

SENATE BILL NO. 441—COMMITTEE ON FINANCE

(ON BEHALF OF THE DIVISION OF STATE LANDS)

MARCH 29, 2005

Referred to Committee on Finance

SUMMARY—Authorizes issuance of general obligation bonds to carry out Environmental Improvement Program in Lake Tahoe Basin and extends period for issuance of bonds for the Program. (BDR S-663)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

~

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; 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 the Tahoe Regional Planning Agency and interested local
6 governments, in which the parties affirmed their commitment to the
7 Tahoe Regional Planning Compact, to the sound management and
8 protection of the resources within the Lake Tahoe Basin and the
9 support of a healthy, sustainable economy and to achieve
10 environmental thresholds for Lake Tahoe, and agreed to cooperate
11 to carry out, including, without limitation, providing financial
12 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
15 Government, the States of Nevada and California, local
16 governments and owners of private property within both states; and



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

4 WHEREAS, Although the time frame for the issuance of bonds to
5 fund Nevada's share of the Environmental Improvement Program
6 was initially the 10-year period ending in Fiscal Year 2006-2007, it
7 is necessary to extend that period to the end of Fiscal Year 2009-
8 2010 to complete the funding of any remaining projects; and

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

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

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

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

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

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

42 1. Chapter 302, Statutes of Nevada 2001, at page 1428, in the
43 face amount of \$16,200,000 to carry out the program of
44 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, 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 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 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



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.** This act becomes effective on July 1, 2005.



