

CHAPTER.....

AN ACT relating to the Lake Tahoe Basin; authorizing the issuance of general obligation bonds to carry out the Environmental Improvement Program; extending the period for issuance of bonds to carry out the Program; clarifying the manner in which money from the proceeds of previously issued bonds must be administered; 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 of Nevada and California, 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; 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, 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 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 pursuant to:

1. Chapter 302, Statutes of Nevada 2001, at page 1428, in the face amount of \$16,200,000 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

2. Chapter 438, Statutes of Nevada 2003, at page 2655, in the face amount of \$9,870,000 to carry out the program of environmental improvement projects for the period between the fiscal year beginning on July 1, 2003, and the fiscal year ending on June 30, 2005; and

WHEREAS, Although the timing for the issuance of bonds authorized pursuant to Chapter 514, Statutes of Nevada 1999, to pay for Nevada's share of the Environmental Improvement Program was initially the 10-year period ending in Fiscal Year 2006-2007, extension of that period to the end of Fiscal Year 2009-2010 is necessary to complete the funding of the remaining environmental improvement projects; 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 \$16,800,000 must be provided for the period between the fiscal year beginning on July 1, 2005, and the fiscal year ending on June 30, 2007, 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 \$16,800,000 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 \$1,500,000
- (b) Forest Restoration Phase III..... \$650,000

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 \$14,000,000

3. Contingency money to carry out any environmental improvement project that is paid for with money from the Fund to Protect the Lake Tahoe Basin \$650,000

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 that is paid for 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 that is paid for 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 of this act, including any money combined therewith pursuant to subsection 1, to carry out an environmental improvement project that is paid for with money from the Fund to Protect the Lake Tahoe Basin, notwithstanding the provisions of Section 2 of Chapter 438, Statutes of Nevada 2003, at page 2655, 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, 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 that are paid for 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 the Lake Tahoe Basin Act of June 8, 1999, being Chapter 514, Statutes of Nevada 1999, at page 2627, is hereby amended to read as follows:

Section 1. 1. The Administrator of the Division of State Lands of the State Department of Conservation and Natural Resources, in cooperation with other state agencies, shall coordinate the development and implementation of a program of environmental improvement projects for:

(a) The protection and enhancement of the quality of the air and water;

(b) The protection and restoration of natural watercourses, wetlands, wildlife habitat, fisheries, vegetation and forests;

(c) Prevention and control of erosion; and

(d) Enhancement of recreational and tourism opportunities,

↳ in the Lake Tahoe Basin.

2. Money to carry out the program in an amount not to exceed \$3,200,000 must be provided for the period between the fiscal year beginning on July 1, 1999, and the fiscal year

ending on June 30, 2001, 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 \$3,200,000 pursuant to NRS 349.150 to 349.364, inclusive. The proceeds of the bonds issued pursuant to this subsection must be deposited in the Fund to Protect the Lake Tahoe Basin created pursuant to section 2 of this act and, except as otherwise provided in this subsection, must be used as follows:

(a) Sand Harbor Visitor/Administrative Center BMPs	\$1,000,000
(b) North Canyon Hiking Trail	15,000
(c) Sand Harbor Erosion Control	100,000
(d) Upland Wildlife Habitat Enhancement	66,000
(e) North Canyon Old Growth Habitat Restoration	130,000
(f) Forest Restoration - Phase I	1,500,000
(g) Sand Harbor-Memorial Point Trail	56,000
(h) Hidden Beach Rehabilitation, BMPs	106,000
(i) Sugar Pine Old Growth Habitat Restoration	75,000
(j) Project contingency	152,000

➔ If an amount authorized pursuant to this subsection is insufficient to allow the completion of the project for which it is authorized, the Interim Finance Committee, upon the request of the Division of State Lands of the State Department of Conservation and Natural Resources, may increase the amount authorized for the project and offset the increase by reducing the amount authorized for another project or projects pursuant to this subsection by the amount of the increase. The Division of State Lands may use money authorized pursuant to this subsection for a project other than a project listed in this subsection if the Interim Finance Committee approves such a use in writing before the Division engages in the project. The Division of State Lands may allocate money pursuant to paragraph (j) without the prior approval of the Interim Finance Committee.

3. Money to carry out the program in an amount not to exceed \$53,200,000 must be provided for the period between the fiscal year beginning on July 1, 2001, and the fiscal year ending on June 30, ~~2007,~~ 2010, 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 \$53,200,000. With the prior approval of the Legislature or the Interim Finance Committee, the bonds may be issued from time to time pursuant to a schedule established by the Administrator of the Division of State Lands. The provisions of NRS

349.150 to 349.364, inclusive, apply to the issuance of bonds pursuant to this subsection.

4. The amount of bonds authorized by subsection 3 must be reduced by the amount of any money appropriated by the Legislature for the same purpose upon certification by the Administrator of the Division of State Lands of the amount of each such appropriation to the State Board of Finance. The Administrator of the Division of State Lands shall submit a request to the Legislature each biennium, as necessary, for an appropriation for the program.

5. The Administrator of the Division of State Lands may adopt such regulations as are necessary to carry out the program.

Sec. 5. Chapter 585, Statutes of Nevada 1985, at page 1866, is hereby amended by adding thereto a new section, to be designated as section 5.5, immediately following section 5, to read as follows:

Sec. 5.5. 1. The proceeds of any bonds issued pursuant to this act, after deducting the expenses relating to the issuance of the bonds, must be accounted for separately in the State General Fund.

2. Any interest or income earned on the money in the account must be credited to the account.

3. Money in the account:

(a) Does not revert to the State General Fund at the end of any fiscal year; and

(b) Must be carried forward to the next fiscal year.

Sec. 6. Section 3 of Chapter 361, Statutes of Nevada 1995, as amended by Chapter 438, Statutes of Nevada 2003, at page 2658, is hereby amended to read as follows:

Sec. 3. ~~{After}~~

1. The proceeds of any bonds issued pursuant to section 1 of this act, after deducting the expenses relating to the issuance of the bonds, must be accounted for separately in the State General Fund.

2. Any interest or income earned on the money in the account must be credited to the account.

3. Money in the account:

(a) Does not revert to the State General Fund at the end of any fiscal year;

(b) Must be carried forward to the next fiscal year; and

(c) May be used by 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 and other programs to protect the Lake Tahoe Basin.

Sec. 7. This act becomes effective on July 1, 2005.

