

Assembly Bill No. 84—Committee on Ways and Means

CHAPTER.....

AN ACT relating to state resources; providing for the issuance of state general obligation bonds to protect, preserve and obtain the benefits of the property and natural and cultural resources of the State of Nevada; providing for the use of the proceeds of the bonds; repealing the prospective extension of the period for the issuance of certain bonds; making an appropriation; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

At the general election held on November 5, 2002, the Legislature submitted to the voters of this State and the voters approved a proposal to issue general obligation bonds of the State to protect, preserve and obtain the benefits of the property and natural resources of this State in an amount not to exceed \$200,000,000. The ballot question allocated specific amounts of the bond proceeds to various governmental entities for specified programs and projects. (Chapter 6, Statutes of Nevada 2001, 17th Special Session, p. 104) This bill requires the State Board of Finance to issue an additional \$217,500,000 in state general obligation bonds to continue to protect, preserve and obtain the benefits of the property and natural and cultural resources of this State. This bill also allocates specific amounts of the bond proceeds to various governmental entities for specified programs and projects, some of which are the same programs and projects specified in the 2002 ballot question.

The Nevada Constitution limits the amount of debt of the State of Nevada to 2 percent of the assessed valuation of the State, but exempts from that limitation debt incurred for the protection and preservation of the State's property or natural resources or for the purposes of obtaining the benefits thereof. (Nev. Const. Art. 9, § 3) This bill makes a legislative declaration that, with certain exceptions, the issuance of the bonds required by this bill is necessary for the protection and preservation of the property and natural resources of the State and constitutes an exercise of the constitutional authority to enter into contracts for those purposes.

Existing law includes a limitation on the issuance or sale of bonds more than 6 years after an election that is required to authorize their issuance. (NRS 349.078) In 2007, 2013 and 2017, the Legislature made exceptions to this 6-year limitation for the bonds issued pursuant to the 2002 ballot question by extending the period for the issuance of those bonds until December 31, 2011, June 30, 2019, and June 30, 2024, respectively. (Chapter 291, Statutes of Nevada 2007, p. 1089, chapter 251, Statutes of Nevada 2013, p. 1055, chapter 33, Statutes of Nevada 2017, p. 139) **Section 9** of this bill repeals the June 30, 2024, extension, thereby expiring the period for issuance of bonds pursuant to the 2002 ballot question on June 30, 2019.



EXPLANATION – Matter in ***bolded italics*** is new; matter between brackets ~~omitted material~~ is material to be omitted.

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

Section 1. 1. The State Board of Finance shall issue general obligation bonds of the State of Nevada in a total face amount of not more than \$217,500,000 to protect, preserve and obtain the benefits of the property and natural and cultural resources of the State of Nevada.

2. The bonds required to be issued pursuant to subsection 1 may be issued at one time or from time to time.

3. The Legislature shall levy such tax as may be necessary to pay the principal and interest on the bonds. The proceeds of such tax together with any amounts appropriated to pay the principal of and interest on the bonds when due must be deposited in the Consolidated Bond Interest and Redemption Fund created by NRS 349.090.

Sec. 2. Except as otherwise provided in subsection 9 of section 3 of this act, of the total bonds issued pursuant to section 1 of this act:

1. An amount of \$30,000,000 must be allocated to the Division of State Parks of the State Department of Conservation and Natural Resources to protect and preserve the property or natural resources of this State or to obtain the benefits thereof for the following purposes:

(a) For the acquisition of real or personal property or interests in real or personal property for purposes related to parks and recreation; or

(b) For the planning, design and construction of capital improvements and renovations of facilities in state parks.

2. An amount of \$30,000,000 must be allocated to the Department of Wildlife for the following purposes:

(a) For the acquisition of real or personal property or interests in real or personal property to enhance, protect and manage wildlife habitat or enhance recreational opportunities related to wildlife, or both; or

(b) For the development and renovation of facilities or the improvement or restoration of wildlife and fish habitats.

3. An amount of \$30,000,000 must be allocated to the Las Vegas Springs Preserve in Clark County for the following purposes:

(a) Providing wildlife habitat;



(b) Constructing buildings and other facilities for the Preserve;
or

(c) Providing other infrastructure for the Preserve.

4. An amount of \$10,000,000 must be allocated to Clark County for the Clark County Wetlands Park and the Lower Las Vegas Wash. The money allocated pursuant to this subsection must be used to:

(a) Divert water, control erosion and make improvements to restore the existing wetlands, and to create new wetlands;

(b) Acquire and develop land and water rights;

(c) Provide recreational facilities;

(d) Provide additional parking for and access to the Park; and

(e) Construct weirs in the Lower Las Vegas Wash.

➤ Programs and projects paid for by the allocation made pursuant to this subsection must be for the protection and preservation of the property and natural resources of this State, or for the purposes of obtaining the benefits thereof.

5. An amount of \$30,000,000 must be allocated to the Division of Museums and History of the Department of Tourism and Cultural Affairs to carry out the purposes set forth in this subsection. The money allocated pursuant to this subsection must be used for:

(a) The expansion of the Nevada State Railroad Museum in Boulder City;

(b) The rehabilitation and improvement of the East Ely Depot Museum; and

(c) The establishment or improvement of any museum in the state system of museums within the Division, including, without limitation, for:

(1) The planning, design or construction of such a museum;

(2) The improvement of such a museum;

(3) Moving exhibits within the state system of museums; or

(4) Creating new or improving existing exhibits.

6. An amount of \$5,000,000 must be allocated to the State Land Registrar of the Division of State Lands of the State Department of Conservation and Natural Resources to purchase or enter into a public-private partnership, or both, for the preservation, rehabilitation, restoration, reconstruction or adaptive reuse of properties in this State listed on the National Register of Historic Places maintained pursuant to 54 U.S.C. § 302101, including, without limitation, at least \$2,000,000 for the Caliente Railroad Depot in Caliente, Nevada.



7. An amount of \$10,000,000 must be allocated to Clark County to disburse to a nonprofit organization to plan, design, construct or develop the Las Vegas Valley Rim Trail.

8. An amount of \$10,000,000 must be allocated to the State Department of Conservation and Natural Resources for grants to state agencies, local governments, water conservancy districts, conservation districts and nonprofit organizations that qualify for grants pursuant to the regulations adopted by the Director of the State Department of Conservation and Natural Resources pursuant to this subsection to enhance and restore the Truckee River corridor and watershed and the Carson River corridor and watershed. The Director of the State Department of Conservation and Natural Resources shall adopt such regulations as the Director determines are necessary to make the grants described in this subsection. The regulations adopted by the Director must state whether and to what degree applicants for grants must match any money awarded.

9. An amount of \$5,000,000 must be allocated to the State Department of Conservation and Natural Resources for grants to Douglas County, Washoe County or Carson City and municipalities located within those counties that qualify for grants pursuant to the regulations adopted by the Director of the State Department of Conservation and Natural Resources pursuant to this subsection to enhance and develop the Lake Tahoe Path System. Money awarded pursuant to this subsection must be used to acquire land for the path system or develop the path system. The Director of the State Department of Conservation and Natural Resources shall adopt such regulations as the Director determines are necessary to make the grants described in this subsection. The regulations adopted by the Director must state whether and to what degree applicants for grants must match any money awarded.

10. An amount of \$57,500,000 must be allocated to the State Department of Conservation and Natural Resources to carry out the purposes set forth in this subsection. The money allocated pursuant to this subsection must be used for the following purposes:

(a) To make the following grants:

(1) Grants to state agencies, local governments or nonprofit organizations that qualify for grants pursuant to the regulations adopted by the Director of the State Department of Conservation and Natural Resources pursuant to this subsection, as appropriate, for the design and construction of recreational facilities, campsites and trails, including, without limitation, hiking, equestrian and bicycle trails. Programs and projects paid for by grants made pursuant to this subparagraph must be for the protection and



preservation of the property and natural resources of this State, or for the purposes of obtaining the benefits thereof. Grants made pursuant to this subparagraph must be coordinated with the Division of State Parks of the State Department of Conservation and Natural Resources.

(2) Grants to counties and municipalities for the acquisition of land and water rights or interests in land and water rights to protect and enhance wildlife habitat, sensitive or unique vegetation, historic or cultural resources, riparian corridors, wetlands and other environmental resources pursuant to an adopted plan for open spaces. Grants made pursuant to this subparagraph must be coordinated with the Division of State Lands of the State Department of Conservation and Natural Resources.

(3) Grants to state agencies, counties, municipalities, conservation districts or nonprofit organizations that qualify for grants pursuant to the regulations adopted by the Director of the State Department of Conservation and Natural Resources pursuant to this subsection, as appropriate, for the acquisition of credits through a system that awards credits to persons, federal and state agencies, counties, municipalities, conservation districts and nonprofit organizations who take measures to protect, enhance or restore sagebrush ecosystems established by the Sagebrush Ecosystem Council created by NRS 232.162. Credits may only be acquired pursuant to this subparagraph for the purpose of the retirement of the credits.

(4) Grants to state agencies, local governments, conservation districts and nonprofit organizations that qualify for grants pursuant to the regulations adopted by the Director of the State Department of Conservation and Natural Resources pursuant to this subsection, as appropriate, for the purposes of carrying out projects to create resilient landscapes by reducing the threat of catastrophic wildfire, improving the condition and ecological health of watersheds or rehabilitating lands damaged by wildland fires. Grants made pursuant to this subparagraph must be coordinated with the Division of Forestry of the State Department of Conservation and Natural Resources and the Department of Wildlife.

(5) Grants to state agencies, local governments, conservation districts and nonprofit organizations that qualify for grants pursuant to the regulations adopted by the Director of the State Department of Conservation and Natural Resources pursuant to this subsection, as appropriate, for the inventory, enhancement and restoration of wetlands. Grants made pursuant to this subparagraph must be coordinated with the Nevada Natural Heritage Program within the



State Department of Conservation and Natural Resources and the Department of Wildlife.

(b) To carry out contracts or agreements under which nonprofit conservation organizations may acquire land and water or interests in land and water for the public benefit, to protect and enhance wildlife habitat, sensitive or unique vegetation, historic or cultural resources, riparian corridors, floodplains and wetlands and other environmental resources. The investment of this State in any property acquired pursuant to this paragraph must be secured by an interest in the property.

➔ The Director of the State Department of Conservation and Natural Resources shall adopt such regulations as the Director determines are necessary to carry out the programs and projects and make the grants described in this subsection. The regulations adopted by the Director must state whether and to what degree applicants for grants must match any money awarded.

Sec. 3. 1. The proceeds of the bonds issued pursuant to section 1 of this act must be accounted for separately in the State General Fund.

2. The Director of the State Department of Conservation and Natural Resources shall administer the account created pursuant to subsection 1 and prescribe the method pursuant to which the governmental entities which administer the programs and projects described in section 2 of this act may request money from the account in accordance with the allocations made pursuant to that section.

3. Any interest or income earned on the money in the account must be credited to the account. Any money remaining in the account at the end of the fiscal year does not revert to the State General Fund but remains in the account for authorized expenditure.

4. All claims against the account must be paid as other claims against the State are paid.

5. The State Department of Conservation and Natural Resources may use the proceeds from the bonds issued pursuant to section 1 of this act and the interest income thereon to defray the costs of administering the provisions of this act and may request an appropriation to defray the costs of administering this act if the money in the account is not sufficient. The money in the account must be used only for the purposes set forth in this act and must not be used to replace or supplant funding available from other sources.

6. Any interests in land or water acquired by the State pursuant to this act:



(a) Must be acquired and held by the Division of State Lands of the State Department of Conservation and Natural Resources pursuant to chapter 321 of NRS.

(b) Must not be acquired by condemnation or the power of eminent domain.

➔The acquisition of any water rights pursuant to this act must not have a negative impact on the distribution of water to other persons who hold valid water rights.

7. Any property acquired pursuant to the provisions of this act may include easements and other interests in land. Before acquiring any interest in land pursuant to this act, recipients of money pursuant to this act must consider such alternatives to the acquisition of fee simple title as may be available, including, without limitation, the acquisition of easements and remainders after life estates.

8. If any interests in land or water acquired by the State pursuant to this act, or portions thereof, are later determined not to be necessary to carry out the purposes of the act, those interests may be sold or leased by the Division of State Lands pursuant to chapter 321 of NRS and the proceeds deposited in the account created pursuant to subsection 1. The proceeds received from such transactions must be expended to carry out the purposes of this act.

9. Money may be reallocated among the purposes set forth in each subsection of section 2 of this act with the advance approval of the Interim Finance Committee.

10. The Interim Finance Committee must approve the issuance of any bonds issued pursuant to this act if the proceeds of which will be used for the purposes set forth in paragraph (a) of subsection 10 of section 2 of this act.

11. Except as otherwise provided in subsection 12, all money derived from bonds issued pursuant to this act and any interest earned thereon may be used only to pay, reimburse, finance or otherwise provide money for items which are capital expenditures as defined in the regulations adopted pursuant to section 150 of the Internal Revenue Code of 1986, as amended, 26 U.S.C. § 150. The State Treasurer may require certifications by recipients of bond proceeds as to compliance with the requirements of this subsection before the disbursement of bond proceeds.

12. The provisions of subsection 11 do not apply to an amount that does not exceed 2 percent of the proceeds of each issue of bonds issued pursuant to this act that is used as provided in subsection 5.

13. On or before February 1 of each year, the State Department of Conservation and Natural Resources shall prepare and submit to



the Governor and the Director of the Legislative Counsel Bureau for transmittal to the Legislature a report regarding all programs and projects that received money from the account created pursuant to subsection 1 during the immediately preceding calendar year.

Sec. 4. The Legislature finds and declares that the issuance of bonds pursuant to this act, except the use of the proceeds of those bonds pursuant to subsections 3, 5 and 6 of section 2 of this act and subparagraph (3) of paragraph (a) of subsection 10 of section 2 of this act and paragraph (b) of subsection 10 of section 2 of this act:

1. Is necessary for the protection and preservation of the property and natural resources of this State and for the purpose of obtaining the benefits thereof; and

2. Constitutes 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. 5. To the extent not inconsistent with the provisions of this act, the provisions of the State Securities Law, contained in chapter 349 of NRS, apply to the bonds issued pursuant to this act.

Sec. 6. Notwithstanding the provisions of NRS 361.453 to the contrary, any levy imposed by the Legislature for the repayment of bonded indebtedness issued pursuant to the provisions of this act must not be included in calculating the limitation set forth in subsection 1 of NRS 361.453 on the total ad valorem tax levied for all public purposes.

Sec. 7. If any provision of this act, or application thereof to any person, thing or circumstance, is held invalid, the invalidity shall not affect the provisions or application of this act which can be given effect without the invalid provision or application, and to this end the provisions of this act are declared to be severable.

Sec. 8. 1. There is hereby appropriated from the State General Fund to the State Department of Conservation and Natural Resources, Administration, the sum of \$122,104 for Fiscal Year 2020-2021 for personnel and operating costs for the administration of the program created by this act.

2. Any remaining balance of the appropriation made by subsection 1 must not be committed for expenditure after June 30, 2021, by the entity to which the appropriation is made or any entity to which money from the appropriation is granted or otherwise transferred in any manner, and any portion of the appropriated money remaining must not be spent for any purpose after September 17, 2021, by either the entity to which the money was appropriated or the entity to which the money was subsequently



granted or transferred, and must be reverted to the State General Fund on or before September 17, 2021.

Sec. 8.5. The provisions of subsection 1 of NRS 218D.380 do not apply to any provision of this act which adds or revises a requirement to submit a report to the Legislature.

Sec. 9. Section 1 of chapter 33 of Statutes of Nevada 2017, at page 139, is hereby repealed.

Sec. 10. 1. This section and section 9 of this act become effective upon passage and approval.

2. Sections 1 to 8.5, inclusive, of this act become effective on July 1, 2019.

