

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.

~

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, 2010.

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



1 of Nevada and California, the Tahoe Regional Planning Agency and
2 interested local governments, in which the parties affirmed their
3 commitment to the Tahoe Regional Planning Compact, to the sound
4 management and protection of the resources within the Lake Tahoe
5 Basin and the support of a healthy, sustainable economy and to
6 achieve environmental thresholds for Lake Tahoe, and agreed to
7 cooperate to carry out, including, without limitation, providing
8 financial support for, the Environmental Improvement Program; and

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

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

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

20 1. General obligation bonds issued in the face amount of
21 \$20,000,000 pursuant to chapter 361, Statutes of Nevada 1995, at
22 page 907, and approved by the voters of this State at the general
23 election held in 1996, to carry out projects for the control of erosion
24 and the restoration of natural watercourses in the Lake Tahoe Basin;
25 and

26 2. General obligation bonds issued in the face amount of
27 \$3,200,000 pursuant to chapter 514, Statutes of Nevada 1999, at
28 page 2627, to carry out the program of environmental improvement
29 projects for the Lake Tahoe Basin established pursuant to section 1
30 of chapter 514, Statutes of Nevada 1999, at page 2627, for the
31 period between the fiscal year beginning on July 1, 1999, and the
32 fiscal year ending on June 30, 2001; and

33 WHEREAS, Chapter 514, Statutes of Nevada 1999, created the
34 Fund to Protect the Lake Tahoe Basin in the State General Fund,
35 directed the Administrator of the Division of State Lands of the
36 State Department of Conservation and Natural Resources to
37 administer that Fund and directed the Administrator, in cooperation
38 with other state agencies, to coordinate the development and
39 carrying out of a program of environmental improvement projects
40 for the Lake Tahoe Basin; and

41 WHEREAS, For the period between the fiscal year beginning on
42 July 1, 2001, and the fiscal year ending on June 30, 2010, chapter
43 514, Statutes of Nevada 1999, provided that money in an amount
44 not to exceed \$53,200,000 would be made available to carry out the
45 program of environmental improvement projects during that period



1 by the issuance of general obligation bonds and legislative
2 appropriation; and

3 WHEREAS, In addition to approximately \$1,270,000 expended
4 for environmental improvement projects from the Account for
5 License Plates for the Support of the Preservation and Restoration of
6 the Natural Environment of the Lake Tahoe Basin created by NRS
7 321.5951, funding of Nevada's share of the costs of the
8 Environmental Improvement Program since 1999 was provided in
9 the form of general obligation bonds issued pursuant to:

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

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

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

25 WHEREAS, The general obligation bonds authorized by chapter
26 514, Statutes of Nevada 1999, may only be issued with the prior
27 approval of the Legislature or the Interim Finance Committee and
28 pursuant to a schedule established by the Administrator of the
29 Division of State Lands; now, therefore,

30
31 THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
32 SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:
33

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

37 1. Are necessary for the protection and preservation of the
38 natural resources of this State and for the purpose of obtaining the
39 benefits thereof; and

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

43 **Sec. 2.** Money to carry out the program of environmental
44 improvement projects for the Lake Tahoe Basin established
45 pursuant to section 1 of chapter 514, Statutes of Nevada 1999, at



* S B 5 5 R 1 *

1 page 2627, in an amount not to exceed \$9,057,908 must be provided
2 for the period between the fiscal year beginning on July 1, 2007, and
3 the fiscal year ending on June 30, 2010, by the issuance by the State
4 Board of Finance of general obligation bonds of the State of Nevada
5 in a total face amount of not more than \$9,057,908 pursuant to NRS
6 349.150 to 349.364, inclusive. The proceeds of the bonds issued
7 pursuant to this section must be deposited in the Fund to Protect the
8 Lake Tahoe Basin created pursuant to section 2 of chapter 514,
9 Statutes of Nevada 1999, at page 2628, and, except as otherwise
10 provided in this section, must be used as follows:

11 1. Continued Implementation of Forest Restoration
12 Projects of the Environmental Improvement Program to
13 be carried out by the State Department of Conservation
14 and Natural Resources\$1,200,000

15 2. Continued Implementation of Recreational
16 Projects of the Environmental Improvement Program
17 within the Lake Tahoe-Nevada State Park to be carried
18 out by the State Department of Conservation and
19 Natural Resources.....\$3,000,000

20 3. Water Quality, Erosion Control and Stream
21 Restoration/Enhancement Projects of the Environmental
22 Improvement Program to be carried out pursuant to
23 grants and project agreements\$4,550,000

24 4. Contingency money to carry out any
25 environmental improvement project that is paid for with
26 money from the Fund to Protect the Lake Tahoe Basin\$307,908

27 **Sec. 3.** 1. The Division of State Lands of the State
28 Department of Conservation and Natural Resources may combine
29 the contingency money authorized pursuant to subsection 4 of
30 section 2 of this act with any other contingency money authorized
31 by the Legislature to carry out an environmental improvement
32 project that is paid for with money from the Fund to Protect the
33 Lake Tahoe Basin.

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

40 (a) The Division of State Lands may, without the prior approval
41 of the Interim Finance Committee, allocate the contingency money
42 authorized pursuant to subsection 4 of section 2 of this act,
43 including any money combined therewith pursuant to subsection 1,
44 to carry out an environmental improvement project that is paid for
45 with money from the Fund to Protect the Lake Tahoe Basin,



* S B 5 5 R 1 *

1 notwithstanding the provisions of section 2 of chapter 298, Statutes
2 of Nevada 2005, at page 1030, section 2 of chapter 438, Statutes of
3 Nevada 2003, at page 2655, section 2 of chapter 302, Statutes of
4 Nevada 2001, at page 1428, and subsection 2 of section 1 of chapter
5 514, Statutes of Nevada 1999, at page 2627; and

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

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

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

