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SENATE BILL NO. 536—COMMITTEE ON FINANCE

(ON BEHALF OF THE OFFICE OF FINANCE  
IN THE OFFICE OF THE GOVERNOR)

MAY 6, 2019

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Referred to Committee on Finance

SUMMARY—Revises provisions governing the Account for Renewable Energy, Energy Efficiency and Energy Conservation Loans. (BDR 58-1196)

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; expanding the authorized uses of money in the Account for Renewable Energy, Energy Efficiency and Energy Conservation Loans; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

1 Existing law creates the Account for Renewable Energy, Energy Efficiency and  
2 Energy Conservation Loans, which may be used only to make loans at a rate of not  
3 more than 3 percent to qualified applicants for certain construction and  
4 manufacturing projects related to renewable energy, energy efficiency and energy  
5 conservation. (NRS 701.545-701.595) **Section 4** of this bill authorizes the money in  
6 the Account to be used for any other purpose for which the United States  
7 Department of Energy has approved the use of money received pursuant to the  
8 American Recovery and Reinvestment Act of 2009, Public Law 111-5, and  
9 deposited in the Account.  
10 **Sections 1-4** of this bill change the name of the Account for Renewable  
11 Energy, Energy Efficiency and Energy Conservation Loans to the Account for  
12 Renewable Energy, Energy Efficiency and Energy Conservation.

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

1       **Section 1.** NRS 701.575 is hereby amended to read as follows:

2       701.575 1. The Account for Renewable Energy, Energy  
3 Efficiency and Energy Conservation ~~{Loans}~~ is hereby created in the  
4 State General Fund. The Director shall administer the Account.

5       2. The account to fund activities, other than projects,  
6 authorized by the American Recovery and Reinvestment Act, to be  
7 known as the Account for Set-Aside Programs, is hereby created in  
8 the Fund for the Municipal Bond Bank.

9       3. The money in the Account for Renewable Energy, Energy  
10 Efficiency and Energy Conservation ~~{Loans}~~ and the Account for  
11 Set-Aside Programs may be used only for the purposes set forth in  
12 the American Recovery and Reinvestment Act.

13       4. All claims against the Account for Renewable Energy,  
14 Energy Efficiency and Energy Conservation ~~{Loans}~~ and the  
15 Account for Set-Aside Programs must be paid as other claims  
16 against the State are paid.

17       5. The faith of the State is hereby pledged that the money in the  
18 Account for Renewable Energy, Energy Efficiency and Energy  
19 Conservation ~~{Loans}~~ and the Account for Set-Aside Programs will  
20 not be used for purposes other than those authorized by the  
21 American Recovery and Reinvestment Act.

22       **Sec. 2.** NRS 701.580 is hereby amended to read as follows:

23       701.580 1. The interest and income earned on money in the  
24 Account for Renewable Energy, Energy Efficiency and Energy  
25 Conservation ~~{Loans}~~ and the Account for Set-Aside Programs must  
26 be credited to the Account for Renewable Energy, Energy  
27 Efficiency and Energy Conservation ~~{Loans}~~ and the Account for  
28 Set-Aside Programs, respectively.

29       2. All payments of principal and interest on all loans made to a  
30 qualified applicant and all proceeds from the sale, refunding or  
31 prepayment of obligations of a qualified applicant acquired or loans  
32 made in carrying out the purposes of the Account for Renewable  
33 Energy, Energy Efficiency and Energy Conservation ~~{Loans}~~ must  
34 be deposited in the State Treasury for credit to the Account for  
35 Renewable Energy, Energy Efficiency and Energy Conservation .  
36 ~~{Loans.}~~

37       3. The Director may accept gifts, contributions, grants and  
38 bequests of money from any public or private source. The money so  
39 accepted must be deposited in the State Treasury for credit to the  
40 Account for Renewable Energy, Energy Efficiency and Energy  
41 Conservation ~~{Loans,}~~ or the Account for Set-Aside Programs, and



1 can be used to provide money from the State to match the federal  
2 grant, as required by the American Recovery and Reinvestment Act.

3 4. Only federal money deposited in a separate subaccount of  
4 the Account for Renewable Energy, Energy Efficiency and Energy  
5 Conservation , ~~{Loans,}~~ including repayments of principal and  
6 interest on loans made solely from federal money, and interest and  
7 income earned on federal money in the Account for Renewable  
8 Energy, Energy Efficiency and Energy Conservation , ~~{Loans,}~~ may  
9 be used to benefit a qualified applicant who is not a governmental  
10 entity.

11 **Sec. 3.** NRS 701.585 is hereby amended to read as follows:

12 701.585 1. The Director shall:

13 (a) Use the money in the Account for Renewable Energy,  
14 Energy Efficiency and Energy Conservation ~~{Loans}~~ and the  
15 Account for Set-Aside Programs for the purposes set forth in the  
16 American Recovery and Reinvestment Act.

17 (b) Determine whether a qualified applicant who receives  
18 money or other assistance from the Account for Renewable Energy,  
19 Energy Efficiency and Energy Conservation ~~{Loans}~~ or the Account  
20 for Set-Aside Programs complies with the American Recovery and  
21 Reinvestment Act and regulations adopted pursuant thereto.

22 2. The Director may:

23 (a) Prepare and enter into required agreements with the Federal  
24 Government for the acceptance of grants of money for the Account  
25 for Renewable Energy, Energy Efficiency and Energy Conservation  
26 ~~{Loans}~~ and the Account for Set-Aside Programs.

27 (b) Bind the Office of Energy to terms of the required  
28 agreements.

29 (c) Accept grants made pursuant to the American Recovery and  
30 Reinvestment Act.

31 (d) Manage the Account for Renewable Energy, Energy  
32 Efficiency and Energy Conservation ~~{Loans}~~ and the Account for  
33 Set-Aside Programs in accordance with the requirements and  
34 objectives of the American Recovery and Reinvestment Act.

35 (e) Provide services relating to management and administration  
36 of the Account for Renewable Energy, Energy Efficiency and  
37 Energy Conservation ~~{Loans}~~ and the Account for Set-Aside  
38 Programs, including the preparation of any agreement, plan or  
39 report.

40 (f) Perform, or cause to be performed by agencies or  
41 organizations through interagency agreement, contract or  
42 memorandum of understanding, set-aside programs pursuant to the  
43 American Recovery and Reinvestment Act.

44 (g) Enter into agreements or cooperate with third parties to  
45 provide for enhanced leveraging of money in the Account for



1 Renewable Energy, Energy Efficiency and Energy Conservation ,  
2 ~~Loans,~~ additional financing mechanisms or any other program or  
3 combination of programs for the purpose of expanding the scope of  
4 financial assistance available from the Account for Renewable  
5 Energy, Energy Efficiency and Energy Conservation . ~~Loans.~~

6 3. The Director shall not commit any money in the Account for  
7 Renewable Energy, Energy Efficiency and Energy Conservation  
8 ~~Loans~~ for expenditure for the purposes set forth in NRS 701.590  
9 without obtaining the prior approval of the Legislature or the  
10 Interim Finance Committee if the Legislature is not in session.

11 **Sec. 4.** NRS 701.590 is hereby amended to read as follows:

12 701.590 1. Except as otherwise provided in subsection 6 and  
13 NRS 701.580, money in the Account for Renewable Energy, Energy  
14 Efficiency and Energy Conservation , ~~Loans,~~ including  
15 repayments of principal and interest on loans, and interest and  
16 income earned on money in the Account for Renewable Energy,  
17 Energy Efficiency and Energy Conservation , ~~Loans,~~ may be used  
18 only ~~to~~:

19 (a) To make loans at a rate of not more than 3 percent to a  
20 qualified applicant for:

21 ~~(a)~~ (1) The construction of an energy conservation project;

22 ~~(b)~~ (2) The construction of an energy efficiency project;

23 ~~(c)~~ (3) The construction or expansion of a renewable energy  
24 system; or

25 ~~(d)~~ (4) The manufacturing of components of a renewable  
26 energy system.

27 (b) *For any other purpose for which the United States*  
28 *Department of Energy has approved the use of money received*  
29 *pursuant to the American Recovery and Reinvestment Act and*  
30 *deposited in the Account for Renewable Energy, Energy*  
31 *Efficiency and Energy Conservation.*

32 2. Money in the Account for Set-Aside Programs may be used  
33 only to fund set-aside programs authorized by the American  
34 Recovery and Reinvestment Act. Money in the Account for Set-  
35 Aside Programs may be transferred to the Account for Renewable  
36 Energy, Energy Efficiency and Energy Conservation ~~Loans~~  
37 pursuant to the American Recovery and Reinvestment Act.

38 3. A qualified applicant who requests a loan or other financial  
39 assistance must demonstrate that the qualified applicant has:

40 (a) Complied with the American Recovery and Reinvestment  
41 Act and regulations adopted pursuant thereto; or

42 (b) Agreed to take actions that are needed to ensure that the  
43 qualified applicant has the capability to comply with the American  
44 Recovery and Reinvestment Act and regulations adopted pursuant  
45 thereto.



1 4. Money from the Account for Renewable Energy, Energy  
2 Efficiency and Energy Conservation ~~{Loans}~~ may not be given to a  
3 qualified applicant for the expansion of an existing renewable  
4 energy system unless the qualified applicant has the technical,  
5 managerial and financial capability to ensure compliance with the  
6 American Recovery and Reinvestment Act and regulations adopted  
7 pursuant thereto. To receive such funding for the construction of a  
8 new renewable energy system, a qualified applicant must  
9 demonstrate that the qualified applicant has the technical,  
10 managerial and financial capability to ensure compliance with the  
11 American Recovery and Reinvestment Act and regulations adopted  
12 pursuant thereto.

13 5. The Director shall, before approving an applicant for  
14 financial assistance from the Account for Renewable Energy,  
15 Energy Efficiency and Energy Conservation , ~~{Loans,}~~ consider  
16 whether the applicant has received or is eligible to receive from any  
17 other governmental entity any money or other financial incentive,  
18 including, without limitation, any grant, loan, tax credit or  
19 abatement of any tax for the purpose of financing in whole or in part  
20 the energy efficiency or energy conservation project of the  
21 applicant.

22 6. The Director may use the interest earned on money in the  
23 Account for Renewable Energy, Energy Efficiency and Energy  
24 Conservation ~~{Loans}~~ and the interest earned on loans made from  
25 the Account for Renewable Energy, Energy Efficiency and Energy  
26 Conservation ~~{Loans}~~ to defray, in whole or in part, the costs and  
27 expenses of administering the Account for Renewable Energy,  
28 Energy Efficiency and Energy Conservation ~~{Loans}~~ and to carry  
29 out the purposes of NRS 701.545 to 701.595, inclusive.

30 7. ~~{The}~~ *In selecting qualified applicants to receive funding*  
31 *or assistance from the Account for Renewable Energy, Energy*  
32 *Efficiency and Energy Conservation, the* Director shall give  
33 preference to qualified applicants seeking funding or assistance  
34 ~~{from the Account for Renewable Energy, Energy Efficiency and~~  
35 ~~Energy Conservation Loans}~~ for larger energy conservation projects,  
36 energy efficiency projects or renewable energy systems. The  
37 Director shall, by regulation, define "larger energy conservation  
38 projects, energy efficiency projects or renewable energy systems"  
39 for purposes of this section.

40 **Sec. 5.** This act becomes effective on July 1, 2019.







