

ASSEMBLY BILL NO. 559—COMMITTEE ON WAYS AND MEANS

(ON BEHALF OF THE DIVISION OF BUDGET AND PLANNING)

MARCH 28, 2011

Referred to Committee on Natural Resources,  
Agriculture, and Mining

SUMMARY—Requires the issuance of bonds for environmental improvement projects in the Lake Tahoe Basin. (BDR S-1212)

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; requiring the issuance of general obligation bonds to carry out certain environmental improvement projects included in the second phase of the Environmental Improvement Program for the Lake Tahoe Basin; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

The Environmental Improvement Program was implemented in 1997 to carry out projects to improve the environment in the Lake Tahoe Basin. The costs of the Program are apportioned among the Federal Government, the States of Nevada and California and local governments and owners of private property in both states. In 1999, the Nevada Legislature authorized the issuance of not more than \$53.2 million in general obligation bonds to pay for a significant portion of Nevada's share of the costs of the first phase of the Program. (Chapter 514, Statutes of Nevada 1999, p. 2626) In 2009, the Nevada Legislature authorized the issuance of not more than \$100 million in general obligation bonds to pay for Nevada's share of the costs of the second phase of the Program. Issuance of those bonds requires the approval of the Legislature or the Interim Finance Committee. (Chapter 431, Statutes of Nevada 2009, p. 2417) The Nevada Legislature in 2009 also required the issuance of not more than \$4,420,000 of such bonds to provide money to carry out certain environmental improvement projects included in the second phase of the Program. (Chapter 431, Statutes of Nevada 2009, p. 2416)

This bill requires the issuance of general obligation bonds of not more than \$12 million to provide money to carry out certain environmental improvement projects included in the second phase of the Environmental Improvement Program.



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1 WHEREAS, The Lake Tahoe Basin exhibits unique  
2 environmental and ecological conditions that are irreplaceable; and

3 WHEREAS, This State has a compelling interest in preserving,  
4 protecting, restoring and enhancing the natural environment of the  
5 Lake Tahoe Basin; and

6 WHEREAS, The preservation, protection, restoration and  
7 enhancement of the natural environment of the Lake Tahoe Basin is  
8 a matter of such significance that it must be carried out on a  
9 continual basis; and

10 WHEREAS, In October 1997, Governor Bob Miller, on behalf  
11 of the State of Nevada, signed a Memorandum of Agreement  
12 between the Federal Interagency Partnership on the Lake Tahoe  
13 Ecosystem, the States of Nevada and California, the Washoe Tribe  
14 of Nevada and California, the Tahoe Regional Planning Agency and  
15 interested local governments, in which the parties affirmed their  
16 commitment to the Tahoe Regional Planning Compact, to the sound  
17 management and protection of the resources within the Lake Tahoe  
18 Basin and the support of a healthy, sustainable economy and to  
19 achieve environmental thresholds for Lake Tahoe, and agreed to  
20 cooperate to carry out, including, without limitation, providing  
21 financial support for, the Environmental Improvement Program; and

22 WHEREAS, The costs of carrying out the Environmental  
23 Improvement Program have been apportioned among the Federal  
24 Government, the States of Nevada and California and the local  
25 governments and private property owners within both states; and

26 WHEREAS, The cost of carrying out the second phase of the  
27 Environmental Improvement Program for the State of Nevada and  
28 its political subdivisions is \$100,000,000; and

29 WHEREAS, Section 3 of chapter 431, Statutes of Nevada 2009, at  
30 page 2417, authorized the State Board of Finance to issue general  
31 obligation bonds of the State of Nevada in a total face amount of not  
32 more than \$100,000,000 to provide money to carry out the second  
33 phase of the Environmental Improvement Program; and

34 WHEREAS, Section 1 of chapter 431, Statutes of Nevada 2009, at  
35 page 2416, granted approval to the State Board of Finance to issue  
36 \$4,420,000 of those general obligation bonds to provide money to  
37 carry out certain environmental improvement projects included in  
38 the second phase of the Environmental Improvement Program; and

39 WHEREAS, The general obligation bonds authorized by chapter  
40 431, Statutes of Nevada 2009, may only be issued with the prior  
41 approval of the Legislature or the Interim Finance Committee and  
42 pursuant to a schedule established by the Administrator of the



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Division of State Lands of the State Department of Conservation and Natural Resources; now, therefore,

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

**Section 1.** Money to carry out the Environmental Improvement Program for the Lake Tahoe Basin established pursuant to section 1 of chapter 514, Statutes of Nevada 1999, at page 2627, must be provided 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 \$12,000,000 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. Activities related to the Environmental Improvement Program to be carried out by the State Department of Conservation and Natural Resources:

|                                                                                                |             |
|------------------------------------------------------------------------------------------------|-------------|
| (a) Enhancement of recreational opportunities .....                                            | \$1,037,500 |
| (b) Continued implementation of forest health, restoration and fuels management projects ..... | \$1,000,000 |
| (c) Protection of sensitive species and improvement of wildlife habitat .....                  | \$335,000   |
| (d) Control of invasive terrestrial and aquatic species.....                                   | \$300,000   |

2. Water quality, erosion control and stream restoration and enhancement projects of the Environmental Improvement Program to be carried out pursuant to grants and project agreements .....\$8,827,500

3. Contingency money to carry out environmental improvement projects .....\$500,000

**Sec. 2.** 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 1 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 1 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



1 it is authorized, including, without limitation, any monitoring  
2 necessary to ensure the continued effectiveness of the project:

3 (a) The Division of State Lands may, without the prior approval  
4 of the Interim Finance Committee, allocate the contingency money  
5 authorized pursuant to subsection 3 of section 1 of this act,  
6 including any money combined therewith pursuant to subsection 1,  
7 to carry out an environmental improvement project that is paid for  
8 with money from the Fund to Protect the Lake Tahoe Basin; and

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

15 3. The Division of State Lands may use money authorized  
16 pursuant to section 1 of this act for a project other than a project  
17 listed in section 1 of this act if the Interim Finance Committee  
18 approves such a use in writing before the Division of State Lands  
19 engages in the project.

20 **Sec. 3.** The Legislature finds and declares that the issuance of  
21 securities and the incurrence of indebtedness pursuant to this act:

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

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

28 **Sec. 4.** This act becomes effective on July 1, 2011.

