

SENATE BILL NO. 55—COMMITTEE ON FINANCE

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

PREFILED FEBRUARY 1, 2007

Referred to Committee on Finance

SUMMARY—Authorizes the issuance of general obligation bonds
to carry out the Environmental Improvement
Program in the Lake Tahoe Basin. (BDR S-250)

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

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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; and providing
other matters properly relating thereto.

Legislative Counsel's Digest:

1 The Environmental Improvement Program was implemented in 1997 to carry
2 out projects to improve the environment in the Lake Tahoe Basin. The costs of the
3 Program are apportioned among the Federal Government, the States of Nevada and
4 California and local governments and owners of private property in both States. In
5 1999, the Nevada Legislature authorized the issuance of not more than \$53.2
6 million in general obligation bonds between July 1, 2001, and June 30, 2010, to pay
7 for a significant portion of Nevada's share of the costs of the Program. Issuance of
8 those bonds requires the approval of the Legislature or the Interim Finance
9 Committee. (Chapter 514, Statutes of Nevada 1999, p. 2626) This bill authorizes
10 the issuance of the final installment of the general obligation bonds authorized
11 by the Legislature in 1999, in the amount of \$9,057,908, to pay for Nevada's share
12 of the costs of the Program for the period between July 1, 2007, and June 30, 2009.



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1 WHEREAS, In October 1997, Governor Bob Miller, on behalf
2 of the State of Nevada, signed a Memorandum of Agreement
3 involving 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;
13 and

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

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

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

26 1. General obligation bonds issued in the face amount of
27 \$20,000,000 pursuant to chapter 361, Statutes of Nevada 1995, at
28 page 907, and approved by the voters of this State at the general
29 election held in 1996, to carry out projects for the control of erosion
30 and the restoration of natural watercourses in the Lake Tahoe Basin;
31 and

32 2. General obligation bonds issued in the face amount of
33 \$3,200,000 pursuant to chapter 514, Statutes of Nevada 1999, at
34 page 2627, to carry out the program of environmental improvement
35 projects for the Lake Tahoe Basin established pursuant to section 1
36 of chapter 514, Statutes of Nevada 1999, at page 2627, for the
37 period between the fiscal year beginning on July 1, 1999, and the
38 fiscal year ending on June 30, 2001; and

39 WHEREAS, Chapter 514, Statutes of Nevada 1999, created the
40 Fund to Protect the Lake Tahoe Basin in the State General Fund,
41 directed the Administrator of the Division of State Lands of the
42 State Department of Conservation and Natural Resources to
43 administer that Fund and directed the Administrator, in cooperation
44 with other state agencies, to coordinate the development and



1 carrying out of a program of environmental improvement projects
2 for the Lake Tahoe Basin; and

3 WHEREAS, For the period between the fiscal year beginning on
4 July 1, 2001, and the fiscal year ending on June 30, 2010, chapter
5 514, Statutes of Nevada 1999, provided that money in an amount
6 not to exceed \$53,200,000 would be made available to carry out the
7 program of environmental improvement projects during that period
8 by the issuance of general obligation bonds and legislative
9 appropriation; and

10 WHEREAS, In addition to approximately \$1,270,000 expended
11 for environmental improvement projects from the Account for
12 License Plates for the Support of the Preservation and Restoration of
13 the Natural Environment of the Lake Tahoe Basin created by NRS
14 321.5951, funding of Nevada's share of the costs of the
15 Environmental Improvement Program since 1999 was provided in
16 the form of general obligation bonds issued pursuant to:

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

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

27 3. Chapter 298, Statutes of Nevada 2005, at page 1030, in the
28 face amount of \$16,800,000 to carry out the program of
29 environmental improvement projects for the period between the
30 fiscal year beginning on July 1, 2005, and the fiscal year ending on
31 June 30, 2007; and

32 WHEREAS, The general obligation bonds authorized by chapter
33 514, Statutes of Nevada 1999, may only be issued with the prior
34 approval of the Legislature or the Interim Finance Committee and
35 pursuant to a schedule established by the Administrator of the
36 Division of State Lands; now, therefore,

37
38 THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
39 SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:
40

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



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

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

7 **Sec. 2.** Money to carry out the program of environmental
8 improvement projects for the Lake Tahoe Basin established
9 pursuant to section 1 of chapter 514, Statutes of Nevada 1999, at
10 page 2627, in an amount not to exceed \$9,057,908 must be provided
11 for the period between the fiscal year beginning on July 1, 2007, and
12 the fiscal year ending on June 30, 2009, by the issuance by the State
13 Board of Finance of general obligation bonds of the State of Nevada
14 in a total face amount of not more than \$9,057,908 pursuant to NRS
15 349.150 to 349.364, inclusive. The proceeds of the bonds issued
16 pursuant to this section must be deposited in the Fund to Protect the
17 Lake Tahoe Basin created pursuant to section 2 of chapter 514,
18 Statutes of Nevada 1999, at page 2628, and, except as otherwise
19 provided in this section, must be used as follows:

20 1. Continued Implementation of Forest Restoration
21 Projects of the Environmental Improvement Program to
22 be carried out by the State Department of Conservation
23 and Natural Resources.....\$1,250,000

24 2. Water Quality, Erosion Control and Stream
25 Restoration/Enhancement Projects of the Environmental
26 Improvement Program to be carried out pursuant to
27 grants and project agreements\$7,500,000

28 3. Contingency money to carry out any
29 environmental improvement project that is paid for with
30 money from the Fund to Protect the Lake Tahoe Basin\$307,908

31 **Sec. 3.** 1. The Division of State Lands of the State
32 Department of Conservation and Natural Resources may combine
33 the contingency money authorized pursuant to subsection 3 of
34 section 2 of this act with any other contingency money authorized
35 by the Legislature to carry out an environmental improvement
36 project that is paid for with money from the Fund to Protect the
37 Lake Tahoe Basin.

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

44 (a) The Division of State Lands may, without the prior approval
45 of the Interim Finance Committee, allocate the contingency money



1 authorized pursuant to subsection 3 of section 2 of this act,
2 including any money combined therewith pursuant to subsection 1,
3 to carry out an environmental improvement project that is paid for
4 with money from the Fund to Protect the Lake Tahoe Basin,
5 notwithstanding the provisions of section 2 of chapter 298, Statutes
6 of Nevada 2005, at page 1030, section 2 of chapter 438, Statutes of
7 Nevada 2003, at page 2655, section 2 of chapter 302, Statutes of
8 Nevada 2001, at page 1428, and subsection 2 of section 1 of chapter
9 514, Statutes of Nevada 1999, at page 2627; and

10 (b) Upon the request of the Division of State Lands, the Interim
11 Finance Committee may increase the amount authorized for the
12 project and offset the increase by reducing the amount authorized
13 for another environmental improvement project or projects that are
14 paid for with money from the Fund to Protect the Lake Tahoe Basin
15 by the amount of the increase.

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

21 **Sec. 4.** This act becomes effective on July 1, 2007.

