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SENATE BILL NO. 329—SENATOR KIHUEN

MARCH 18, 2013

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JOINT SPONSOR: ASSEMBLYMAN BOBZIEN

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Referred to Committee on Commerce, Labor and Energy

SUMMARY—Creates the Account for Clean Energy Loans.  
(BDR 58-861)

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.

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AN ACT relating to energy; creating the Account for Clean Energy Loans; providing, with limited exceptions, that money in the Account must be distributed to local governments for the purpose of making below-market rate loans for clean energy improvements to residential real property; setting forth the duties and powers of the Director of the Office of Energy with respect to the Account; setting forth the duties and powers of a local government that makes loans of money distributed to the local government from the Account; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

1     **Section 6** of this bill establishes the Account for Clean Energy Loans  
2 administered by the Director of the Office of Energy, money from which is to be  
3 used only to distribute money to local governments to make loans to qualified  
4 borrowers for clean energy improvements to primary residences owned by those  
5 qualified borrowers. **Section 7** of this bill requires the Director to adopt certain  
6 regulations concerning the use of money in the Account and authorizes the Director  
7 to adopt any other regulations necessary to carry out **sections 2-8** of this bill.  
8 **Section 8** of this bill provides limitations on the use of the money in the Account  
9 and authorizes a local government to apply to the Director for a distribution  
10 of money from the Account for the purpose of making the loans authorized by  
11 **section 6**.



\* S B 3 2 9 \*

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

1       **Section 1.** Chapter 701 of NRS is hereby amended by adding  
2 thereto the provisions set forth as sections 2 to 8, inclusive, of this  
3 act.

4       **Sec. 2.** *As used in sections 2 to 8, inclusive, of this act, unless*  
5 *the context otherwise requires, the words and terms defined in*  
6 *sections 3, 4 and 5 of this act have the meanings ascribed to them*  
7 *in those sections.*

8       **Sec. 3.** *“Clean energy improvement” means any repair of or*  
9 *addition or improvement to residential real property which reduces*  
10 *the consumption of electricity at the property or which uses*  
11 *electricity generated from renewable energy to meet all or a*  
12 *portion of the demand for electricity at the property.*

13       **Sec. 4.** *“Construction” means the erection, building,*  
14 *acquisition, alteration, remodeling, improvement or extension of a*  
15 *clean energy improvement and the inspection and supervision of*  
16 *such activities and includes, without limitation:*

17       1. *Any preliminary planning to determine the feasibility of a*  
18 *clean energy improvement; and*

19       2. *Any other activities reasonably necessary for the*  
20 *completion of a clean energy improvement.*

21       **Sec. 5.** *“Qualified borrower” means a person who is the*  
22 *owner of a primary residence and who satisfies the criteria*  
23 *established by the Director pursuant to section 8 of this act.*

24       **Sec. 6.** 1. *The Account for Clean Energy Loans is hereby*  
25 *created in the State General Fund. The Director shall administer*  
26 *the Account.*

27       2. *Except as otherwise provided in section 8 of this act, the*  
28 *money in the Account may be used only to provide money to local*  
29 *governments to make below-market rate loans to qualified*  
30 *borrowers for clean energy improvements to primary residences*  
31 *owned by those qualified borrowers.*

32       3. *Any money provided for the purposes of sections 2 to 8,*  
33 *inclusive, of this act by legislative appropriation must be deposited*  
34 *in the State Treasury for credit to the Account. The interest and*  
35 *income earned on money in the Account for Clean Energy Loans*  
36 *must be credited to the Account.*

37       4. *All money remitted to the State by a local government*  
38 *pursuant to section 8 of this act must be deposited in the State*  
39 *Treasury for credit to the Account.*

40       5. *All claims against the Account must be paid as other*  
41 *claims against the State are paid.*



1       6. *The faith of the State is hereby pledged that the money in*  
2 *the Account will not be used for purposes other than those*  
3 *authorized by sections 2 to 8, inclusive, of this act.*

4       **Sec. 7. 1.** *The Director shall adopt regulations*  
5 *establishing:*

6       (a) *The eligibility requirements for applicants for loans of*  
7 *money distributed to local governments from the Account for*  
8 *Clean Energy Loans.*

9       (b) *One or more maximum annual rates of interest, which*  
10 *must be below-market rates, applicable to loans of money*  
11 *distributed to local governments from the Account.*

12       (c) *Such other terms and conditions applicable to loans of*  
13 *money distributed to local governments from the Account as the*  
14 *Director determines are necessary.*

15       2. *The Director may:*

16       (a) *Prepare and enter into agreements with the Federal*  
17 *Government for the acceptance of grants of money for the*  
18 *purposes of sections 2 to 8, inclusive, of this act.*

19       (b) *Enter into agreements or cooperate with third parties to*  
20 *provide for enhanced leveraging of money in the Account,*  
21 *additional financing mechanisms or any other program or*  
22 *combination of programs for the purpose of expanding the scope*  
23 *of financial assistance available from the Account.*

24       (c) *Bind the Office of Energy to terms of any agreements*  
25 *entered into pursuant to paragraphs (a) or (b).*

26       (d) *Adopt such other regulations as are necessary to carry out*  
27 *the provisions of sections 2 to 8, inclusive, of this act.*

28       3. *The Director shall not distribute any money in the Account*  
29 *or commit such money for expenditure for the purposes set forth*  
30 *in sections 2 to 8, inclusive, of this act without first obtaining the*  
31 *approval of the Legislature or the Interim Finance Committee if*  
32 *the Legislature is not in session.*

33       **Sec. 8. 1.** *Except as otherwise provided in subsection 5,*  
34 *money in the Account for Clean Energy Loans, including*  
35 *repayments of principal and interest on loans, and interest and*  
36 *income earned on money in the Account, may only be distributed,*  
37 *upon application by a local government, to a local government*  
38 *and may be used by the local government only to make loans at a*  
39 *rate established by the Director pursuant to paragraph (b) of*  
40 *subsection 1 of section 7 of this act to a qualified borrower for the*  
41 *construction of a clean energy improvement to the primary*  
42 *residence of the qualified borrower.*

43       2. *A local government may:*



1       (a) *Apply to the Director for a distribution of money from the*  
2 *Account to make loans to qualified borrowers for the construction*  
3 *of clean energy improvements.*

4       (b) *Make a loan to a qualified borrower in accordance with the*  
5 *regulations adopted by the Director pursuant to section 7 of this*  
6 *act.*

7       3. *A local government shall, before approving an applicant*  
8 *for a loan of money distributed to the local government from the*  
9 *Account, consider whether the applicant has received or is eligible*  
10 *to receive from any other governmental entity any money or other*  
11 *financial incentive, including, without limitation, any grant, loan,*  
12 *tax credit or abatement of any tax for the purpose of financing in*  
13 *whole or in part the clean energy improvement of the applicant.*

14       4. *A local government that makes a loan of money distributed*  
15 *to the local government from the Account to a qualified borrower*  
16 *shall remit payments of principal and interest received from the*  
17 *qualified borrower to the Director for deposit in the State Treasury*  
18 *for credit to the Account.*

19       5. *The Director may use the interest earned on money in the*  
20 *Account and the interest earned on loans made by a local*  
21 *government of money distributed from the Account to defray, in*  
22 *whole or in part, the costs and expenses of administering the*  
23 *Account and to carry out the purposes of sections 2 to 8, inclusive,*  
24 *of this act.*

25       **Sec. 9.** This act becomes effective:

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

29       2. On October 1, 2013, for all other purposes.

