

ASSEMBLY BILL NO. 458—COMMITTEE ON WAYS AND MEANS

(ON BEHALF OF THE LEGISLATIVE COMMITTEE FOR THE REVIEW
AND OVERSIGHT OF THE TAHOE REGIONAL PLANNING
AGENCY AND THE MARLETTE LAKE WATER SYSTEM)

MARCH 28, 2005

Referred to Committee on Ways and Means

SUMMARY—Revises provisions relating to issuance of bonds
concerning Lake Tahoe Basin. (BDR S-308)

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.

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.

1 WHEREAS, In October 1997, Governor Bob Miller, on behalf
2 of the State of Nevada, signed a Memorandum of Agreement
3 between the Federal Interagency Partnership on the Lake Tahoe
4 Ecosystem, the States of Nevada and California, the Washoe Tribe
5 of Nevada and California, the Tahoe Regional Planning Agency and
6 interested local governments, in which the parties affirmed their
7 commitment to the Tahoe Regional Planning Compact, to the sound
8 management and protection of the resources within the Lake Tahoe
9 Basin and the support of a healthy, sustainable economy and to
10 achieve environmental thresholds for Lake Tahoe, and agreed to
11 cooperate to carry out, including, without limitation, providing
12 financial support for, the Environmental Improvement Program; and
13 WHEREAS, The costs of carrying out the Environmental
14 Improvement Program have been apportioned among the Federal



1 Government, the States of Nevada and California, local
2 governments and owners of private property within both states; and

3 WHEREAS, The cost of carrying out the Environmental
4 Improvement Program that is apportioned to the State of Nevada
5 and its political subdivisions is \$82,000,000; and

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

10 1. General obligation bonds issued in the face amount of
11 \$20,000,000 pursuant to Chapter 361, Statutes of Nevada 1995, at
12 page 907, and approved by the voters of this State at the General
13 Election held in 1996, to carry out projects for the control of erosion
14 and the restoration of natural watercourses in the Lake Tahoe Basin;
15 and

16 2. General obligation bonds issued in the face amount of
17 \$3,200,000 pursuant to Chapter 514, Statutes of Nevada 1999, at
18 page 2627, to carry out the program of environmental improvement
19 projects for the Lake Tahoe Basin established pursuant to Section 1
20 of Chapter 514, Statutes of Nevada 1999, at page 2627, for the
21 period between the fiscal year beginning on July 1, 1999, and the
22 fiscal year ending on June 30, 2001; and

23 WHEREAS, Chapter 514, Statutes of Nevada 1999, created the
24 Fund to Protect the Lake Tahoe Basin in the State General Fund,
25 directed the Administrator of the Division of State Lands of the
26 State Department of Conservation and Natural Resources to
27 administer that Fund and directed the Administrator, in cooperation
28 with other state agencies, to coordinate the development and
29 carrying out of a program of environmental improvement projects
30 for the Lake Tahoe Basin; and

31 WHEREAS, Chapter 514, Statutes of Nevada 1999, provided that
32 money in an amount not to exceed \$53,200,000 would be made
33 available to carry out the program of environmental improvement
34 projects by the issuance of general obligation bonds and legislative
35 appropriation; and

36 WHEREAS, Part of the \$53,200,000 authorized by Chapter 514,
37 Statutes of Nevada 1999, was provided in the form of general
38 obligation bonds issued pursuant to:

39 1. Chapter 302, Statutes of Nevada 2001, at page 1428, in the
40 face amount of \$16,200,000 to carry out the program of
41 environmental improvement projects for the period between the
42 fiscal year beginning on July 1, 2001, and the fiscal year ending on
43 June 30, 2003; and

44 2. Chapter 438, Statutes of Nevada 2003, at page 2655, in the
45 face amount of \$9,870,000 to carry out the program of



1 environmental improvement projects for the period between the
2 fiscal year beginning on July 1, 2003, and the fiscal year ending on
3 June 30, 2005; and

4 WHEREAS, Although the timing for the issuance of bonds
5 authorized pursuant to Chapter 514, Statutes of Nevada 1999, to pay
6 for Nevada's share of the Environmental Improvement Program was
7 initially the 10-year period ending in Fiscal Year 2006-2007,
8 extension of that period to the end of Fiscal Year 2009-2010 is
9 necessary to complete the funding of the remaining environmental
10 improvement projects; and

11 WHEREAS, The general obligation bonds authorized by Chapter
12 514, Statutes of Nevada 1999, may only be issued with the prior
13 approval of the Legislature or the Interim Finance Committee and
14 pursuant to a schedule established by the Administrator of the
15 Division of State Lands; now, therefore,

16
17 THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
18 SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:
19

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

23 1. Are necessary for the protection and preservation of the
24 natural resources of this State and for the purpose of obtaining the
25 benefits thereof; and

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

29 **Sec. 2.** Money to carry out the program of environmental
30 improvement projects for the Lake Tahoe Basin established
31 pursuant to Section 1 of Chapter 514, Statutes of Nevada 1999, at
32 page 2627, in an amount not to exceed \$16,800,000 must be
33 provided for the period between the fiscal year beginning on July 1,
34 2005, and the fiscal year ending on June 30, 2007, by the issuance
35 by the State Board of Finance of general obligation bonds of the
36 State of Nevada in a total face amount of not more than \$16,800,000
37 pursuant to NRS 349.150 to 349.364, inclusive. The proceeds of the
38 bonds issued pursuant to this section must be deposited in the Fund
39 to Protect the Lake Tahoe Basin created pursuant to Section 2 of
40 Chapter 514, Statutes of Nevada 1999, at page 2628, and, except as
41 otherwise provided in this section, must be used as follows:

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

45 (a) Shorezone/Stream Restoration Project \$1,500,000



1	(b) Forest Restoration Phase III.....	\$650,000
2	2. Water Quality, Erosion Control and Stream	
3	Restoration/Enhancement Projects of the	
4	Environmental Improvement Program to be carried out	
5	pursuant to grants and project agreements	\$14,000,000
6	3. Contingency money to carry out any	
7	environmental improvement project that is paid for	
8	with money from the Fund to Protect the Lake Tahoe	
9	Basin	\$650,000

10 **Sec. 3.** 1. The Division of State Lands of the State
11 Department of Conservation and Natural Resources may combine
12 the contingency money authorized pursuant to subsection 3 of
13 section 2 of this act with any other contingency money authorized
14 by the Legislature to carry out an environmental improvement
15 project that is paid for with money from the Fund to Protect the
16 Lake Tahoe Basin.

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

23 (a) The Division of State Lands may, without the prior approval
24 of the Interim Finance Committee, allocate the contingency money
25 authorized pursuant to subsection 3 of section 2 of this act,
26 including any money combined therewith pursuant to subsection 1,
27 to carry out an environmental improvement project that is paid for
28 with money from the Fund to Protect the Lake Tahoe Basin,
29 notwithstanding the provisions of Section 2 of Chapter 438, Statutes
30 of Nevada 2003, at page 2655, Section 2 of Chapter 302, Statutes of
31 Nevada 2001, at page 1428, and subsection 2 of Section 1 of
32 Chapter 514, Statutes of Nevada 1999, at page 2627; and

33 (b) Upon the request of the Division of State Lands, the Interim
34 Finance Committee may increase the amount authorized for the
35 project and offset the increase by reducing the amount authorized
36 for another environmental improvement project or projects that are
37 paid for with money from the Fund to Protect the Lake Tahoe Basin
38 by the amount of the increase.

39 3. The Division of State Lands may use money authorized
40 pursuant to section 2 of this act for a project other than a project
41 listed in section 2 of this act if the Interim Finance Committee
42 approves such a use in writing before the Division of State Lands
43 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



1 increase the amount authorized for the project and offset the
2 increase by reducing the amount authorized for another
3 project or projects pursuant to this subsection by the amount
4 of the increase. The Division of State Lands may use money
5 authorized pursuant to this subsection for a project other than
6 a project listed in this subsection if the Interim Finance
7 Committee approves such a use in writing before the Division
8 engages in the project. The Division of State Lands may
9 allocate money pursuant to paragraph (j) without the prior
10 approval of the Interim Finance Committee.

11 3. Money to carry out the program in an amount not to
12 exceed \$53,200,000 must be provided for the period between
13 the fiscal year beginning on July 1, 2001, and the fiscal year
14 ending on June 30, ~~2007,~~ 2010, by the issuance by the State
15 Board of Finance of general obligation bonds of the State of
16 Nevada in a total face amount of not more than \$53,200,000.
17 With the prior approval of the Legislature or the Interim
18 Finance Committee, the bonds may be issued from time to
19 time pursuant to a schedule established by the Administrator
20 of the Division of State Lands. The provisions of NRS
21 349.150 to 349.364, inclusive, apply to the issuance of bonds
22 pursuant to this subsection.

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

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

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

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

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

43 ***3. Money in the account:***
44 ***(a) Does not revert to the State General Fund at the end***
45 ***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.



