

ASSEMBLY BILL NO. 84—COMMITTEE ON WAYS AND MEANS

(ON BEHALF OF THE OFFICE OF THE GOVERNOR)

PREFILED NOVEMBER 21, 2018

Referred to Committee on Ways and Means

**SUMMARY**—Provides 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. (BDR S-326)

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

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

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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.

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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,



1 rehabilitation, restoration, reconstruction or adaptive reuse of  
2 properties in this State listed on the National Register of Historic  
3 Places maintained pursuant to 54 U.S.C. § 302101, including,  
4 without limitation, at least \$2,000,000 for the Caliente Railroad  
5 Depot in Caliente, Nevada.

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

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

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

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

40 (a) To make the following grants:

41 (1) Grants to state agencies, local governments or nonprofit  
42 organizations that qualify for grants pursuant to the regulations  
43 adopted by the Director of the State Department of Conservation  
44 and Natural Resources pursuant to this subsection, as appropriate,  
45 for the design and construction of recreational facilities, campsites



1 and trails, including, without limitation, hiking, equestrian and  
2 bicycle trails. Programs and projects paid for by grants made  
3 pursuant to this subparagraph must be for the protection and  
4 preservation of the property and natural resources of this State, or  
5 for the purposes of obtaining the benefits thereof. Grants made  
6 pursuant to this subparagraph must be coordinated with the Division  
7 of State Parks of the State Department of Conservation and Natural  
8 Resources.

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

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

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

40 (5) Grants to state agencies, local governments, conservation  
41 districts and nonprofit organizations that qualify for grants pursuant  
42 to the regulations adopted by the Director of the State Department of  
43 Conservation and Natural Resources pursuant to this subsection, as  
44 appropriate, for the inventory, enhancement and restoration of  
45 wetlands. Grants made pursuant to this subparagraph must be



1 coordinated with the Nevada Natural Heritage Program within the  
2 State Department of Conservation and Natural Resources and the  
3 Department of Wildlife.

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

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

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

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

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

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

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

42 6. Any interests in land or water acquired by the State pursuant  
43 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



1 projects that received money from the account created pursuant to  
2 subsection 1 during the immediately preceding calendar year.

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

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

11 2. Constitutes an exercise of the authority conferred by the  
12 second paragraph of section 3 of article 9 of the Constitution of the  
13 State of Nevada.

14 **Sec. 5.** To the extent not inconsistent with the provisions of  
15 this act, the provisions of the State Securities Law, contained in  
16 chapter 349 of NRS, apply to the bonds issued pursuant to this act.

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

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

28 **Sec. 8.** 1. There is hereby appropriated from the State  
29 General Fund to the State Department of Conservation and Natural  
30 Resources, Administration, the sum of \$122,104 for Fiscal Year  
31 2020-2021 for personnel and operating costs for the administration  
32 of the program created by this act.

33 2. Any remaining balance of the appropriation made by  
34 subsection 1 must not be committed for expenditure after June 30,  
35 2021, by the entity to which the appropriation is made or any entity  
36 to which money from the appropriation is granted or otherwise  
37 transferred in any manner, and any portion of the appropriated  
38 money remaining must not be spent for any purpose after  
39 September 17, 2021, by either the entity to which the money was  
40 appropriated or the entity to which the money was subsequently  
41 granted or transferred, and must be reverted to the State General  
42 Fund on or before September 17, 2021.

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





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

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

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

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### TEXT OF REPEALED SECTION

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Section 1 of chapter 33, Statutes of Nevada 2017, at page 139:

Section 1. Section 1 of chapter 251, Statutes of Nevada 2013, at page 1055, is hereby amended to read as follows:

Section 1. Notwithstanding the provisions of NRS 349.078, the State Board of Finance may continue to issue general obligation bonds of the State to protect, preserve and obtain the benefits of the property and natural resources of this State pursuant to chapter 6, Statutes of Nevada 2001, 17th Special Session, under the terms and conditions of that act until June 30, ~~2019~~ 2024. The provisions of that act apply to all such issuances of bonds, including, without limitation, to the manner of their issuance and the authorized uses of the proceeds of the bonds.

