

CHAPTER.....

AN ACT relating to the Lake Tahoe Basin; authorizing the issuance of general obligation bonds to carry out the Environmental Improvement Program; and providing other matters properly relating thereto.

WHEREAS, In October 1997, Governor Bob Miller, on behalf of the State of Nevada, signed a Memorandum of Agreement between the Federal Interagency Partnership on the Lake Tahoe Ecosystem, the States of Nevada and California, the Washoe Tribe, the Tahoe Regional Planning Agency and interested local governments, in which the parties affirmed their commitment to the Tahoe Regional Planning Compact, to the sound management and protection of the resources within the Lake Tahoe Basin and the support of a healthy, sustainable economy and to achieve environmental thresholds for Lake Tahoe, and agreed to cooperate to carry out, including, without limitation, providing financial support for, the Environmental Improvement Program; and

WHEREAS, The costs of carrying out the Environmental Improvement Program have been apportioned among the Federal Government, the States of Nevada and California, local governments and owners of private property within both states; and

WHEREAS, The cost of carrying out the Environmental Improvement Program that is apportioned to the State of Nevada and its political subdivisions is \$82,000,000 for the 10-year period that ends in fiscal year 2006-07; and

WHEREAS, For the period between the fiscal year beginning on July 1, 1997, and the fiscal year ending on June 30, 2001, the State of Nevada and its political subdivisions provided \$28,800,000 to meet their apportioned commitment, which included:

1. General obligation bonds issued in the face amount of \$20,000,000 pursuant to chapter 361, Statutes of Nevada 1995, at page 907, and approved by the voters of this state at the general election held in 1996, to carry out projects for the control of erosion and the restoration of natural watercourses in the Lake Tahoe Basin; and

2. General obligation bonds issued in the face amount of \$3,200,000 pursuant to chapter 514, Statutes of Nevada 1999, at page 2627, to carry out the program of environmental improvement projects for the Lake Tahoe Basin established pursuant to section 1 of chapter 514, Statutes of Nevada 1999, at page 2627, for the period between the fiscal year beginning on July 1, 1999, and the fiscal year ending on June 30, 2001; and

WHEREAS, Chapter 514, Statutes of Nevada 1999, created the Fund to Protect the Lake Tahoe Basin in the State General Fund,

directed the Administrator of the Division of State Lands of the State Department of Conservation and Natural Resources to administer that Fund and directed the Administrator, in cooperation with other state agencies, to coordinate the development and carrying out of a program of environmental improvement projects for the Lake Tahoe Basin; and

WHEREAS, For the period between the fiscal year beginning on July 1, 2001, and the fiscal year ending on June 30, 2007, chapter 514, Statutes of Nevada 1999, provided that money in an amount not to exceed \$53,200,000 would be made available to carry out the program of environmental improvement projects during that period by the issuance of general obligation bonds and legislative appropriation; and

WHEREAS, Part of the \$53,200,000 authorized by chapter 514, Statutes of Nevada 1999, was provided in the form of general obligation bonds issued in the face amount of \$16,200,000 pursuant to chapter 302, Statutes of Nevada 2001, at page 1428, to carry out the program of environmental improvement projects for the period between the fiscal year beginning on July 1, 2001, and the fiscal year ending on June 30, 2003; and

WHEREAS, The general obligation bonds authorized by chapter 514, Statutes of Nevada 1999, may only be issued with the prior approval of the Legislature or the Interim Finance Committee and pursuant to a schedule established by the Administrator of the Division of State Lands; now, therefore,

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

Section 1. The Legislature hereby finds and declares that the issuance of securities and the incurrence of indebtedness pursuant to this act:

1. Are necessary for the protection and preservation of the natural resources of this state and for the purpose of obtaining the benefits thereof; and

2. Constitute an exercise of the authority conferred by the second paragraph of Section 3 of Article 9 of the Constitution of the State of Nevada.

Sec. 2. Money to carry out the program of environmental improvement projects for the Lake Tahoe Basin established pursuant to section 1 of chapter 514, Statutes of Nevada 1999, at page 2627, in an amount not to exceed \$9,870,000 must be provided for the period between the fiscal year beginning on July 1, 2003, and the fiscal year ending on June 30, 2005, by the issuance by the State Board of Finance of general obligation bonds of the State of Nevada in a total face amount of not more than \$9,870,000 pursuant to NRS

349.150 to 349.364, inclusive. The proceeds of the bonds issued pursuant to this section must be deposited in the Fund to Protect the Lake Tahoe Basin created pursuant to section 2 of chapter 514, Statutes of Nevada 1999, at page 2628, and, except as otherwise provided in this section, must be used as follows:

1. Projects of the Environmental Improvement Program to be carried out by the State Department of Conservation and Natural Resources:

- (a) Shorezone/Stream Restoration Project \$1,000,000
- (b) Forest Restoration Phase III..... 700,000
- (c) Sand Harbor Visitor Center 400,000

2. Water Quality, Erosion Control and Stream Restoration/Enhancement Projects of the Environmental Improvement Program to be carried out pursuant to grants and project agreements \$7,300,000

3. Contingency money to carry out any environmental improvement project funded with money from the Fund to Protect the Lake Tahoe Basin \$470,000

Sec. 3. 1. The Division of State Lands of the State Department of Conservation and Natural Resources may combine the contingency money authorized pursuant to subsection 3 of section 2 of this act with any other contingency money authorized by the Legislature to carry out an environmental improvement project funded with money from the Fund to Protect the Lake Tahoe Basin.

2. If an amount authorized to carry out the projects set forth in section 2 of this act or any other environmental improvement project funded with money from the Fund to Protect the Lake Tahoe Basin is insufficient to allow the completion of the project for which it is authorized, including, without limitation, any monitoring necessary to ensure the continued effectiveness of the project:

(a) The Division of State Lands may, without the prior approval of the Interim Finance Committee, allocate the contingency money authorized pursuant to subsection 3 of section 2, including any money combined therewith pursuant to subsection 1, to carry out an environmental improvement project funded with money from the Fund to Protect the Lake Tahoe Basin, notwithstanding the provisions of section 2 of chapter 302, Statutes of Nevada 2001, at page 1428, and subsection 2 of section 1 of chapter 514, Statutes of Nevada 1999, at page 2627; and

(b) Upon the request of the Division of State Lands of the State Department of Conservation and Natural Resources, the Interim Finance Committee may increase the amount authorized for the project and offset the increase by reducing the amount authorized for another environmental improvement project or projects funded

with money from the Fund to Protect the Lake Tahoe Basin by the amount of the increase.

3. The Division of State Lands may use money authorized pursuant to section 2 of this act for a project other than a project listed in section 2 of this act if the Interim Finance Committee approves such a use in writing before the Division of State Lands engages in the project.

Sec. 4. Section 1 of chapter 361, Statutes of Nevada 1995, as amended by chapter 602, Statutes of Nevada 1997, at page 3014, is hereby amended to read as follows:

Section 1. 1. At the general election to be held in the State of Nevada in 1996, there must be submitted to the voters of the state, in the manner prescribed by chapter 349 of NRS, a proposal to issue general obligation bonds of the state to provide grants to local governments and the department of transportation to carry out projects for the control of erosion and the restoration of natural watercourses *and other projects* in the Lake Tahoe Basin in an amount of not more than \$20,000,000.

2. If the proposal is carried, the state board of finance shall issue general obligation bonds of the State of Nevada in a total face amount of not more than \$20,000,000. The bonds may be issued at one time or from time to time. The expenses related to the issuance of bonds pursuant to this section must be paid from the proceeds of the bonds, and must not exceed 2 percent of the face amount of the bonds sold.

3. The provisions of the State Securities Law, contained in chapter 349 of NRS, apply to the issuance of bonds pursuant to this section.

Sec. 5. Section 3 of chapter 361, Statutes of Nevada 1995, at page 908, is hereby amended to read as follows:

Sec. 3. After deducting the expenses relating to the issuance of the bonds, the state land registrar may use the proceeds from any bonds issued pursuant to the provisions of section 1 of this act to defray the costs of administering the program for awarding grants ~~to~~ *and other programs to protect the Lake Tahoe Basin.*

Sec. 6. This act becomes effective on July 1, 2003.