residences owned by qualified borrowers,}~~ **provide funding for and increase significantly the pace and amount of financing available for qualified clean energy projects in this State. Section 14 of this bill** creates the Board of Directors of the ~~{Program,}~~ **Fund**, whose responsibility it is to carry out the ~~{Program. Section 15 creates the Account for Clean Energy Loans, to be administered by the Board, and money from which is to be used only to carry out the Program,}~~ **provisions of this bill. Section 16** ~~{requires}~~ **of this bill sets forth certain duties of the Board** ~~{to adopt certain regulations concerning the energy improvement programs and the use of money in the Account and authorizes the Board to adopt any other}~~

~~regulations necessary, relative to the responsibility of the Board to carry out sections 2-42. Section 17 provides limitations on the use of the money in the Account and authorizes certain local governments, nonprofit corporations and financial institutions to apply to the Board for a distribution of money from the Account for the purpose of making the loans authorized by section 15. Section 18 requires certain qualified third parties to comply with the Open Meeting Law in establishing and administering energy improvement programs approved by the Board. Sections 19-42 authorize the Board to undertake commitments to make and to participate with lending institutions in the making of mortgage loans to finance the acquisition, construction or refinancing of clean energy improvements within this State. Section 22 of this bill authorizes the Board to charge and collect fees in connection with the making of such mortgage loans. Section 25 authorizes the Board to issue notes and bonds to carry out the purposes of sections 2-42. Sections 26-42 set forth provisions governing the issuance of such notes and bonds by the Board.~~ the provisions of this bill.

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

Section 1. Title 58 of NRS is hereby amended by adding thereto a new chapter to consist of the provisions set forth as sections ~~12-15~~ 1.5 to 42, inclusive, of this act.

Sec. 1.5. The Legislature hereby finds and declares that it is in the interest of this State to establish and support in this State an independent corporation for public benefit, the Nevada Clean Energy Fund, for the purposes of:

1. Promoting investments in qualified clean energy projects;
2. Increasing significantly the pace and amount of investments in qualified clean energy projects at the state and local levels;
3. Improving the standard of living of the residents of this State by promoting the more efficient and lower cost development of qualified clean energy projects and providing financing for qualified clean energy projects that will create high-paying, long-term jobs;
4. Fostering the development and consistent application of transparent underwriting standards, standard contractual terms, and measurement and verification protocols for qualified clean energy projects;
5. Promoting the creation of performance data that enables effective underwriting, risk management and pro forma modeling of financial performance of qualified clean energy projects to support primary financing markets and to stimulate the development of secondary investment markets for qualified clean energy projects; and
6. Achieving a level of financing support for qualified clean energy projects necessary to help abate climate change by increasing zero- or low-carbon electricity generation and transportation capabilities, realize energy efficiency potential in existing infrastructure, ease the economic effects of transitioning from a carbon-based economy to a clean-energy economy, achieve job creation through the construction and operation of qualified clean energy projects and complement and supplement other clean energy and energy efficiency programs and initiatives in this State.

Sec. 2. *As used in this chapter, unless the context otherwise requires, the words and terms defined in sections ~~13 to 13.7~~ 2.5 to 13.6, inclusive, of this act have the meanings ascribed to them in those sections.*

Sec. 2.5. “Alternative fuel vehicle project” means any project, technology, product, service, function or measure, or an aggregation thereof, which supports

1 the development and deployment of alternative fuels used for electricity
2 generation, alternative fuel vehicles and related infrastructure, including,
3 without limitation, infrastructure for electric vehicle charging stations. The term
4 does not include any technology that involves the combustion of fossil fuels,
5 including, without limitation, petroleum and petroleum products.

6 Sec. 3. “Board” means the Board of Directors of the Nevada ~~Green Bank~~
7 ~~Program.~~ Clean Energy Fund.

8 Sec. 4. ~~“Bonds” means any bonds, notes, interim certificates, debentures~~
9 ~~or other obligations issued by the Board pursuant to the provisions of this~~
10 ~~chapter.~~ (Deleted by amendment.)

11 Sec. 5. ~~“Clean energy improvement” means any repair of or addition or~~
12 ~~improvement to residential real property which reduces the consumption of~~
13 ~~energy at the property or which uses energy generated from renewable energy to~~
14 ~~meet all or a portion of the demand for energy at the property.~~ (Deleted by
15 amendment.)

16 Sec. 6. ~~“Construction” means the erection, building, acquisition,~~
17 ~~alteration, remodeling, improvement or extension of a clean energy improvement~~
18 ~~and the inspection and supervision of such activities and includes, without~~
19 ~~limitation:~~

20 ~~1. Any preliminary planning to determine the feasibility of a clean energy~~
21 ~~improvement; and~~

22 ~~2. Any other activities reasonably necessary for the completion of a clean~~
23 ~~energy improvement.~~ (Deleted by amendment.)

24 Sec. 6.5. “Demand response project” means any project, technology,
25 product, service, function or measure, or an aggregation thereof, that changes
26 the usage of electricity by retail customers in this State from the normal
27 consumption patterns in response to:

28 1. Changes in the price of electricity over time; or

29 2. Incentive payments designed to induce lower electricity use at times of
30 high market prices or when system reliability is jeopardized.

31 Sec. 7. ~~“Energy improvement program” means a program established and~~
32 ~~administered by a qualified third party and designed, intended or used to make~~
33 ~~below market rate loans to qualified borrowers for clean energy improvements to~~
34 ~~primary residences owned by those qualified borrowers.~~ “efficiency project”
35 means any project, technology, product, service, function or measure, or an
36 aggregation thereof, that results in:

37 1. The reduction of energy use required to achieve the same level of service
38 or output obtained before the application of such project, technology, product,
39 service, function or measure, or aggregation thereof; or

40 2. Substantially reduces greenhouse gas emissions relative to emissions that
41 would have produced before the application of such project, technology, product,
42 service, function or measure, or aggregation thereof.

43 Sec. 8. ~~“Lending institution” means any bank or trust company, mortgage~~
44 ~~banker approved by the Federal National Mortgage Association, national~~
45 ~~banking association, savings and loan association or other financial institution~~
46 ~~or governmental agency of the United States located in this State and which~~
47 ~~customarily provides service or otherwise aids in the financing of mortgage~~
48 ~~loans.~~ (Deleted by amendment.)

49 Sec. 9. ~~“Mortgage” means a mortgage deed, deed of trust or other~~
50 ~~instrument which constitutes a lien on real property in fee simple or on a~~
51 ~~leasehold under a lease whose remaining term, at the time such mortgage is~~
52 ~~acquired, does not expire for at least that number of years beyond the maturity~~

~~date of the obligation secured by such mortgage as is established by the Board as necessary to protect its interest as mortgagee.~~ (Deleted by amendment.)

Sec. 10. ~~["Mortgage loan" means an interest bearing obligation secured by a mortgage on land and improvements in this State.] (Deleted by amendment.)~~

Sec. 11. ~~"Nevada Green Bank Program" or "Program" means the program established by this chapter to provide money to an energy improvement program to make below market rate loans to qualified borrowers for clean energy improvements to primary residences owned by those qualified borrowers.~~ Clean Energy Fund" or "Fund" means the independent, nonprofit corporation established pursuant to section 13.8 of this act to provide money to promote investments in and increase significantly the pace and amount of investment in qualified clean energy projects in this State and to carry out the provisions of this chapter.

Sec. 12. ~~["Qualified borrower" means a person who is the owner of a primary residence and who satisfies the eligibility requirements established by the Board pursuant to section 16 of this act.] (Deleted by amendment.)~~

Sec. 12.5. "Qualified clean energy project" means any alternative fuel vehicle project, demand response project, energy efficiency project, renewable energy project or system efficiency project.

Sec. 13. ~~["Qualified third party" means a local government, nonprofit corporation or financial institution that establishes and administers an energy improvement program approved by the Board.] (Deleted by amendment.)~~

Sec. 13.2. "Renewable energy" means energy produced by:

1. Solar resources;
2. Wind resources;
3. Geothermal resources;
4. Nonhazardous, organic biomass;
5. Anaerobic digestion of organic waste streams;
6. Small-scale, advanced hydropower;
7. Tidal currents;
8. Fuel cells using renewable resources; and
9. Any other source that naturally replenishes over a human, rather than geological, time frame and that is ultimately derived from solar, water or wind resources.

Sec. 13.4. "Renewable energy project" means the development, construction, deployment, alteration or repair of any project, technology, product, service, function or measure, or an aggregation thereof, that generates electric power from renewable energy.

Sec. 13.6. "System efficiency project" means the development, construction, deployment, alteration or repair of any distributed generation system, energy storage system, smart grid technology, advanced battery system, microgrid system, fuel cell system or combined heat and power systems.

Sec. 13.8. The Director of the Office of Energy shall cause to be formed in this State an independent, nonprofit corporation recognized as exempt from federal income taxation for the public benefit named the "Nevada Clean Energy Fund," the general purpose of which is to carry out the provisions of this chapter.

Sec. 14. 1. There is hereby created the Board of Directors of the Nevada Clean Energy Fund, consisting of the following nine members:

- (a) The Director of the Office of Energy;
- (b) The Executive Director of the Office of Economic Development or his or her designee;

(c) *The Real Estate Administrator of the Department of Business and Industry or his or her designee;*

(d) *The Commissioner of Financial Institutions or his or her designee;*

(e) *One member appointed by the Governor from among a list of nominees submitted by the State Contractors' Board;*

(f) *One member appointed by the Governor from among a list of nominees submitted by labor organizations in this State;*

(g) *One member appointed by the Governor from among a list of nominees submitted by the board of county commissioners of the county in this State with the largest population;*

(h) *One member appointed by the Governor from among a list of nominees submitted by the board of county commissioners of the county in this State with the second largest population; and*

(i) *One member appointed by the Governor from among a list of nominees submitted by the boards of county commissioners of the counties in this State not described in paragraph (g) or (h).*

2. *The members appointed to the Board pursuant to paragraphs (e) to (i), inclusive, of subsection 1 should have expertise in matters relating to renewable energy, economic development, banking, law, finance or other matters relevant to the work of the Board. When appointing a member to the Board, consideration must be given to whether the members appointed to the Board reflect the ethnic and geographical diversity of this State.*

3. *The term of each member of the Board appointed pursuant to paragraphs (e) to (i), inclusive, of subsection 1 is ~~two~~ 3 years. A member may be reappointed for additional terms of ~~two~~ 3 years in the same manner as the original appointment. A vacancy occurring in the membership of the Board must be filled in the same manner as the original appointment.*

4. *~~The Director of the Office of Energy shall serve as ex officio~~ Board shall annually elect a Chair ~~of the Board~~ from among its members.*

5. *~~The Office of Energy shall provide administrative support to the Board.~~*

6. *The Board shall meet regularly at least semiannually and may meet at other times upon the call of the Chair. Any five members of the Committee constitute a quorum for the purpose of voting. A majority vote of the quorum is required to take action with respect to any matter.*

7. *The Board shall adopt rules for its own management and government.*

8. *While engaged in the business of the Board, each member of the Board is entitled to receive the per diem allowance and travel expenses provided for state officers and employees generally.*

Sec. 15. *~~1. The Account for Clean Energy Loans is hereby created in the State General Fund. The Board shall administer the Account.~~*

2. *~~Except as otherwise provided in sections 17 and 19 to 42, inclusive, of this act, the money in the Account may be used only to provide money for an energy improvement program to make below market rate loans at a rate not lower than 3 percent to qualified borrowers for clean energy improvements to primary residences owned by those qualified borrowers.~~*

3. *~~Any money received by the Board for the purposes of this chapter by gift, grant, donation or legislative appropriation and any money received from a source identified by the Board pursuant to subsection 2 of section 16 of this act must be deposited in the State Treasury for credit to the Account. The interest and income earned on money in the Account must be credited to the Account.~~*

~~4. All money remitted to the Board by a qualified third party pursuant to section 17 of this act must be deposited in the State Treasury for credit to the Account.~~

~~5. All claims against the Account must be paid as other claims against the State are paid.~~

~~6. The faith of the State is hereby pledged that the money in the Account will not be used for purposes other than those authorized by this chapter.~~
(Deleted by amendment.)

Sec. 16. 1. To carry out the provisions of this chapter, the Board shall adopt regulations to carry out the Nevada Green Bank Program established by this chapter which:

(a) Must include regulations establishing:

(1) The criteria for approving one or more qualified third parties to establish and administer energy improvement programs in this State;

(2) The eligibility requirements for an energy improvement program to apply for and receive distributions of money from the Account for Clean Energy Loans;

(3) The eligibility requirements for an applicant for a loan of money distributed to energy improvement programs from the Account;

(4) One or more maximum annual rates of interest, which must be below market rate but which must not be lower than 3 percent, applicable to loans of money distributed to energy improvement programs from the Account;

(5) Such other terms and conditions applicable to loans of money distributed to energy improvement programs from the Account as the Board determines are necessary;

(b) May include such other regulations:

(a) Annually develop and adopt a work program to serve and support the deployment of qualified clean energy projects in this State, including, without limitation, projects benefitting single-family and multi-family residential property, commercial, industrial, educational and governmental property and hospitals and nonprofit property and any other projects which advance the purposes of this chapter;

(b) Develop rules, policies and procedures which specify the eligibility of borrowers and any other terms or conditions of the financial support to be provided by the Nevada Clean Energy Fund before financing support is provided for any qualified clean energy project;

(c) Develop and offer a range of financing structures, forms and techniques for qualified clean energy projects, including, without limitation, senior loans, subordinate loans, credit enhancements, guarantees, warehousing, securitization, and other financial products and structures;

(d) Leverage private investment in qualified clean energy projects through financing mechanisms that support, enhance and complement private investment;

(e) Develop consumer protection standards to be enforced on all investments to ensure the Nevada Clean Energy Fund and its partners are lending in a responsible and transparent manner that is in the financial interests of the borrowers;

(f) Assess reasonable fees for the financing support and risk management activities provided by the Nevada Clean Energy Fund in amounts sufficient to cover the reasonable costs of the Fund;

(g) Collect and make available to the public in a centralized database on an Internet website maintained by the Nevada Clean Energy Fund information regarding rates, terms and conditions of all financing support transactions;

unless the disclosure of such information includes a trade secret, confidential commercial information or confidential financial information;

(h) Work with market and program participants to provide information regarding best practices for overseeing qualified clean energy projects and information regarding other appropriate consumer protections;

(i) Prepare an annual report for the public on the financing activities of the Nevada Clean Energy Fund; and

(j) Undertake such other activities as are necessary to carry out the provisions of this chapter.

2. In addition to any money available through gifts, grants, donations or legislative appropriation to carry out the purposes of this chapter, the Board shall identify any other sources of money which may, in the opinion of the Board, be used to fund the Account ~~and~~ provide money for the Fund.

3. The ~~Board~~ Fund may:

(a) Sue and be sued.

(b) Have a seal.

(c) Acquire real or personal property or any interest therein, by gift, purchase, foreclosure, deed in lieu of foreclosure, lease, option or otherwise.

(d) Prepare and enter into agreements with the Federal Government for the acceptance of grants of money for the purposes of this chapter.

(e) Enter into agreements or cooperate with third parties to provide for enhanced leveraging of money ~~in~~ of the ~~Account~~ Fund, additional financing mechanisms or any other program or combination of programs for the purpose of expanding the scope of financial assistance available from the ~~Account~~ Fund.

(f) Bind the Fund and the Board to terms of any agreements entered into pursuant to this chapter.

(g) Apply for and accept gifts, grants and donations from any source for the purpose of carrying out the provisions of this chapter.

~~4. The Board shall not distribute any money in the Account or commit such money for expenditure for the purposes set forth in this chapter without first obtaining the approval of the Legislature or the Interim Finance Committee if the Legislature is not in session.~~

Sec. 17. ~~[1. Except as otherwise provided in subsection 5 and sections 19 to 42, inclusive, of this act, money in the Account for Clean Energy Loans, including repayments of principal and interest on loans, and interest and income earned on money in the Account, may only be distributed, upon application by a qualified third party, to the qualified third party and may be used by the qualified third party only to make loans at a rate established by the Board pursuant to subparagraph (4) of paragraph (a) of subsection 1 of section 16 of this act to a qualified borrower for the construction of a clean energy improvement to the primary residence of the qualified borrower.~~

~~2. A qualified third party may:~~

~~(a) Apply to the Board for a distribution of money from the Account to make loans to qualified borrowers for the construction of clean energy improvements.~~

~~(b) Make a loan to a qualified borrower in accordance with the regulations adopted by the Board pursuant to section 16 of this act.~~

~~3. A qualified third party shall, before approving an applicant for a loan of money distributed to the qualified third party from the Account, consider whether the applicant has received or is eligible to receive from any governmental entity any money or other financial incentive, including, without limitation, any grant, loan, tax credit or abatement of any tax for the purpose of financing in whole or in part the clean energy improvement of the applicant.~~

~~4. A qualified third party that makes a loan of money distributed to the qualified third party from the Account to a qualified borrower shall remit payments of principal and interest received from the qualified borrower to the Board for deposit in the State Treasury for credit to the Account.~~

~~5. The Board may use the interest earned on money in the Account and the interest earned on loans made by a qualified third party of money distributed from the Account to defray, in whole or in part, the costs and expenses of administering the Account and to carry out the purposes of this chapter.}~~
(Deleted by amendment.)

~~Sec. 18. {In establishing and administering an energy improvement program approved by the Board, a qualified third party that is recognized as exempt under section 501(c)(3) of the Internal Revenue Code, 26 U.S.C. § 501(c)(3), must comply with the provisions of chapter 241 of NRS.}~~
(Deleted by amendment.)

~~Sec. 19. {The Board may make, undertake commitments to make and participate with lending institutions in the making of mortgage loans to qualified borrowers to finance the acquisition, construction or refinancing of clean energy improvements to primary residences of such qualified borrowers within this State.}~~
(Deleted by amendment.)

~~Sec. 20. {Any mortgage loan made by the Board or by a lending institution with the participation of the Board must be secured in such manner, be repaid in such period and bear interest at such rate or rates as are determined by the Board.}~~
(Deleted by amendment.)

~~Sec. 21. {The Board may}~~

~~1. Renegotiate, refinance or foreclose, or contract for the foreclosure of, any mortgage loan in default;~~

~~2. Waive any default or consent to the modification of the terms of any mortgage loan;~~

~~3. Commence any action to protect or enforce any right conferred upon it by any law, mortgage, contract or other agreement;~~

~~4. Bid for and purchase property upon which it holds a mortgage at any foreclosure sale or at any other sale, or acquire and take possession of any such property;~~

~~5. Operate, manage, lease, dispose of and otherwise deal with such property in such manner as may be necessary to protect the interest of the Board and the holders of its bonds; and~~

~~6. Consent to any modification with respect to rate of interest, time and payment of any installment of principal or interest, security or any other term of any contract, mortgage, mortgage loan, mortgage loan commitment or agreement of any kind to which the Board is a party, subject to any agreement with bondholders or noteholders.}~~
(Deleted by amendment.)

~~Sec. 22. {The Board may charge and collect such fees and charges as the Board may establish from time to time for its making of mortgage loans for clean energy improvements.}~~
(Deleted by amendment.)

~~Sec. 23. {The Board may procure insurance against any loss in connection with its property and other assets, including, without limitation, mortgages and mortgage loans, in such amounts and from such insurers as the Board deems desirable.}~~
(Deleted by amendment.)

~~Sec. 24. {The Board shall not finance any clean energy improvement unless, before such financing, the Board finds that the estimates of the Board of its revenues from the financing of the clean energy improvement, together with all subsidies, grants or other financial assistance from governmental agencies or other entities to be received in connection with the clean energy improvement,~~

~~will be sufficient to pay the amount estimated by the Board as necessary for debt service on its bonds to be issued for the financing of the clean energy improvement.] (Deleted by amendment.)~~

~~Sec. 25. [1. The Board may issue its negotiable bonds in such principal amount as the Board determines to be necessary to provide sufficient money for achieving any of its statutory purposes, including the payment of interest on the bonds of the Board, establishment of bond reserve funds and other reserves to secure the bonds, and all other expenditures of the Board necessary or convenient to carry out its statutory purposes and powers.~~

~~2. Subject to any agreements with the holders of the bonds, all bonds issued by the Board are special obligations of the Board payable out of any revenues, money or other assets of the Board pledged thereto.] (Deleted by amendment.)~~

~~Sec. 26. [The bonds issued pursuant to section 25 of this act may be issued as serial bonds payable in annual installments or as term bonds, or as a combination thereof. The bonds must bear interest at such a rate or rates, be in such denominations, have such registration privileges, be executed in such a manner, be payable in such a medium of payment, at such a place or places within or outside this State, and be subject to such terms of redemption as the Board determines. The bonds of the Board may be sold by the Board at public or private sale at such a price or prices as the Board determines except that no bond or other obligation issued by the Board may be initially distributed to the public unless the bond or obligation has received a rating in one of the three highest rating categories from a national rating service.] (Deleted by amendment.)~~

~~Sec. 27. [The Board in issuing any bonds may contract with the holders thereof as to:~~

~~1. Pledging all or any part of the revenues of the Board to secure the payment of the bonds subject to such agreements with noteholders or bondholders as may then exist.~~

~~2. Pledging all or any part of the assets of the Board, including mortgages and obligations securing such assets, to secure the payment of the bonds subject to such agreements with noteholders or bondholders as may then exist.~~

~~3. The use and disposition of the gross income from mortgages owned by the Board and the payment of principal of mortgages owned by the Board.~~

~~4. The setting aside of reserves or sinking funds and the regulation and disposition thereof.~~

~~5. Limitations on the purpose to which the proceeds of sale of bonds may be applied and pledging such proceeds to secure the payment of the bonds or of any issue thereof.~~

~~6. Limitations on the issuance of additional bonds, the terms upon which additional bonds may be issued and secured, and the refunding of outstanding or other bonds.~~

~~7. The procedure, if any, by which the terms of any contract with noteholders or bondholders may be amended or abrogated, the amount of bonds the holders of which must consent thereto and the manner in which such consent may be given.~~

~~8. Limitations on the amount of money to be expended by the Board for the operating expenses of the Board.~~

~~9. Vesting in a trustee or trustees such property, rights, powers and duties in trust as the Board may determine, which may include any or all of the rights, powers and duties of the trustee appointed by the bondholders pursuant to this chapter and limiting or abrogating the right of the bondholders to appoint a trustee under this act or limiting the rights, powers and duties of such trustee.~~

~~10. Defining the acts or omissions which constitute a default in the obligations and duties of the Board to the holders of the bonds and providing for the rights and remedies of the holders of the bonds in case of such default, including, as a matter of right, the appointment of a receiver, but such rights and remedies must not be inconsistent with the general laws of this State and the other provisions of this chapter.~~

~~11. Any other matters, of like or different character, which in any way affect the security or protection of the holders of the bonds.~~

~~Any pledge made by the Board is valid and binding from the time the pledge is made. The revenues, money or property so pledged and thereafter received by the Board are immediately subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of any such pledge is valid and binding as against all persons having claims of any kind in tort, contract or otherwise against the Board, whether or not such persons have notice thereof. Neither the proceedings of the Board relating to the bonds nor any other instrument by which a pledge is created need be recorded.~~ (Deleted by amendment.)

~~Sec. 28. [In the discretion of the Board, bonds issued by the Board may be secured by a trust indenture or trust indentures by and between the Board and a corporate trustee, which may be any trust company or bank having the power of a trust company within or outside this State. Such trust indenture may contain such provisions for protecting and enforcing the rights and remedies of the bondholders as may be reasonable and proper and not in violation of law, including covenants setting forth the duties of the Board in relation to the exercise of its statutory powers and the custody, safeguarding and application of all money. The Board may provide by such trust indenture for the payment of the proceeds of the bonds and the revenues to the trustee under such trust indenture or other depository, and for the method of disbursement thereof, with such safeguards and restrictions as the Board may determine. All expenses incurred in carrying out such trust indenture may be treated as part of the operating expenses of the Board. Such trust indenture may limit or abrogate the right of the holders of any bonds, notes or other obligations of the Board to appoint a trustee under sections 19 to 42, inclusive, of this act or limit the rights, powers and duties of such trustee.]~~ (Deleted by amendment.)

~~Sec. 29. [The Board may procure or agree to the procurement of insurance or guarantees from any governmental agency or from any private insurance company, of the payment of any bonds or notes or any other evidences of indebtedness thereof issued by the Board or by any lending institution, and may pay premiums on such insurance.]~~ (Deleted by amendment.)

~~Sec. 30. [1. The Board, subject to such agreements with noteholders or bondholders as may then exist, may, out of any money available therefor, purchase its bonds to retire and cancel them. The price must not exceed:~~

~~(a) The redemption price then applicable, plus accrued interest to the next interest payment thereon if the bonds are then redeemable; or~~

~~(b) The redemption price applicable on the first date after the purchase upon which the bonds become subject to redemption, plus accrued interest to that date if the bonds are not redeemable.~~

~~2. The Board may, in connection with any remarketing or refunding of its bonds or for any of its purposes, acquire, or cause to be acquired, its bonds without retiring and cancelling them.]~~ (Deleted by amendment.)

~~Sec. 31. [The Board may:~~

~~1. Provide that any bonds issued by the Board be insured or be secured by surety bonds, letters of credit not issued by the Board, guaranties or other means of assuring repayment of such bonds.~~

~~2. Require that any loans, including a mortgage loan, made or purchased by the Board be insured or be secured by surety bonds, letters of credit not issued by the Board, guaranties or other means of assuring repayment of such loans.~~

~~3. Pay the fees, charges, premiums and any other costs associated with obtaining and maintaining insurance, or other means of assuring repayment, from any available money of the Board, including, without limitation, premiums, fees and charges assessed against sponsors, lending institutions or other participants or beneficiaries of the programs of the Board.~~ (Deleted by amendment.)

Sec. 32. ~~1. The Board may issue refunding obligations to refund any obligations then outstanding which have been issued under the provisions of this chapter, including the payment of any redemption premium thereon and any interest accrued or to accrue to the date of redemption of the obligations, and for any statutory purpose of the Board. The issuance of the obligations, the maturities and other details thereof, the rights of the holders thereof, and the rights, duties and obligations of the Board in respect to them are governed by the provisions of this chapter which relate to the issuance of original obligations insofar as appropriate.~~

~~2. Refunding obligations issued as provided in this section may be sold or exchanged for outstanding obligations issued under this chapter and, if they are sold, the proceeds thereof may be applied, in addition to any other authorized purposes, to the purchase, redemption or payment of the outstanding obligations. Pending the application of the proceeds of the refunding obligations, with any other available funds, to the purpose for which they are issued, the proceeds may be invested in direct obligations of, or obligations the principal of and the interest on which are unconditionally guaranteed by the United States of America, or obligations of any agency or instrumentality of the United States of America, which mature or which are subject to redemption by the holders thereof, at the option of such holders, not later than the respective dates when the proceeds, together with the interest accruing thereon, will be required for the purposes intended.~~ (Deleted by amendment.)

Sec. 33. ~~1. The Board may establish one or more bond reserve funds, and shall pay into each such bond reserve fund:~~

~~(a) Any money appropriated by the Legislature for the purpose of the fund;~~

~~(b) Any proceeds of the sale of bonds to the extent provided in connection with the issuance thereof; and~~

~~(c) Any other money which may be available to the Board for the purpose of the fund from any other source or sources.~~

~~2. All money held in any bond reserve fund, except as otherwise expressly provided in sections 19 to 42, inclusive, of this act, must be used, as required, solely for the payment of the principal of bonds secured in whole or in part by the fund or of the sinking fund payments with respect to such bonds, the purchase or redemption of such bonds, the payment of interest on such bonds or the payment of any redemption premium required to be paid when the bonds are redeemed before maturity.~~

~~3. Money in such a fund must not be withdrawn from the fund at any time in an amount that would reduce the amount of the fund below the requirement established for that fund, except to pay when due, with respect to bonds secured in whole or in part by that fund, principal, interest, redemption premiums and~~

~~sinking fund payments for the payment of which other money of the Board is not available. (Deleted by amendment.)~~

Sec. 34. ~~[The Board shall not at any time pursuant to this chapter issue bonds, secured in whole or in part by a bond reserve fund, if upon the issuance of those bonds, the amount in that bond reserve fund will be less than the bond reserve fund requirement for that fund, unless the Board at the time of issuance of those bonds deposits in that fund from the proceeds of the bonds issued, or from other sources, an amount which, together with the amount then in that fund, will not be less than the bond reserve fund requirement for that fund. The bond reserve fund requirement, as of any particular date of computation, is an amount of money, specified in the proceedings of the Board authorizing the bonds with respect to which the fund is established, necessary to provide adequate reserves for debt service on the bonds.] (Deleted by amendment.)~~

Sec. 35. ~~[The provision of bond reserve fund requirements is designed to assure the continued operation and solvency of the Board for the carrying out of its statutory purposes.] (Deleted by amendment.)~~

Sec. 36. ~~[1. If the Board defaults in the payment of principal of or interest on any bonds issued pursuant to this chapter after the payment is due, whether at maturity or upon call for redemption, and such default continues for a period of 30 days, or if the Board fails or refuses to comply with the provisions of this chapter or defaults in any agreement made with the holders of an issue of its bonds, the holders of 25 percent in aggregate principal amount of the bonds of such issue then outstanding, by instrument or instruments filed in the Office of the Secretary of State and proved or acknowledged in the same manner as a deed to be recorded, may appoint a trustee to represent the holders of such bonds for the purposes provided in this section.~~

~~2. The trustee may, and upon written request of the holders of 25 percent in principal amount of such bonds then outstanding shall, in the trustee's own name:~~

~~(a) Enforce the right of the bondholders or noteholders to require the Board to collect interest and amortization payments on the mortgages held by the Board that are adequate to carry out any agreement as to, or pledge of, such interest and amortization payments, and to require the Board to carry out any other agreements with the holders of such bonds and to perform the duties of the Board pursuant to sections 19 to 42, inclusive, of this act.~~

~~(b) Enforce the right of the bondholders or noteholders to collect and enforce the payment of principal of and interest due or becoming due on loans and collect and enforce any rights in respect to collateral securing such loans or sell such collateral, so as to carry out any contract as to, or pledge of revenues, and to require the Board to carry out any contract as to, or pledge of revenues, and to require the Board to perform the duties of the Board pursuant to sections 19 to 42, inclusive, of this act.~~

~~(c) Bring suit upon all or any part of such bonds.~~

~~(d) By civil action, require the Board to account as if it were the trustee of an express trust for the holders of such bonds.~~

~~(e) By civil action, enjoin any acts or things which may be unlawful or in violation of the rights of the holders of such bonds.~~

~~(f) Declare all such bonds due, and if all defaults are made good then with the consent of the holders of 25 percent of the principal amount of such bonds then outstanding, to annul such declaration and its consequences.~~

~~(g) Enforce any other right of the bondholders or noteholders conferred by law or by the proceedings of the Board authorizing the issuance of the bonds.~~

~~3. The trustee shall, in addition to the powers listed in subsection 2, have all the powers necessary or appropriate for the exercise of any functions specifically set forth in this section or incident to the general representation of bondholders or noteholders in the enforcement and protection of their rights.~~

~~4. Before declaring the principal of bonds due, the trustee shall give 30 days' notice in writing to the Governor, to the Board and to the Attorney General.~~

~~5. The District Court of the First Judicial District has jurisdiction of any suit, action or proceeding by the trustee on behalf of bondholders or noteholders.]~~
(Deleted by amendment.)

Sec. 37. ~~{1. The State of Nevada hereby pledges to and agrees with the holders of any bonds issued pursuant to this chapter that the State will not limit or alter the rights vested in the Board by this chapter to fulfill the terms of any agreements made with such holders or in any way impair the rights and remedies of such holders until such bonds, together with the interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of such holders, are fully met and discharged. The Board may include this pledge and agreement of the State in any agreement with the holders of such bonds.~~

~~2. Obligations issued pursuant to the provisions of sections 19 to 42, inclusive, of this act, including, without limitation, letters of credit issued by the Board, do not constitute a debt, liability or obligation of this State or of any political subdivision thereof, or a pledge of the faith and credit of this State or of any political subdivision thereof, but are payable solely from the revenues or assets of the Board. Neither the members of the Board nor any person executing the bonds is liable personally on the bonds by reason of the issuance thereof. Each obligation, including, without limitation, a letter of credit, issued pursuant to sections 19 to 42, inclusive, of this act must contain on the face thereof a statement to the effect that the Board is not obligated to pay the obligation or the interest thereon except from the revenues or assets pledged therefor and that neither the faith and credit nor the taxing power of this State or of any political subdivision thereof is pledged to the payment of the principal of or the interest on the obligation. The bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.]~~ (Deleted by amendment.)

Sec. 38. ~~{The Board may submit to the Attorney General any bonds to be issued pursuant to sections 19 to 42, inclusive, of this act after all proceedings for the issuance of such bonds have been taken. Upon the submission of such proceedings to the Attorney General, the Attorney General shall examine into and pass upon the validity of such bonds and the regularity of all proceedings in connection therewith. If the proceedings conform to the provisions of sections 19 to 42, inclusive, of this act and are otherwise regular in form, and if such bonds when delivered and paid for will constitute binding and legal obligations of the Board enforceable according to the terms thereof, the Attorney General shall certify in substance upon the back of each of the bonds that it is issued in accordance with the Constitution and laws of the State of Nevada.]~~ (Deleted by amendment.)

Sec. 39. ~~{1. The bonds of the Board are legal investments in which all public officers and public bodies of the State, its political subdivisions, all municipalities and municipal subdivisions, all insurance companies and associations and other persons carrying on an insurance business, all banks, savings and loan associations and trust companies, all administrators, guardians, executors, trustees and other fiduciaries, and all other persons who are authorized to invest in bonds or in other obligations of this State, may properly~~

1 ~~and legally invest funds, including capital, in their control or belonging to them.~~
2 ~~The bonds are securities which may properly and legally be deposited with and~~
3 ~~received by all public officers and public bodies of this State or any agency or~~
4 ~~political subdivision of this State and all municipalities and public corporations~~
5 ~~for any purpose for which the deposit of bonds or other obligations of this State is~~
6 ~~authorized by law and may be used as collateral to secure any deposit of public~~
7 ~~money.~~

8 ~~2. The notes and bonds of the Board are securities within the meaning of~~
9 ~~the Uniform Commercial Code Investment Securities.~~ (Deleted by
10 amendment.)

11 ~~Sec. 40. If any of the members or officers of the Board whose signatures~~
12 ~~appear on any bonds or coupons cease to be such members or officers before the~~
13 ~~delivery of such bonds, such signatures shall, nevertheless, be valid and sufficient~~
14 ~~for all purposes, the same as if such members or officers had remained in office~~
15 ~~until such delivery.~~ (Deleted by amendment.)

16 ~~Sec. 41. [1. A member or employee of the Board or an employee of the~~
17 ~~Office of Energy shall not voluntarily acquire any interest, direct or indirect,~~
18 ~~except as a residential tenant, in any clean energy improvement or in any~~
19 ~~contract or proposed contract in connection with any clean energy improvement~~
20 ~~or in any mortgage loan for a clean energy improvement made pursuant to the~~
21 ~~provisions of this chapter. Where the acquisition is not voluntary, the member or~~
22 ~~employee shall immediately disclose the interest in writing to the Board and the~~
23 ~~disclosure must be entered upon the minutes of the Board. Upon disclosure, the~~
24 ~~member or employee shall not participate in any action by the Board involving~~
25 ~~the improvement, property, contract or mortgage loan for a clean energy~~
26 ~~improvement. If any member or employee of the Board previously owned or~~
27 ~~controlled an interest, direct or indirect, in any property included or planned to~~
28 ~~be included in any clean energy improvement, in any contract or proposed~~
29 ~~contract in connection with any clean energy improvement or in any mortgage~~
30 ~~loan for a clean energy improvement, he or she shall immediately disclose the~~
31 ~~interest in writing to the Board and the disclosure must be entered upon the~~
32 ~~minutes of the Board. Upon disclosure, the member or employee shall not~~
33 ~~participate in any action by the Board involving the improvement, property~~
34 ~~contract or mortgage loan.~~

35 ~~2. A violation of any provision of this section constitutes malfeasance in~~
36 ~~office.~~

37 ~~3. This section is not applicable to the acquisition of any interest in bonds of~~
38 ~~the Board or the execution of agreements by financial institutions for the deposit~~
39 ~~or handling of money in connection with a clean energy improvement or to act as~~
40 ~~trustee under any trust indenture.~~ (Deleted by amendment.)

41 ~~Sec. 42. [1. Except as otherwise provided in subsection 2, all real and~~
42 ~~personal property of the Board, including, without limitation, money, owned or~~
43 ~~held by it for the purposes of this chapter, are exempt from levy and sale by virtue~~
44 ~~of an execution or other judicial process. Execution or other judicial process may~~
45 ~~not issue against such property, nor may any judgment against the Board be a~~
46 ~~charge or lien upon such property.~~

47 ~~2. This section does not apply to or limit the right of obligees to foreclose or~~
48 ~~otherwise enforce any mortgage, deed of trust or other encumbrance of the Board~~
49 ~~or the right of obligees to pursue any remedies for the enforcement of any pledge~~
50 ~~or lien given by the Board on its rents, fees or revenues.~~ (Deleted by
51 amendment.)

52 ~~Sec. 43. Notwithstanding the provisions of section 14 of this act, as soon as~~
53 ~~practicable on or after July 1, 2017, the Governor shall appoint the members of the~~

Board of Directors of the Nevada ~~Green Bank Program~~ Clean Energy Fund identified in:

1. Paragraphs (e), (g) and (i) of subsection 1 of section 14 of this act to initial terms of ~~1 year;~~ 2 years; and

2. Paragraphs (f) and (h) of subsection 1 of section 14 of this act to initial terms of ~~2~~ 3 years.

Sec. 44. This act becomes effective:

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

2. On July 1, 2017, for all other purposes.