

ASSEMBLY BILL NO. 424—COMMITTEE
ON GOVERNMENT AFFAIRS

(ON BEHALF OF THE LEGISLATIVE COMMITTEE
FOR THE REVIEW AND OVERSIGHT OF THE
TAHOE REGIONAL PLANNING AGENCY AND
THE MARLETTE LAKE WATER SYSTEM)

MARCH 27, 2023

Referred to Committee on Natural Resources

SUMMARY—Revises provisions relating to the issuance of bonds for environmental improvement projects in the Lake Tahoe Basin. (BDR S-388)

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; revising provisions relating to the use of accrued interest on the proceeds of certain previously authorized bonds; 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 \$56.4
- 6 million in general obligation bonds to pay for a significant portion of Nevada’s
- 7 share of the costs of the first phase of the Program. (Chapter 514, Statutes of
- 8 Nevada 1999, at page 2626)
- 9 In 2009, the Nevada Legislature authorized the issuance of not more than \$100
- 10 million in general obligation bonds to pay for Nevada’s share of the costs of the
- 11 second phase of the Program beginning on July 1, 2009, and ending on June 30,
- 12 2020. (Chapter 431, Statutes of Nevada 2009, at page 2417) Issuance of those



13 bonds requires the approval of the Legislature or the Interim Finance Committee.
14 (*Id.*) In 2017, the Nevada Legislature extended the deadline for the issuance of the
15 remainder of the general obligation bonds that were authorized in 2009 for the
16 second phase of the Program from June 30, 2020, to June 30, 2030. (Chapter 32,
17 Statutes of Nevada 2017, at page 137)

18 Of the \$100 million in general obligation bonds authorized to pay for Nevada's
19 share of the costs of the second phase of the Program, the Nevada Legislature
20 required the issuance of: (1) not more than \$4.42 million of those bonds in 2009;
21 (2) not more than \$12 million of those bonds in 2011; (3) not more than \$8 million
22 of those bonds in 2019; and (4) not more than \$4 million of those bonds in 2021.
23 (Chapter 431, Statutes of Nevada 2009, at page 2416; chapter 437, Statutes of
24 Nevada 2011, at page 2638; chapter 167, Statutes of Nevada 2019, at page 891;
25 chapter 215, Statutes of Nevada 2021, at page 1008)

26 **Sections 1-3** of this bill require the issuance of not more than \$13 million of the
27 \$100 million in general obligation bonds authorized in 2009 to provide money to
28 carry out certain environmental improvement projects included in the second phase
29 of the Environmental Improvement Program. **Sections 4-6** of this bill allow the use
30 of interest accrued on the proceeds of the general obligation bonds required to be
31 issued in 2011, 2019 and 2021 to carry out environmental improvement projects
32 included in the second phase of the Program.

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 of such significance that it must be carried out on a continual basis;
9 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



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

4 WHEREAS, Section 3 of chapter 431, Statutes of Nevada 2009, at
5 page 2417, authorized the State Board of Finance to issue general
6 obligation bonds of the State of Nevada in a total face amount of not
7 more than \$100,000,000 to provide money to carry out the second
8 phase of the Environmental Improvement Program beginning on
9 July 1, 2009, and ending on June 30, 2020; and

10 WHEREAS, Section 2 of chapter 32, Statutes of Nevada 2017, at
11 page 138, extended the deadline for the State Board of Finance to
12 issue the remainder of the general obligation bonds of the State of
13 Nevada that were authorized in 2009 for the second phase of the
14 Environmental Improvement Program from June 30, 2020, to
15 June 30, 2030; and

16 WHEREAS, Section 1 of chapter 431, Statutes of Nevada 2009, at
17 page 2416, granted approval to the State Board of Finance to issue
18 \$4,420,000 of those general obligation bonds to provide money to
19 carry out certain environmental improvement projects included in
20 the second phase of the Environmental Improvement Program; and

21 WHEREAS, Section 1 of chapter 437, Statutes of Nevada 2011, at
22 page 2638, granted approval to the State Board of Finance to issue
23 an additional \$12,000,000 of those general obligation bonds to
24 provide money to carry out certain environmental improvement
25 projects included in the second phase of the Environmental
26 Improvement Program; and

27 WHEREAS, Section 1 of chapter 167, Statutes of Nevada 2019, at
28 page 891, granted approval to the State Board of Finance to issue an
29 additional \$8,000,000 of those general obligation bonds to provide
30 money to carry out certain environmental improvement projects
31 included in the second phase of the Environmental Improvement
32 Program; and

33 WHEREAS, Section 1 of chapter 215, Statutes of Nevada 2021, at
34 page 1008, granted approval to the State Board of Finance to issue
35 an additional \$4,000,000 of those general obligation bonds to
36 provide money to carry out certain environmental improvement
37 projects included in the second phase of the Environmental
38 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
43 Division of State Lands of the State Department of Conservation
44 and Natural Resources; now, therefore,



1 THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
2 SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:
3

4 **Section 1.** Money to carry out the Environmental
5 Improvement Program for the Lake Tahoe Basin established
6 pursuant to section 1 of chapter 514, Statutes of Nevada 1999, at
7 page 2627, must be provided by the issuance by the State Board of
8 Finance of general obligation bonds of the State of Nevada in a total
9 face amount of not more than \$13,000,000 pursuant to NRS 349.150
10 to 349.364, inclusive. The proceeds of the bonds issued pursuant to
11 this section and any accrued interest thereon must be deposited in
12 the Fund to Protect the Lake Tahoe Basin created pursuant to
13 section 2 of chapter 514, Statutes of Nevada 1999, at page 2628,
14 and, except as otherwise provided in section 2 of this act, must be
15 used for the following activities related to the Environmental
16 Improvement Program to be carried out by the State Department of
17 Conservation and Natural Resources:

- 18 1. Continued implementation of forest health, restoration and
19 fuels management projects;
- 20 2. Control and prevention of invasive terrestrial and aquatic
21 species;
- 22 3. Enhancement of recreational opportunities;
- 23 4. Protection of sensitive species and improvement of wildlife
24 habitat; and
- 25 5. Water quality, erosion control and stream restoration and
26 enhancement projects of the Environmental Improvement Program
27 to be carried out pursuant to grants and project agreements.

28 **Sec. 2.** The Division of State Lands of the State Department of
29 Conservation and Natural Resources may use money authorized
30 pursuant to section 1 of this act for an activity other than an activity
31 listed in section 1 of this act if the Interim Finance Committee
32 approves such a use in writing before the Division of State Lands
33 engages in the activity.

34 **Sec. 3.** The Legislature finds and declares that the issuance of
35 securities and the incurrence of indebtedness pursuant to section 1
36 of 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.



1 **Sec. 4.** Section 1 of chapter 437, Statutes of Nevada 2011, at
2 page 2638, is hereby amended to read as follows:

3 Section 1. Money to carry out the Environmental
4 Improvement Program for the Lake Tahoe Basin established
5 pursuant to section 1 of chapter 514, Statutes of Nevada 1999,
6 at page 2627, must be provided by the issuance by the State
7 Board of Finance of general obligation bonds of the State of
8 Nevada in a total face amount of not more than \$12,000,000
9 pursuant to NRS 349.150 to 349.364, inclusive. The proceeds
10 of the bonds issued pursuant to this section must be deposited
11 in the Fund to Protect the Lake Tahoe Basin created pursuant
12 to section 2 of chapter 514, Statutes of Nevada 1999, at page
13 2628, and, except as otherwise provided in this section, must
14 be used as follows:

15 1. Activities related to the Environmental Improvement
16 Program to be carried out by the State Department of
17 Conservation and Natural Resources:

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

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

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

34 *↪ Any accrued interest on the proceeds of the bonds issued*
35 *pursuant to this section may be used to carry out any of the*
36 *purposes set forth in subsections 1, 2 and 3.*

37 **Sec. 5.** Section 1 of chapter 167, Statutes of Nevada 2019, at
38 page 891, is hereby amended to read as follows:

39 Section 1. Money to carry out the Environmental
40 Improvement Program for the Lake Tahoe Basin established
41 pursuant to section 1 of chapter 514, Statutes of Nevada 1999,
42 at page 2627, must be provided by the issuance by the State
43 Board of Finance of general obligation bonds of the State of
44 Nevada in a total face amount of not more than \$8,000,000
45 pursuant to NRS 349.150 to 349.364, inclusive. The proceeds



1 of the bonds issued pursuant to this section *and any accrued*
2 *interest thereon* must be deposited in the Fund to Protect the
3 Lake Tahoe Basin created pursuant to section 2 of chapter
4 514, Statutes of Nevada 1999, at page 2628, and, except as
5 otherwise provided in section 2 of this act, must be used for
6 the following activities related to the Environmental
7 Improvement Program to be carried out by the State
8 Department of Conservation and Natural Resources:

- 9 1. Continued implementation of forest health, restoration
10 and fuels management projects;
- 11 2. Control and prevention of invasive terrestrial and
12 aquatic species;
- 13 3. Enhancement of recreational opportunities;
- 14 4. Protection of sensitive species and improvement of
15 wildlife habitat; and
- 16 5. Water quality, erosion control and stream restoration
17 and enhancement projects of the Environmental Improvement
18 Program to be carried out pursuant to grants and project
19 agreements.

20 **Sec. 6.** Section 1 of chapter 215, Statutes of Nevada 2021, at
21 page 1008, is hereby amended to read as follows:

22 Section 1. Money to carry out the Environmental
23 Improvement Program for the Lake Tahoe Basin established
24 pursuant to section 1 of chapter 514, Statutes of Nevada 1999,
25 at page 2627, must be provided by the issuance by the State
26 Board of Finance of general obligation bonds of the State of
27 Nevada in a total face amount of not more than \$4,000,000
28 pursuant to NRS 349.150 to 349.364, inclusive. The proceeds
29 of the bonds issued pursuant to this section *and any accrued*
30 *interest thereon* must be deposited in the Fund to Protect the
31 Lake Tahoe Basin created pursuant to section 2 of chapter
32 514, Statutes of Nevada 1999, at page 2628, and, except as
33 otherwise provided in section 2 of this act, must be used for
34 the following activities related to the Environmental
35 Improvement Program to be carried out by the State
36 Department of Conservation and Natural Resources:

- 37 1. Continued implementation of forest health,
38 restoration, and fuels management projects;
- 39 2. Control and prevention of invasive terrestrial and
40 aquatic species;
- 41 3. Enhancement of recreational opportunities;
- 42 4. Protection of sensitive species and improvement of
43 wildlife habitat; and
- 44 5. Water quality, erosion control and stream restoration
45 and enhancement projects of the Environmental Improvement



1 Program to be carried out pursuant to grants and project
2 agreements.

3 **Sec. 7.** This act becomes effective on July 1, 2023.

