

ASSEMBLY BILL NO. 377—ASSEMBLYMEN O'NEILL, SWANK, SILBERKRAUS, HICKEY, KIRKPATRICK; ARAUJO, BENITEZ-THOMPSON, ELLISON, FLORES, HAMBRICK, KIRNER AND STEWART

MARCH 17, 2015

JOINT SPONSORS: SENATORS MANENDO, GUSTAVSON, SETTELMAYER, KIECKHEFER AND KIHUEN

Referred to Committee on Natural Resources,  
Agriculture, and Mining

SUMMARY—Establishes provisions for the preservation, development and use of the Nevada State Prison as a historical, cultural, educational and scientific resource. (BDR 26-625)

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 Nevada State Prison; requiring the State Land Registrar to determine which structures, buildings and other property of the Prison are appropriate for continued administration by the Department of Corrections and to assign that property to the Silver State Industries Division of the Department; requiring the Registrar to determine which structures, buildings and other property of the Prison are appropriate for administration as a historical, cultural, educational and scientific resource and to assign that property to an appropriate state agency for administration; creating the Silver State Industries Endowment Fund and the Endowment Fund for the Historic Preservation of the Nevada State Prison and prescribing the uses of the money in the Funds; authorizing the Department of Corrections and any other state agency to which an assignment of property of the Prison is made to grant a special use permit or enter into an agreement with a nonprofit corporation relating to commercial and tourist activities at the Prison; requiring the Board of Museums and History to establish a dedicated trust fund for the study and development of certain property of the Prison; and providing other matters properly relating thereto.



**Legislative Counsel's Digest:**

Assembly Bill No. 356 of the 77th Legislative Session encouraged the development of recommendations to preserve the Nevada State Prison for use as a historical, educational and scientific resource for the State of Nevada. The provisions of this bill are based upon the recommendations presented to the Legislature pursuant to Assembly Bill No. 356. Upon notice from the Department of Corrections that the Department has ceased all operational activities at the Prison, **section 2** of this bill requires the State Land Registrar, in consultation with Carson City, the Department of Corrections, the Department of Tourism and Cultural Affairs, the State Department of Conservation and Natural Resources and the Nevada State Prison Preservation Society to: (1) determine which property of the Prison is appropriate for continued administration by the Department of Corrections and which property is appropriate for administration as a historical, cultural, educational and scientific resource; and (2) assign for administration the property in the former category to the Silver State Industries Division of the Department of Corrections and the latter property to an appropriate state agency.

**Section 4** of this bill creates the Silver State Industries Endowment Fund, which must be administered by the Silver State Industries Division. **Section 4** prescribes the uses of the money in the Fund, which include maintaining the modern structures, buildings and other property of the Prison. **Section 4** also requires the State Treasurer, at the end of each fiscal year, to transfer to the Endowment Fund for the Historic Preservation of the Nevada State Prison, created by **section 6** of this bill, a portion of the money remaining in the Silver State Industries Endowment Fund. **Section 6** creates the Endowment Fund for the Historic Preservation of the Nevada State Prison and requires that the money in the Fund be used to operate, maintain and preserve the historic structures, buildings and other property of the Prison.

**Sections 7 and 10** of this bill authorize the Department of Corrections and any other state agency to which an assignment of the historic property of the Prison is made to grant a special use permit or enter into an agreement with a nonprofit corporation, pursuant to which the corporation is authorized to conduct tours and engage in other activities relating to that property.

Existing law requires the Board of Museums and History to create and administer the Division of Museums and History Dedicated Trust Fund. (NRS 381.0031, 381.0033) **Section 8** of this bill requires the Board to create a similar trust fund for the deposit of certain money that becomes available from grants, donations and gifts to be used for further study and development of the historic property of the Prison. **Section 8** requires that the trust fund be administered by the Board in consultation with the state agency to which that property is assigned and the Nevada State Prison Preservation Society or its successor.

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

**Section 1.** Chapter 321 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 and 3 of this act.

**Sec. 2.** *As soon as practicable after the date on which the Department of Corrections provides notice to the State Land Registrar that the Department has ceased all operational activities at the Nevada State Prison located on East Fifth Street in Carson City, the State Land Registrar shall:*



1 *1. Determine, in consultation with Carson City, the*  
2 *Department of Corrections, the Department of Tourism and*  
3 *Cultural Affairs, the State Department of Conservation and*  
4 *Natural Resources and the Nevada State Prison Preservation*  
5 *Society:*

6 *(a) Which structures, buildings and other property of the*  
7 *Nevada State Prison, not identified pursuant to paragraph (b), are*  
8 *appropriate for continued administration by the Department of*  
9 *Corrections; and*

10 *(b) Which structures, buildings and other property of the*  
11 *Nevada State Prison are appropriate for administration as a*  
12 *historical, cultural, educational and scientific resource.*

13 *2. Assign for administration, in accordance with the*  
14 *determinations made pursuant to subsection 1, the structures,*  
15 *buildings and other property of the Nevada State Prison described*  
16 *in:*

17 *(a) Paragraph (a) of that subsection to the Silver State*  
18 *Industries Division of the Department of Corrections.*

19 *(b) Paragraph (b) of that subsection to an appropriate state*  
20 *agency among those identified in that subsection or any other*  
21 *appropriate state agency.*

22 **Sec. 3.** (Deleted by amendment.)

23 **Sec. 4.** Chapter 209 of NRS is hereby amended by adding  
24 thereto a new section to read as follows:

25 *1. The Silver State Industries Endowment Fund is hereby*  
26 *created as a trust fund in the State Treasury.*

27 *2. The State Treasurer shall deposit in the Fund:*

28 *(a) Any money received from any commercial or correctional*  
29 *activities relating to the use of the modern structures, buildings*  
30 *and other property of the Nevada State Prison; and*

31 *(b) Any gifts, grants or donations of money the State Treasurer*  
32 *receives from any person who wishes to contribute to the Fund.*

33 *↪ The money described in paragraphs (a) and (b) must be*  
34 *accounted for separately.*

35 *3. The interest and income earned on the money in the Fund*  
36 *must be credited to the Fund.*

37 *4. The Fund must be administered by the Silver State*  
38 *Industries Division of the Department.*

39 *5. Except as otherwise provided in subsection 6, the money in*  
40 *the Fund must only be used for the purposes set forth in this*  
41 *subsection. The money which represents the reserved principal of*  
42 *the Fund, in an amount not to exceed \$100,000, must not be spent*  
43 *and, except as otherwise provided in subsection 6, only the money*  
44 *which represents the principal in excess of \$100,000 and the*  
45 *interest earned on the principal may be used to carry out the*



provisions of this section. The Silver State Industries Division may use:

(a) In addition to any interest earned on the principal of the Fund, not more than 50 percent of the money received during a fiscal year from any commercial or correctional activities relating to the use of the modern structures, buildings and other property of the Nevada State Prison for the maintenance of the modern structures, buildings and other property of the Nevada State Prison; and

(b) Not more than 10 percent of the interest earned on the principal of the Fund to pay administrative costs.

6. At the end of each fiscal year, the State Treasurer shall transfer from the Silver State Industries Endowment Fund to the Endowment Fund for the Historic Preservation of the Nevada State Prison created by section 6 of this act 50 percent of all the money received during the fiscal year from any commercial or correctional activities relating to the use of the modern structures, buildings and other property of the Nevada State Prison and deposited into and remaining in the Silver State Industries Endowment Fund. The State Treasurer shall not transfer the reserved principal of the Silver State Industries Endowment Fund or any interest earned on the principal.

7. As used in this section, "modern structures, buildings and other property of the Nevada State Prison" means the structures, buildings and other property described in paragraph (a) of subsection 1 of section 2 of this act.

**Sec. 5.** Chapter 381 of NRS is hereby amended by adding thereto the provisions set forth as sections 6, 7 and 8 of this act.

**Sec. 6. 1.** The Endowment Fund for the Historic Preservation of the Nevada State Prison is hereby created as a trust fund in the State Treasury.

2. The State Treasurer shall deposit in the Fund:

(a) Any money received from any commercial or tourist enterprises relating to the use of the historic structures, buildings and other property of the Nevada State Prison as a historical, cultural, educational and scientific resource, except for any administrative expenses of a nonprofit corporation retained by the corporation pursuant to section 7 of this act.

(b) At the end of each fiscal year, the money required by subsection 6 of section 4 of this act to be transferred from the Silver State Industries Endowment Fund created by that section, other than the money which represents the reserved principal of the Silver State Industries Endowment Fund.



(c) Any other gifts, grants or donations of money the State Treasurer receives from any person who wishes to contribute to the Fund.

3. The interest and income earned on the money in the Fund must be credited to the Fund.

4. The Fund must be administered by the agency to which the historic structures, buildings and other property of the Nevada State Prison are assigned for administration pursuant to section 2 of this act, in consultation with the Board and the Nevada State Prison Preservation Society or its successor.

5. The money in the Fund must only be used for the purposes of the operation, maintenance and preservation of the historic structures, buildings and other property of the Nevada State Prison as a historical, cultural, educational and scientific resource. The money which represents the reserved principal of the Fund, in an amount not to exceed \$100,000, must not be spent, and only the money which represents the principal in excess of \$100,000 and the interest earned on the principal may be used to carry out the provisions of this section. The agency that administers the Fund may use not more than 10 percent of the interest earned on the principal of the Fund to pay administrative costs.

**Sec. 7. 1.** The Department of Corrections and, as soon as practicable after the date of the assignment, any other state agency that receives an assignment from the State Land Registrar of the historic structures, buildings and other property of the Nevada State Prison pursuant to section 2 of this act may grant a special use permit to or enter into an agreement with the Nevada State Prison Preservation Society, or any successor or similar nonprofit corporation, authorizing the corporation to conduct tours and engage in other commercial and tourist activities relating to the historic structures, buildings and other property of the Nevada State Prison.

2. Any permit or agreement granted or entered into pursuant to this section must:

- (a) Be for a term of 2 years;
- (b) Be renewable as provided in the permit or agreement;
- (c) Authorize the corporation to charge and collect reasonable fees or solicit and collect donations for its activities;
- (d) Require the corporation to pay the income from such fees and donations, less the reasonable administrative expenses incurred by the corporation, to the State Treasurer for deposit in the Endowment Fund for the Historic Preservation of the Nevada State Prison created by section 6 of this act; and



(e) *Provide that any income received by the corporation from membership fees, the sale of merchandise of the corporation or donations made to the corporation for purposes other than entry into or tours of the historic structures, buildings and other property at the Nevada State Prison belong solely to the corporation.*

**Sec. 8. 1.** *The Board shall establish a dedicated trust fund for the deposit of any money that becomes available from any public or private donation, sponsorship, gift or grant, other than:*

(a) *A grant of federal money; or*

(b) *Any money described in section 6 of this act.*

**2.** *The money in the trust fund established pursuant to this section must be used only for the further study and development of the historic structures, buildings and other property of the Nevada State Prison.*

**3.** *The trust fund established pursuant to this section must be administered by the Board in the manner provided by NRS 381.002 to 381.0037, inclusive, for the Division of Museums and History Dedicated Trust Fund established pursuant to NRS 381.0031, except that the trust fund established pursuant to this section must be administered in consultation with the agency to which the administration of the historic structures, buildings and other property of the Nevada State Prison is assigned pursuant to section 2 of this act and the Nevada State Prison Preservation Society or its successor.*

**Sec. 9.** NRS 381.001 is hereby amended to read as follows:

381.001 As used in this chapter, unless the context otherwise requires:

1. “Administrator” means the Administrator of the Division.

2. “Board” means the Board of Museums and History.

3. “Department” means the Department of Tourism and Cultural Affairs.

4. “Director” means the Director of the Department.

5. “Division” means the Division of Museums and History of the Department.

6. *“Historic structures, buildings and other property of the Nevada State Prison” means the structures, buildings and other property described in paragraph (b) of subsection 1 of section 2 of this act.*

7. “Institution” means an institution of the Division established pursuant to NRS 381.004.

~~[7]~~ **8.** “Museum director” means the executive director of an institution of the Division appointed by the Administrator pursuant to NRS 381.0062.



1     **Sec. 10.** As soon as practicable after July 1, 2015, the  
2 Department of Corrections:

3     1. Shall begin to consult periodically with Carson City, the  
4 Department of Tourism and Cultural Affairs, the State Department  
5 of Conservation and Natural Resources and the Nevada State Prison  
6 Preservation Society to plan for the conversion of the Nevada State  
7 Prison located on East Fifth Street in Carson City into a historical,  
8 cultural, educational and scientific destination.

9     2. May grant a special use permit or enter into an agreement  
10 pursuant to section 7 of this act.

11     **Sec. 11.** This act becomes effective on July 1, 2015.

