

## LEGISLATIVE BILL 124

Approved by the Governor May 26, 1983

Introduced by DeCamp, 40; Wesely, 26; Fowler, 27

AN ACT relating to energy; to amend sections 66-1020, 81-1606, 81-1610 to 81-1615, 81-1617, 81-1620, 81-1622, and 81-1625, Reissue Revised Statutes of Nebraska, 1943, and sections 66-1030, 66-1035, 66-1047, 66-1048, 66-1055, 77-2715, 81-1609, 81-1616, 81-1618, 81-1623, and 81-1632, Revised Statutes Supplement, 1982; to revise sections 66-1019 to 66-1028, Reissue Revised Statutes of Nebraska, 1943; to revive provisions relating to an energy conservation tax exemption; to change the powers and duties of the State Energy Office and the Building Energy Conservation Standards Board; to change provisions relating to lighting and thermal efficiency standards and school district energy efficiency grants; to change provisions relating to an income tax credit; to define a term; to redefine terms; to harmonize provisions; to extend a termination date; to repeal the original sections, and also section 81-1624, Reissue Revised Statutes of Nebraska, 1943, and sections 81-1619 and 81-1621, Revised Statutes Supplement, 1982.

Be it enacted by the people of the State of Nebraska,

Section 1. That section 66-1020, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

66-1020. The actual value of any improvement designed primarily for energy conservation installed after November 11, 1980, but on or before ~~December 31, 1985~~ July 17, 1982, shall be exempt from taxation for a period of five years from the date of installation if an application for such exemption was made and qualifies pursuant to section 66-1021 on or before July 17, 1982.

Sec. 2. That section 66-1030, Revised Statutes Supplement, 1982, be amended to read as follows:

66-1030. For purposes of sections 66-1029 to 66-1055, unless the context otherwise requires, the

definitions found in sections 66-1031 to 66-1046 and section 4 of this act shall apply.

Sec. 3. That section 66-1035, Revised Statutes Supplement, 1982, be amended to read as follows:

66-1035. Renewable energy source system shall mean one or more of the following energy measures: Solar domestic hot water systems, active solar space heating systems, combined active solar space heating and solar domestic hot water systems, passive solar space heating and cooling systems, wind energy devices, photovoltaic arrays, and replacement solar swimming pool heaters.

Sec. 4. Photovoltaic arrays shall mean photovoltaic cells which convert solar radiation directly to electricity, as well as the attendant electric storage and conditioning equipment, when such arrays have a rated peak power output of at least one kilowatt.

Sec. 5. That section 66-1047, Revised Statutes Supplement, 1982, be amended to read as follows:

66-1047. An individual shall be allowed, as a credit to be applied against such individual's income tax liability, a credit for the installation within this state of a renewable energy source system. The credit shall be available for a functional renewable energy source system installed between January 1, 1982, and December 31, 1986. The amount of the credit shall be determined by the date the renewable energy source system is installed:

(1) For a system installed on or after January 1, 1982, and prior to January 1, 1983, the amount of the credit shall be equal to thirty per cent of the cost of the system or three thousand dollars, whichever is less;

(2) For a system installed on or after January 1, 1983, and prior to January 1, 1984, the amount of the credit shall be equal to twenty-five per cent of the cost of the system or two thousand five hundred dollars, whichever is less;

(3) For a system installed on or after January 1, 1984, and prior to January 1, 1985, the amount of the credit shall be equal to twenty per cent of the cost of the system or two thousand dollars, whichever is less;

(4) For a system installed on or after January 1, 1985, and prior to January 1, 1986, the amount of the credit shall be equal to fifteen per cent of the cost of the system or one thousand five hundred dollars, whichever is less; and

(5) For a system installed on or after January 1, 1986, and prior to January 1, 1987, the amount of the credit shall be equal to ten per cent of the cost of the system or one thousand dollars, whichever is less.

Any credit balance may be carried over and applied against the individual's income tax liability for the two years immediately succeeding the year in which the credit was earned. The credit allowed by this section shall not exceed the individual's income tax liability for the taxable year.

Sec. 6. That section 66-1048, Revised Statutes Supplement, 1982, be amended to read as follows:

66-1048. A corporation, partnership, subchapter S corporation, or fiduciary shall be allowed a credit for installation of a renewable energy source system within this state. The credit allowed to a corporation or a fiduciary that does not distribute its income currently shall be applied against such entity's income tax liability. A credit allowed to a partnership, subchapter S corporation, or fiduciary that distributes its income currently shall be allowed to the partners, shareholders, or beneficiaries to the same extent as such partner, shareholder, or beneficiary shares in the income of the entity if such distribution does not increase the total allowable credit for a system or allow a credit to an individual who could not claim a credit under subsection (6) of section 77-2715. A corporation or any other entity taxed as a corporation under the Internal Revenue Code shall be allowed, as a credit to be applied against such corporation's income tax liability, a credit for the installation of a renewable energy source system. The credit shall be available for a functional renewable energy source system installed between January 1, 1982, and December 31, 1986. Any partnership, subchapter S corporation, or fiduciary which installed a functional renewable energy source system after January 1, 1982, and prior to the effective date of this act shall be eligible for the credit authorized pursuant to this section. The amount of the credit shall be determined by the date the renewable energy source system is installed:

(1) For a system installed on or after January 1, 1982, and prior to January 1, 1983, the amount of the credit shall be equal to thirty per cent of the cost of the system or six thousand dollars, whichever is less;

(2) For a system installed on or after January 1, 1983, and prior to January 1, 1984, the amount of the credit shall be equal to twenty-five per cent of the cost of the system or five thousand dollars, whichever is less;

(3) For a system installed on or after January 1, 1984, and prior to January 1, 1985, the amount of the credit shall be equal to twenty per cent of the cost of the system or four thousand dollars, whichever is less;

(4) For a system installed on or after January 1, 1985, and prior to January 1, 1986, the amount of the



credit shall be equal to fifteen per cent of the cost of the system or three thousand dollars, whichever is less; and

(5) For a system installed on or after January 1, 1986, and prior to January 1, 1987, the amount of the credit shall be equal to ten per cent of the cost of the system or two thousand dollars, whichever is less.

Any credit balance may be carried over and applied against the corporation's entity's income tax liability for the two years immediately succeeding the year in which the credit was earned. The credit allowed by this section shall not exceed the corporation's entity's income tax liability for the taxable year.

Sec. 7. That section 66-1055, Revised Statutes Supplement, 1982, be amended to read as follows:

66-1055. Sections 66-1029 to 66-1055 shall terminate on December 31, ~~1987~~ 1990.

Sec. 8. That section 77-2715, Revised Statutes Supplement, 1982, be amended to read as follows:

77-2715. (1) A tax is hereby imposed for each taxable year on the entire income of every resident individual of this state and on the income of every nonresident individual of this state which is derived from sources within this state. The tax shall be a flat percentage of, for each resident individual, the taxpayer's adjusted federal income tax liability for the taxable year, and for each nonresident individual, the taxpayer's adjusted federal income tax liability for the taxable year which is attributable to income derived from sources within this state.

The taxpayer's adjusted federal income tax liability shall be the amount of federal income tax, as determined under Subtitle A, Chapter I, subchapter A, Parts I, V, and VI of the Internal Revenue Code, for which the taxpayer would have been liable if such taxpayer had paid federal income tax based on federal taxable income as adjusted by the modifications provided in section 77-2716 without any allowance for credits against such tax permitted under the Internal Revenue Code.

The adjusted federal income tax liability of each nonresident individual taxpayer which is attributable to income derived from sources within this state shall be determined by multiplying his or her adjusted federal income tax liability by a fraction, the numerator of which is his or her taxable income derived from sources within this state as determined by section 77-2733, and the denominator of which is his or her total federal taxable income, after first subtracting from each the amounts provided in subsection (1) of section 77-2716; PROVIDED, that if the above

determination attributes more or less federal income tax than is reasonably attributable to income derived from sources within this state, the taxpayer may petition for, or the Tax Commissioner may require, the employment of any other method to attribute an amount of federal income tax which is reasonable and equitable in the circumstances.

(2) (a) A resident of this state shall mean an individual who is domiciled in Nebraska or who maintains a permanent place of abode in this state and spends in the aggregate more than six months of the taxable year in this state; and

(b) A nonresident shall mean an individual who is not a resident of this state.

(3) (a) There shall also be allowed to resident individuals as a credit against the tax imposed by sections 77-2714 to 77-27,135, a food sales tax credit equal to twenty-eight dollars multiplied by the number of allowable personal exemptions claimed for individuals who are residents, exclusive of the extra exemptions allowable for age or blindness. In the event a dependent is claimed as an exemption on a federal return by a nonresident taxpayer who files no return in this state, such dependent resides in this state, and the support claimed by such nonresident taxpayer is substantially spent in this state, the taxpayer in this state who has legal custody of such dependent may claim such food sales tax credit for each such dependent. A refund shall be allowed to the extent that the food sales tax credit exceeds the income tax payable by the resident individual for the taxable year but no refund shall be made in any amount less than two dollars.

(b) No individual who may be claimed as a personal exemption on another individual's return shall be entitled to a food sales tax credit or refund for himself or herself. If a food sales tax credit or refund is claimed on more than one return for the same individual, the Tax Commissioner is authorized to determine the individual entitled to claim the credit or refund provided herein.

(c) Any individual, other than a person who for more than six months of the taxable year is a resident patient or inmate of a public institution or an organization exempt from tax as a charitable institution, who maintains a permanent place of abode within this state, spending in the aggregate more than six months of the taxable year within this state, shall be conclusively presumed to have paid or paid with respect to such personal exemptions retail sales and use taxes imposed by this state equal to the maximum food sales tax credit allowable.

(d) The credits or refunds for sales taxes allowed by this subsection shall be claimed on income

tax returns or in the case of an individual not having tax liability in this state on such forms or claims for refunds as the Tax Commissioner shall prescribe.

(4) Credits to minors, including any child whose parent or guardian is a recipient of aid to dependent children, shall be claimed by the parent or guardian.

(5) There shall be allowed, to qualified resident individuals as a credit against the tax imposed by sections 77-2714 to 77-27,135, a credit for the elderly equal to fifty per cent of the federal credit allowed under section 37 of the Internal Revenue Code.

(6) Subject to termination under section 66-1055, there shall be allowed to resident individuals as a credit against the tax imposed by sections 77-2714 to 77-27,135, a credit for renewable energy source systems as provided under section 66-1047.

Sec. 9. That section 81-1606, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

81-1606. The Director of the State Energy Office shall develop and maintain a program of collection, compilation, and analysis of energy statistics and information. Existing information reporting requests, maintained at the state and federal levels, shall be utilized whenever possible in any data collection required under the provisions of this act sections 81-1601 to 81-1607. A central state repository of energy data shall be developed and coordinated with other governmental data collection and record-keeping recordkeeping programs. The director shall, on at least a quarterly an annual basis, with monthly compilations, submit to the Governor and the Clerk of the Legislature a report identifying state energy consumption by fuel type and by use to the extent that such information is available. Nothing in this section shall be construed as permitting or authorizing the revealing of confidential information. For purposes of this section confidential information shall mean any process, formula, pattern, decision, or compilation of information which is used, directly or indirectly, in the business of the producer, refiner, distributor, transporter, or vendor, and which gives such producer, refiner, distributor, transporter, or vendor an advantage or an opportunity to obtain an advantage over competitors who do not know or use it.

Sec. 10. That section 81-1609, Revised Statutes Supplement, 1982, be amended to read as follows:

81-1609. As used in sections 81-1608 to 81-1626, unless the context otherwise requires:

- (1) Office shall mean the State Energy Office;
- (2) Contractor shall mean the person or entity



responsible for the overall construction of any building or the installation of any component which affects the energy efficiency of the building;

(3) Architect or engineer shall mean any person registered pursuant to section 81-847;

(4) Building shall mean any new structure, renovated building, or addition which provides facilities or shelter for public assembly, educational, business, mercantile, institutional, warehouse, or residential occupancies, as well as those portions of factory and industrial facilities which are used primarily for human occupancy, such as office space, but not including any structure which has a consumption of traditional energy sources for all purposes not exceeding the energy equivalent of one watt per square foot;

(5) Residential building shall mean a building three stories or less that is used primarily as one or more dwelling units;

(6) Renovation shall mean alterations on an existing building which will cost more than fifty per cent of the replacement cost of such building at the time work is commenced or which was not previously heated or cooled, for which a heating or cooling system is now proposed, except that the restoration of historical buildings shall not be included;

(7) Addition shall mean any construction added to an existing building which will increase the floor area of that building by five per cent or more;

(8) Floor area shall mean the total area of the floor or floors of a building, expressed in square feet, which is within the exterior face faces of the shell of the structure which is heated or cooled;

(9) Board shall mean the Building Energy Conservation Standards Board created by section 81-1610;

(10) Nebraska Building Energy Conservation Standard shall mean Standard 90-75 of the American Society of Heating, Refrigeration, and Air-Conditioning Engineers, Inc., as it exists on April 24, 1980 the Model Energy Code, 1983 Edition, of the Council of American Building Officials; and

(11) Traditional energy sources shall mean electricity, petroleum based fuels, uranium, coal, and all nonrenewable forms of energy; and

(12) Initial electric service shall mean the first time a contractor applies for electrical service to a building as defined in this section.

Sec. 11. That section 81-1610, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

81-1610. (1) There is hereby created the Building Energy Conservation Standards Board consisting

of nine members. The board shall consist of the Director of the State Energy Office who shall be an ex officio member and shall serve as chairperson of the board, an architect, an engineer, a municipal building official, a home builder, a construction trade person, a nonresidential contractor, and two members of the general public who are not members of any profession or occupation represented by the other board members. Members of the board shall be appointed by the Governor, subject to approval of the Legislature. Members, other than the Director of the State Energy Office, shall serve for terms of three years and shall not be appointed for more than two consecutive three-year terms, except that of the members first appointed, two shall be appointed for a one-year term, three for two-year terms, and three for three-year terms.

(2) Members of the board, other than the Director of the State Energy Office, shall receive thirty-five dollars per diem and all members shall be reimbursed for their expenses as provided in section 84-306.01, for state employees.

(3) The board shall meet at the call of the chairperson or a majority of the members. The chairperson shall call meetings when he or she determines that it is necessary to revise the Nebraska Building Energy Conservation Standard standards or rules and regulations. The board's responsibility shall be duties shall be (a) to serve as an appeal board for any county, city, or village which has adopted an equivalent standard and has been found by the office to not be in compliance with the Nebraska Building Energy Conservation Standard, (b) to facilitate the participation of counties, cities, and villages in adopting and enforcing the Nebraska Building Energy Conservation Standard or equivalent standard, (c) to assist the office in providing technical assistance to counties, cities, or villages which have adopted or are considering adopting the Nebraska Building Energy Conservation Standard, and (d) the approval of adoption and revision of equivalency standards and rules and regulations pursuant to sections 81-1611 and 81-1612, 7 and to act as appeal board pursuant to section 84-4624.

Sec. 12. That section 81-1611, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

81-1611. The Legislature hereby adopts the Model Energy Code, 1983 Edition, of the Council of American Building Officials Standard 90-75 of the American Society of Heating, Refrigeration, and Air-Conditioning Engineers, Inc., as it exists on April 24, 1980 as the Nebraska Building Energy Conservation Standard. The State Energy Office may, with the



approval of the board, adopt regulations specifying alternative standards for building systems, techniques, equipment designs, or building materials that will be considered equivalent to the Nebraska Building Energy Conservation Standard. Regulations specifying alternative standards may be found equivalent to the Nebraska Building Energy Conservation Standard and may be approved for general or limited use if the use of such alternative standards would not result in energy consumption greater than would result from the strict application of the Nebraska Building Energy Conservation Standard.

Sec. 13. That section 81-1612, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

81-1612. On or before January 1, 1984 ~~1984~~, the State Energy Office, subject to approval of the board, shall adopt and promulgate rules and regulations for implementation and administration of sections 81-1608 to 81-1626. Such rules and regulations shall include, but not be limited to, procedures to be used: (1) By the office to insure compliance with sections 81-1608 to 81-1626; (2) by prime contractors to certify compliance with standards adopted pursuant to sections 81-1608 to 81-1626; (3) to appeal a determination of noncompliance with the standards; and (4) to request an equivalency determination. Rules, regulations, or amendments thereto shall be adopted pursuant to Chapter 84, article 9, subject to approval by the board.

Sec. 14. That section 81-1613, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

81-1613. The State Energy Office shall produce, no later than January 1, 1984, manuals for use by architects, engineers, prime contractors, and owners. The manuals shall be furnished upon request at a price sufficient to cover the costs of production. The manuals shall contain, but not be limited to:

(1) The Nebraska Building Energy Conservation Standard; or equivalent standard adopted by the office;  
 (2) Forms, charts, tables, and other data to assist architects, engineers, and prime contractors in meeting the Nebraska Building Energy Conservation Standard; or equivalent standard adopted by the office; and

(3) Any other information which the office finds will assist local code officials persons in enforcing conforming to the standards.

Sec. 15. That section 81-1614, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

81-1614. The Nebraska Building Energy Conservation Standard or equivalent standard adopted by

the office under sections 81-1608 to 81-1626 shall apply to:

(1) New residential buildings on which construction is initiated on or after April 1, 1981, except that the Director of the State Energy Office may extend such date of application to a date not later than October 1, 1981, if the director determines that such extension is necessary to assist persons in being able to comply with the standards; and

(2) All other all new buildings, or renovations of or additions to any existing buildings, on which construction is initiated on or after January 1, 1982, except that the director may extend such date of application to a date not later than July 1, 1982, if the director determines that such extension is necessary to assist persons in being able to comply with the standards the effective date of this act.

Sec. 16. That section 81-1615, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

81-1615. (1) The following shall be exempt from sections 81-1608 to 81-1626:

(a) Any building which has a peak design rate of energy usage for all purposes of less than one watt, or three and four-tenths British Thermal Units per hour, per square foot of floor area;

(b) Any building which is neither heated nor cooled;

(c) Any building or portion thereof which is owned by the United States of America;

(d) Any mobile home as defined by section 71-4603;

(e) Any manufactured housing unit as defined by subsection (1) of section 71-1557; and

(f) Any building (i) listed on the National Register of Historic Places, (ii) determined to be eligible for the National Register of Historic Places by the State Historic Preservation Officer, or (iii) designated as an individual landmark or heritage preservation site by a municipality or located within a designated landmark or heritage preservation district; and

(g) Any building to be renovated that is located within an area that has been designated blighted by a municipality.

(2) All residential buildings shall be exempt from lighting efficiency standards.

Sec. 17. That section 81-1616, Revised Statutes Supplement, 1982, be amended to read as follows:

81-1616. For purposes of insuring compliance with section 81-1614:

(1) The office, or its authorized agent, may

conduct such inspections and investigations as are necessary to make a determination pursuant to section 81-1625 and may issue an order containing and resulting from the findings of such inspections and investigations; and

(2) A building owner may submit a written request that the office undertake a determination pursuant to subdivision (1) of this section. Such request shall include a list of reasons why the building owner believes such a determination is necessary.

A building owner aggrieved by the office's determination, or refusal to make such determination, may appeal such determination or refusal to the Building Energy Conservation Standards Board.

The office may charge an amount sufficient to recover the costs of providing such determinations.

Buildings located in a county, city, or village which has adopted the Nebraska Building Energy Conservation Standard or equivalent standard pursuant to section 81-1618, and constructed after the adoption of such standard, shall be exempt from the provisions of this section.

Any person who owns or constructs a building to which sections 81-1608 to 81-1626 apply may request that an alternative building system, technique, equipment design, or building material be found equivalent to the Nebraska Building Energy Conservation Standard or equivalent standard adopted by the office. The State Energy Office or local code authority shall make such determination if it finds that the proposed alternative would not result in energy consumption greater than would result from the strict application of the Nebraska Building Energy Conservation Standard. If the State Energy Office or local code authority fails to approve or disapprove the request within sixty days from the date of filing, it shall be considered approved. The State Energy Office or local code authority may charge the person or entity requesting a determination of equivalency an amount sufficient to recover the costs of providing such service.

Sec. 18. That section 81-1617, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

81-1617. The State Energy Office and any local code authority may conduct inspections and investigations necessary to enforce the Nebraska Building Energy Conservation Standard or equivalent standard adopted by the office and may, at reasonable hours, enter into any building and upon any premises within its jurisdiction for the purpose of examination to determine compliance with sections 81-1608 to 81-1626. Inspections shall be conducted only after permission has been granted by the owner or occupant or



after a warrant has been issued pursuant to sections 29-830 to 29-835.

Sec. 19. That section 81-1618, Revised Statutes Supplement, 1982, be amended to read as follows:

81-1618. Any county, city, or village may adopt and enforce a lighting and thermal efficiency ordinance, resolution, or standard. Such ordinance, resolution, or standard shall be considered equivalent to the Nebraska Building Energy Conservation Standard if it approved by the office prior to enforcement. The office shall approve the ordinance, resolution, or standard if it finds that it (1) would not result in energy consumption greater than would result from the strict application of the Nebraska Building Energy Conservation Standard; (2) and is reasonably consistent with the intent of sections 81-1608 to 81-1626; (3) provides for the inspection of buildings; and (4) provides enforcement procedures comparable to those provided in sections 81-1608 to 81-1626. Such approval may be revoked by the office for cause upon thirty days' notice after a hearing. Any building or portion thereof subject to the jurisdiction of, and inspected by such county, city, or village shall be deemed to comply with sections 81-1608 to 81-1626 if it meets the standards of such ordinance, resolution, or standards. Such county, city, or village may by ordinance or resolution prescribe a schedule of fees sufficient to pay the costs incurred pursuant to sections 81-1608 to 81-1626.

Sec. 20. That section 81-1620, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

81-1620. The State Energy Office shall establish a continuing program of technical assistance to any county, city, or village which adopts and enforces an approved lighting and thermal efficiency ordinance, resolution, or standard or is considering adopting and enforcing the Nebraska Building Energy Conservation Standard or equivalent standard. The program shall include the training of local officials in building technology and local enforcement procedure related to lighting and thermal efficiency standards, and the development of training programs suitable for presentation by local governments, educational institutions, and other public or private entities.

Sec. 21. That section 81-1622, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

81-1622. Prior to the construction, renovation, or addition to any existing building after the dates specified in section 81-1614 the following requirements shall be met where a county, city, or village has not adopted an ordinance, resolution, or

standard approved pursuant to section 81-1618:

(1) When no architect or engineer is retained, the prime contractor shall certify to the office, on a form supplied by the office, that such contractor will build or cause to be built, to the best of his or her knowledge, according to the Nebraska Building Energy Conservation Standard; or equivalent standard adopted by the office; and

(2) When an architect or engineer is retained:  
 (a) The architect or engineer shall place his or her state registration seal on all construction drawings which shall indicate that the design meets the Nebraska Building Energy Conservation Standard or equivalent standard adopted by the office; and (b) the prime contractor responsible for the actual construction shall certify to the office, on a form supplied by the office, that he or she will build or cause to be built in accordance with the construction documents prepared by the architect or engineer.

Sec. 22. That section 81-1623, Revised Statutes Supplement, 1982, be amended to read as follows:

81-1623. The State Energy Office shall require a certification processing fee to be collected at the time the certification is filed with that office. Such fees shall be deposited in the State Energy Office Cash Fund, which is hereby created, and shall be used only for costs incident to carry out this act. Such fees shall not exceed twenty-five dollars for single family residential buildings and shall not exceed twenty-five dollars or one cent per gross square foot, whichever is greater, for any other building.

Sec. 23. That section 81-1625, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

81-1625. If the Director of the State Energy Office or the local code authority finds, within two years from the date a building is first occupied, that the building, at the time of construction, did not comply with the Nebraska Building Energy Conservation Standard or equivalent standard adopted by a county, city, or village the office in effect at such time, the director or code authority may order the owner or prime contractor to take those actions necessary to bring the building into compliance. This section does not limit the right of the owner to bring civil action against the contractor, architect, or engineer for the cost of bringing the building into compliance. A building, addition, or renovation constructed in accordance with plans approved by the State Energy Office or a local code authority having approval pursuant to section 81-1640 shall be deemed to have complied with the Nebraska Building Energy Conservation Standard or

equivalent standard adopted by the office in effect at the time of construction:

Sec. 24. That section 81-1632, Revised Statutes Supplement, 1982, be amended to read as follows:

81-1632. (1) Any school district may apply to the State Energy Office for an energy efficiency grant. Each school district applying for such a grant shall provide matching funds equal to twenty-five per cent of the grant request. Such matching funds may consist of a combination of cash or in-kind services, except that in-kind services may not exceed fifty per cent of the required matching funds. Grants received pursuant to this section and the matching school district funds shall only be used for energy efficiency projects which are approved by the State Energy Office at the time the grant is approved. The State Energy Office shall provide forums on which grant applications may be made. The State Energy Office shall record and compile a complete list of all grant applications and shall make an equitable geographic distribution of grants as nearly as possible among the congressional districts provided in section 5-101.01.

(2) The State Energy Office shall approve grant applications for proposed programs or projects which will reduce energy use or result in a more efficient use of available energy resources. Any grant not denied within ~~thirty~~ forty-five days of its submission shall be considered approved. In determining whether to approve, reduce, or deny an application the State Energy Office shall consider the type of project or program proposed, the life expectancy of the building, the projected energy savings, and the simple payback period for the project. No school district shall receive grants totaling more than one hundred thousand dollars for use in any one school.

(3) Upon approval of a grant application pursuant to this section, the State Energy Office shall submit its voucher against the School Weatherization Fund to the Director of Administrative Services for the amount of the approved grant. The Director of Administrative Services shall, on a monthly basis or more frequently if requested, notify the State Energy Office of the balance available in the School Weatherization Fund.

(4) Commencing July 1, 1983, the State Energy Office shall divide grants between major and minor projects or programs. Thirty per cent of available grant money shall be for major projects or programs. Seventy per cent of available grant money shall be for minor projects or programs. Major projects or programs shall mean those with a simple payback period of more than five years and minor projects or programs shall



mean those with a simple payback period of five years or less. Any entity requesting a grant for a minor project or program shall be required to provide matching funds equal to twenty per cent of the grant request.

(5) For purposes of this section simple payback period shall mean the cost of the project divided by the first year's savings resulting from the project.

Sec. 25. Sections 66-1019 to 66-1028, Reissue Revised Statutes of Nebraska, 1943, are hereby revived.

Sec. 26. That original sections 66-1020, 81-1606, 81-1610 to 81-1615, 81-1617, 81-1620, 81-1622, and 81-1625, Reissue Revised Statutes of Nebraska, 1943, and sections 66-1030, 66-1035, 66-1047, 66-1048, 66-1055, 77-2715, 81-1609, 81-1616, 81-1618, 81-1623, and 81-1632, Revised Statutes Supplement, 1982, and also section 81-1624, Reissue Revised Statutes of Nebraska, 1943, and sections 81-1619 and 81-1621, Revised Statutes Supplement, 1982, are repealed.