

SENATE BILL NO. 257—SENATOR DALY

MARCH 13, 2023

Referred to Committee on Growth and Infrastructure

SUMMARY—Revises provisions governing tax abatements for certain renewable energy facilities. (BDR 58-538)

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 ~~for omitted material~~ is material to be omitted.

AN ACT relating to energy; revising provisions governing payroll reporting by certain renewable energy facilities that receive certain tax abatements; revising provisions governing compliance reports submitted to the Director of the Office of Energy within the Office of the Governor by certain renewable energy facilities that receive certain tax abatements; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Existing law authorizes a person who intends to locate a facility for the generation of process heat from solar renewable energy, a wholesale facility for the generation of electricity from renewable energy, a facility for the storage of energy from renewable generation or a hybrid renewable generation and energy storage facility in this State to apply to the Director of the Office of Energy within the Office of the Governor for a partial abatement of certain sales and use taxes or property taxes. (NRS 701A.360) Under existing law, a recipient of such a partial abatement is required to submit an annual payroll report to the Office of Energy and the board of county commissioners of the county in which the facility is located. (NRS 701A.379) Additionally, existing law requires the Director to adopt regulations requiring each recipient of a partial abatement to file annually with the Director such information as may be necessary for the Director to determine the compliance of the recipient with the eligibility requirements for the partial abatement. (NRS 701A.390) **Sections 1.7 and 2** of this bill require the payroll report and the compliance report to be filed with the Office of Energy, the board of county commissioners and the Director, as applicable, each quarter during the term of construction of a facility and annually at all other times. **Section 1** of this bill defines the term “term of construction.” **Section 1.3** of this bill makes a conforming change to indicate the proper placement of **section 1** in the Nevada Revised Statutes.



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

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

“Term of construction” means the period which begins when a building permit is issued for the construction of a facility and ends:

1. When the facility goes online; or

2. At such other time as the Director may determine.

Sec. 1.3. NRS 701A.300 is hereby amended to read as follows:

701A.300 As used in NRS 701A.300 to 701A.390, inclusive, ***and section 1 of this act***, unless the context otherwise requires, the words and terms defined in NRS 701A.305 to 701A.345, inclusive, ***and section 1 of this act*** have the meanings ascribed to them in those sections.

Sec. 1.7. NRS 701A.379 is hereby amended to read as follows:

701A.379 A recipient of a partial abatement of taxes pursuant to NRS 701A.300 to 701A.390, inclusive, ***and section 1 of this act*** shall submit ~~annually~~ to the Office of Energy and the board of county commissioners of the county in which the facility is located a certified payroll report on a form or in a format prescribed by the Director. The certified payroll report must:

1. Be accompanied by a statement certifying the truthfulness and accuracy of the payroll report; ~~and~~

2. Include the information contained in the records required to be kept pursuant to NRS 701A.377 ~~to~~; ***and***

3. Be submitted quarterly during the term of construction of the facility and annually at all other times.

Sec. 2. NRS 701A.390 is hereby amended to read as follows:

701A.390 The Director:

1. Shall adopt regulations:

(a) Prescribing the minimum level of benefits that a facility must provide to its employees;

(b) Prescribing such requirements for an application for a partial abatement pursuant to NRS 701A.300 to 701A.390, inclusive, ***and section 1 of this act*** as will ensure that all information and other documentation necessary for the Director, in consultation with the Office of Economic Development, to make an appropriate determination is filed with the Director;

(c) Requiring each recipient of a partial abatement pursuant to NRS 701A.300 to 701A.390, inclusive, ***and section 1 of this act*** to file ~~annually~~ with the Director, ***quarterly during the term of***



1 *construction of a facility and annually at all other times*, such
2 information and documentation as may be necessary for the Director
3 to determine whether the recipient is in compliance with any
4 eligibility requirements for the abatement; and

5 (d) Regarding the capital investment that a facility must make to
6 meet the requirement set forth in paragraph (d) or (e) of subsection 1
7 of NRS 701A.365; and

8 2. May adopt such other regulations as the Director determines
9 to be necessary to carry out the provisions of NRS 701A.300 to
10 701A.390, inclusive ~~H~~, *and section 1 of this act*; and

11 3. May charge and collect a fee from each applicant who
12 submits an application for a partial abatement pursuant to NRS
13 701A.300 to 701A.390, inclusive ~~H~~, *and section 1 of this act*. The
14 amount of the fee must consist of:

15 (a) An amount that does not exceed the actual cost to the
16 Director for processing and approving the application; and

17 (b) A reasonable amount established by a regulation adopted by
18 the Director pursuant to this paragraph. The Office shall use the
19 proceeds of the fee for activities of the Office that support and
20 expand renewable energy development in this State and are
21 specified in a regulation adopted by the Director pursuant to this
22 paragraph. The Director shall adopt regulations specifying the
23 amount of the fee described in this section and setting forth the
24 specific activities of the Office that the proceeds of the fee will
25 support and expand.

26 **Sec. 3.** This act becomes effective on July 1, 2023, and expires
27 by limitation on June 30, 2049.

