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GOVERNOR'S OFFICE OF ENERGY

POSTED FEBRUARY 13, 2014

NOTICE OF INTENT TO ACT UPON A REGULATION & AGENDA FOR PUBLIC HEARING

Notice of Hearing for the Amendment of Regulations of the Governor's Office of Energy

LCB FILE NUMBER: R127-13

The Governor's Office of Energy will hold a public hearing at **2:00 P.M.** on **March 19, 2014** at the following location:

Governor's Office of Energy, 755 North Roop Street, Suite 202, Carson City, NV

The hearing will be video cast to:

Grant Sawyer Building, 555 East Washington Street, Suite 5400, Las Vegas, NV

The purpose of this hearing is to receive comment from all interested persons and take action on the following proposed adoption of amendments to regulation that pertain to chapter 701A of the Nevada Administrative Code.

The following information is provided pursuant to the requirements of NRS 233B.0603:

1. The Need for and Purpose of the Proposed Amended Permanent Regulations.

The proposed amended regulation is intended to implement a fee to approve applications for partial abatement of the taxes imposed pursuant to chapter 361, and to implement other provisions of NRS 701A.100 and .110, which authorize the Director of the Governor's Office of Energy to grant partial abatement of the taxes imposed pursuant to chapter 361 of NRS.

2. Terms or Substance of the Proposed Amended Permanent Regulations or Description of the Subjects and Issues Involved.

Please see the attached Revised Proposed Regulation.

3. Estimated Economic Effect of the Proposed Amended Permanent Regulations on the Business which it is to Regulate and the Public.

A. Adverse and Beneficial Effects.

The Legislature concluded that AB 33 and AB 239 would and were intended to have only positive impacts upon small business by encouraging and promoting small businesses to construct (or renovate) buildings or other facilities to a higher energy efficiency standard than that required by Nevada building codes.

The original mechanism chosen by the Legislature in AB 621 to effectuate its intent was to offer businesses partial abatements of property taxes for up to ten years for the construction and operation of such facilities. This was unchanged by AB 33 and AB 239, with the exception of the abatement available to existing buildings, which was changed to five years.

One portion of the regulation imposes a fee upon the business which it is to regulate. The beneficial effect is that the fee allows the Governor's Office of Energy to continue to administer the Green Building (LEED) Tax Abatement Program.

B. Immediate and Long-Term Effects.

The proposed regulations are intended to effectuate the Legislative intent and will not and are intended not to have any negative impact upon small businesses. The proposed regulations have, and will continue to have, positive effects on small businesses that will be subject to the proposed regulations. The tax abatement program allows for the construction of energy efficient buildings in the state and allows for increased tax revenues into counties with otherwise underutilized land.

The immediate effect of the portion relating to the new fee is the ability to receive and process an application for partial tax abatement. The long term effects is therefore the encouragement of the construction of energy efficient buildings, with added design features not in typical buildings, and the installation of energy efficient upgrades in buildings in the state of Nevada, thereby creating construction jobs for Nevada workers.

4. The method in which comment was solicited from potentially affected small businesses.

The Legislature, through its hearings and deliberations regarding AB 621(2007) (subsequently codified as NRS 701A.100 through .110) and AB 33 (2013) and AB 239

(2013), received testimony and evidence regarding the impact that AB 33 and AB 239 would have upon small business in Nevada.

With regard to the new fee, the applicants that apply for a partial abatement of taxes are investing a substantial amount of funding in construction or renovation. The median amount invested in projects which have received a tax abatement in this program is $20,000,000. A small business impact study was not conducted because the fee charged by the agency will not place a significant economic burden on small business.

5. Estimated Cost to Agency for Enforcement of Proposed Amended Permanent Regulations.

The changes proposed by the Governor's Office of Energy should not incur any new costs for the enforcement of the proposed regulation.

6. Regulations of Other State or Local Governmental Agencies which the Proposed Amended Permanent Regulations Overlap or Duplicate.

The proposed amended permanent regulations do not appear to overlap or duplicate regulations of other state or local governmental agencies.

7. Establishment of New Fee or Existing Fee Increase.

The regulation establishes a new fee as specified under AB 239 (2013). The fee was determined using an estimate of hours spent to administer one application submitted to the Green Building (LEED) Tax Abatement program, and subsequent annual compliance report filings.

Persons wishing to comment on the proposed action of the Governor's Office of Energy may appear at the scheduled public hearing or may address their comments, data, views, or arguments, in written form, to the Governor's Office of Energy, 755 North Roop Street, Suite 202, Carson City, Nevada 89701. Written submissions must be received at least **ten working days** prior to the above scheduled public hearing. If no person who is directly affected by this proposed action appears to request time to make an oral presentation, the Governor's Office of Energy may proceed immediately to act upon written submissions.

A copy of this notice and the proposed permanent regulations to be amended will be on file at the Nevada State Library, 100 Stewart Street, Carson City, Nevada, for inspection by members of the public during business hours. Additional copies of the notice and the proposed permanent regulations to be adopted and amended will be available at the Governor's Office of Energy, 755 North Roop Street, Suite 202, Carson City, Nevada; and in all counties at the main public library, for inspection and copying by members of the public during business hours. This notice and the text of the proposed regulation are also available in the State of Nevada Register of Administrative Regulations, which is prepared

and published monthly by the Legislative Counsel Bureau pursuant to NRS 233B.0653, and on the Internet at http://www.leg.state.nv.us. The text of the proposed permanent regulations will include the entire text of any section of the Nevada Administrative Code, which is proposed for amendment or repeal. Copies will be mailed to members of the public upon request. A reasonable fee may be charged for copies if deemed necessary.

Under NRS 233B.064(2), when adopting any regulation, the Agency, if requested to do so by an interested person, either prior to adoption or within 30 days thereafter, shall issue a concise statement of the principal reasons for and against its adoption and incorporation, and its reason for overruling the consideration urged against its adoption.

Paul Thomsen, Director
February 12, 2014

Members of the public who are disabled and require accommodations or assistance at the meeting, or those who would like to request a written copy of the notice at no charge, should notify the Governor's Office of Energy in writing by mail addressed to: Governor's Office of Energy, 755 North Roop Street, Suite 202, Carson City, NV 89701, or by email addressed to johnsonka@energy.nv.gov, or by fax at (775) 687-1869, no later than three working days prior to the hearing. The text of any approved or revised versions of the proposed regulation are also available at the Legislative Council Bureau's website at:

http://leg.state.nv.us/register/2013Register/R127-13RP1.pdf.

Notice has been posted at the following locations: Nevada State Office of Energy, 755 North Roop Street, Suite 202, Carson City, Nevada; Carson City Library, 900 N. Roop Street, Carson City Nevada. Nevada State Capitol Building, 101 North Carson Street, Carson City, Nevada. Governor's Office of Energy website: http://energy.nv.gov. Notice was faxed to each County Public Library for posting.

AGENDA
PUBLIC HEARING
FOR THE AMENDMENT OF PERMANENT REGULATIONS OF THE GOVERNOR'S OFFICE OF ENERGY

LCB File Number R127-13

At the hearing, all interested persons will be afforded a reasonable opportunity to submit data, views or arguments on the proposed regulations, orally or in writing. A period devoted to comments by the general public, if any, and discussion of those comments will be provided.

Below is an agenda of all items scheduled to be considered. Unless otherwise stated, items may be taken out of order presented on the agenda or removed at the discretion of the chairperson.

AGENDA

(Action may be taken on those items denoted "Action")

1. Call to Order.
2. Public comments and discussion – Members of the public may comment on any matter posted on this Agenda, which is before the Director of the Governor's Office of Energy for consideration or action today. Please clearly state your name and spell your name for the record. Each comment may be limited to 3 minutes.
3. The Governor's Office of Energy will receive testimony from all interested persons and consider and take action on the proposed adoption of amendments, additions and deletions to the Nevada Administrative Code pertaining to the Office of Energy. (Action)
4. Review of the proposed amended regulation intended to implement the provisions of NRS 701A.100-110, which authorizes the Director of the Governor's Office of Energy to grant partial abatement of the taxes imposed pursuant to chapter 361 of NRS.
5. Public comments and discussion – Members of the public may comment on any matter posted on this Agenda, which is before the Director of the Governor's Office of Energy for consideration or action today. Please clearly state your name and spell your name for the record. Each comment may be limited to 3 minutes.
6. Adoption of Proposed Regulation (Action)
7. Adjournment. (Action)

This notice and agenda has been posted on or before 9:00 a.m. on the third working day before the hearing at the following locations:

(1) Governor's Office of Energy principal office at 755 N Roop St., Ste. 202, Carson City, NV
(2) Governor's Office of Energy website: http://energy.nv.gov
(3) State Capitol, 101 North Carson St., Carson City, Nevada
(4) The Legislative Building, 401 S. Carson Street, Carson City, Nevada
(5) Grant Sawyer State Office Building, 555 E Washington, Las Vegas, Nevada
(6) State Library and Archives: 100 North Stewart Street, Carson City, Nevada
(7) Carson City Library, 900 N. Roop Street, Carson City, Nevada
(8) County Public Libraries