

Senate Bill No. 457–Committee on Transportation

CHAPTER.....

AN ACT relating to trains; creating the Nevada High-Speed Rail Authority to provide for the Nevada High-Speed Rail System; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Existing law provides for the California-Nevada Super Speed Ground Transportation Commission, charged with pursuing the development of a Super Speed Ground Transportation System connecting southern California with southern Nevada. (NRS 705.4291, 705.4293) This bill creates the Nevada High-Speed Rail Authority to provide for the Nevada High-Speed Rail System, which also will connect southern California with southern Nevada. **Section 8.5** of this bill creates the Nevada High-Speed Rail Authority, and requires that the members of the Authority be appointed by the Governor. **Section 8.6** of this bill charges the Authority with pursuing the implementation of the Nevada High-Speed Rail System connecting southern California with southern Nevada. **Section 8.7** of this bill requires the Authority to select a franchisee to construct and operate the System. **Section 8.7** also provides the criteria that the Authority must use to select a franchisee and requires the Authority and the franchisee selected by the Authority to perform various tasks related to the planning and development of the System. **Section 8.8** of this bill allows the Authority to incorporate, and **section 8.85** of this bill authorizes the Authority to issue bonds, notes, obligations or other evidences of borrowing to finance construction of the System. **Section 8.9** of this bill requires the Governor to issue a proclamation declaring the completion of the System. **Section 16** of this bill provides that the provisions of law relating to the System and the Authority expire by limitation upon the proclamation of the Governor that the System has been completed. **Section 14** of this bill provides for staggered initial terms for the members of the Authority. **Section 15** of this bill requires the Authority to select a franchisee to construct and operate the System on or before October 1, 2015.

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:

Sections 1-8. (Deleted by amendment.)

Sec. 8.1. Chapter 705 of NRS is hereby amended by adding thereto the provisions set forth as sections 8.2 to 8.9, inclusive, of this act.

Sec. 8.2. *The Legislature finds and declares that:*

1. The passage of sections 8.2 to 8.9, inclusive, of this act is a declaration of legislative intent that the State of Nevada pursue the implementation of the Nevada High-Speed Rail System connecting southern California with southern Nevada.

2. The System will:



(a) Provide economic benefits to both southern California and southern Nevada.

(b) Reduce reliance on gasoline- and diesel-fueled engines and encourage the use of alternative energy sources.

(c) Reduce congestion on Interstate Highway No. 15 between southern California and Las Vegas.

(d) Provide a working example for a transportation system that could play an essential role in the development of future commuter and high-speed rail service in the Los Angeles Basin and the Las Vegas Valley.

(e) Provide quick and convenient transportation service for residents and visitors in southern California and southern Nevada.

Sec. 8.25. *As used in sections 8.2 to 8.9, inclusive, of this act, unless the context otherwise requires, the words and terms defined in sections 8.3, 8.35 and 8.4 of this act have the meanings ascribed to them in those sections.*

Sec. 8.3. *“Authority” means the Nevada High-Speed Rail Authority created by section 8.5 of this act.*

Sec. 8.35. *“Nevada High-Speed Rail System” means a high-speed passenger rail system that:*

1. Is capable of sustained speeds of at least 150 miles per hour or the speed established by the United States Department of Transportation and the Federal Railroad Administration’s plans and policies for high-speed rail express services;

2. Carries primarily passengers between southern Nevada and southern California;

3. Operates on dedicated and exclusive standard gauge tracks for the purpose of high-speed rail service;

4. Allows for interoperability with existing and planned rail systems; and

5. Is certified or authorized by the Surface Transportation Board of the United States Department of Transportation as an interstate passenger railroad to construct and operate its route between southern Nevada and southern California.

Sec. 8.4. *“Southern California” means the counties of Kern, Los Angeles, Orange, Riverside, San Bernardino and San Diego.*

Sec. 8.5. *1. There is hereby created the Nevada High-Speed Rail Authority as a separate legal entity. The governing body of the Authority consists of five members appointed by the Governor. The members must be residents of the State of Nevada and must be appointed based upon their knowledge, expertise or experience in the areas of rail transportation and high-speed rail services.*



2. *After their initial terms, the members serve for terms of 4 years and may be reappointed at the pleasure of the Governor.*

3. *The Authority shall elect one of its members as Chair.*

4. *The members of the Authority serve without compensation but are entitled to receive the per diem allowance and travel expenses provided for state officers and employees generally while engaged in the official business of the Authority.*

Sec. 8.6. *The Authority is hereby designated as an agency of the State of Nevada for the purposes of carrying out the provisions of sections 8.2 to 8.9, inclusive, of this act.*

Sec. 8.7. 1. *The Authority shall, subject to the provisions of subsection 2, select a franchisee for the construction and operation of a high-speed rail system, to be commonly known as the Nevada High-Speed Rail System, principally following the route of Interstate Highway No. 15 between Las Vegas, Nevada, and a point in southern California.*

2. *The Authority shall select a franchisee as required by subsection 1 based on criteria which must include, without limitation:*

(a) *The extent to which environmental studies have been completed by or on behalf of a potential franchisee;*

(b) *Confirmation by a potential franchisee of the level of private investment that has been made or committed for the Nevada High-Speed Rail System;*

(c) *A review of the readiness of a potential franchisee for the Nevada High-Speed Rail System to engage in construction of that System; and*

(d) *Pending or completed permit applications to implement the Nevada High-Speed Rail System.*

3. *A franchisee selected pursuant to this section may, with the assistance of the Authority:*

(a) *Acquire or gain control or use of land for rights-of-way, stations and ancillary uses through purchase, gift, lease, use permit or easement.*

(b) *Conduct engineering and other studies related to the selection and acquisition of rights-of-way, including, without limitation, environmental impact studies, socioeconomic impact studies and financial feasibility studies. All local, state and federal environmental requirements must be met by the franchisee.*

(c) *Accept grants, gifts, fees and allocations from Nevada or its political subdivisions, the Federal Government, foreign governments and any private source.*



(d) Issue debt, but this debt does not constitute an obligation of the State of Nevada, or any of its political subdivisions.

(e) Hire such staff and any consultants as deemed appropriate.

(f) Obtain all necessary permits and certificates from governmental entities in California and Nevada, recognizing the preemptive federal authority of the Surface Transportation Board of the United States Department of Transportation over interstate passenger railroads.

(g) Negotiate, enter into and execute all necessary local, regional and state governmental agreements to allow for the construction and implementation of the Nevada High-Speed Rail System.

4. The franchisee selected pursuant to this section must coordinate the implementation of the Nevada High-Speed Rail System with all governmental entities that have jurisdiction over the System, including, without limitation, the relevant counties and the Department of Transportation.

Sec. 8.8. *1. The Authority may incorporate under the general incorporation laws of either this State or the State of California, whichever the Authority determines to be in its best interests. Copies of its proceedings, records and acts, when authenticated, are admissible in evidence in all courts of either state and are prima facie evidence of the truth of all statements therein.*

2. The members of the Authority and its agents and employees are not liable for any damages that result from any act or omission in the performance of their duties or the exercise of their powers pursuant to sections 8.2 to 8.9, inclusive, of this act.

Sec. 8.85. *1. The Authority, or a corporation formed by the Authority pursuant to the laws of this State or the State of California, as the Authority deems appropriate, may issue bonds, notes, obligations or other evidences of borrowing to finance all or a part of the construction of all or a part of the Nevada High-Speed Rail System. For the purposes of issuing bonds, notes, obligations or other evidences of borrowing pursuant to this section, the Authority and any corporation formed by the Authority are constituted authorities for the purposes of regulations enacted by the Internal Revenue Service pursuant to 26 U.S.C. §§ 103 and 141 to 150, inclusive.*

2. Bonds, notes, obligations or other evidences of borrowing issued by the Authority or any corporation formed by the Authority which are issued to finance all or any part of the



construction of all or a part of the Nevada High-Speed Rail System may be payable from and secured by:

(a) A pledge of property of the Authority or a corporation formed by the Authority pursuant to this section;

(b) A pledge of any revenue of the System, including revenue from fares, revenue from advertising and all other revenue of the System; and

(c) A pledge of any other money made available to the Authority or a corporation formed by the Authority pursuant to this section by:

(1) Grants from the Federal Government or any other federal funds as may be available to pay costs of the System or debt service on any borrowing;

(2) Any company, public or private; or

(3) Any local government or governmental entity in this State or in the State of California pursuant to an intergovernmental agreement or otherwise.

3. The Authority, in coordination with the franchisee selected pursuant to section 8.7 of this act, may enter into agreements with any person, local government or governmental entity for the provision of resources or assistance to the Authority or a corporation formed by the Authority concerning the financing of the Nevada High-Speed Rail System.

4. The Authority or any corporation formed by the Authority pursuant to this section may issue obligations to refund any obligations issued pursuant to the provisions of sections 8.2 to 8.9, inclusive, of this act for any purpose the Authority determines to be sufficient.

5. Nothing in this section authorizes the Authority or any corporation formed by the Authority to obligate this State or the State of California or any political subdivision thereof unless such state or political subdivision has obligated itself to the Authority or a corporation created by the Authority through an intergovernmental agreement.

6. The creation, perfection, priority and enforcement of any lien on pledged revenue or other money established to secure any bond, note, obligation or other evidence of borrowing issued pursuant to this section, must be as specified in this section and in the instruments approved by the Authority pertaining to that bond, note, obligation or other evidence of borrowing. It is the purpose of this section to provide expressly for the creation, perfection, priority and enforcement of a security interest created by the Authority in pledged revenues or other money in connection with



bonds, notes, obligations or other evidences of borrowing issued pursuant to this section, as provided for in paragraph (n) of subsection 4 of NRS 104.9109. Any lien on pledged revenue or other money created to secure any bond, note, obligation or other evidence of borrowing issued pursuant to this section has priority over any lien thereon created pursuant to the provisions of chapter 104 of NRS unless otherwise provided in the instrument creating the lien to secure such bond, note, obligation or other evidence of borrowing issued pursuant to the provisions of this section.

Sec. 8.9. *The Governor shall declare, by public proclamation on the date of completion of the Nevada High-Speed Rail System connecting southern California with southern Nevada, that the System has been completed.*

Sec. 9. NRS 709.050 is hereby amended to read as follows:

709.050 1. The board of county commissioners may grant to any person, company, corporation or association the franchise, right and privilege to construct, install, operate and maintain street railways, electric light, heat and power lines, gas and water mains, telephone lines, and all necessary or proper appliances used in connection therewith or appurtenant thereto, in the streets, alleys, avenues and other places in any unincorporated town in the county, and along the public roads and highways of the county, when the applicant complies with the terms and provisions of NRS 709.050 to 709.170, inclusive.

2. The board of county commissioners shall not:

(a) Impose any terms or conditions on a franchise granted pursuant to subsection 1 for the provision of telecommunication service or interactive computer service other than terms or conditions concerning the placement and location of the telephone lines and fees imposed for a business license or the franchise, right or privilege to construct, install or operate such lines.

(b) Require a company that provides telecommunication service or interactive computer service to obtain a franchise if it provides telecommunication service over the telephone lines owned by another company.

3. As used in NRS 709.050 to 709.170, inclusive:

(a) "Interactive computer service" has the meaning ascribed to it in 47 U.S.C. § 230(f)(2), as that section existed on January 1, 2007.

(b) "Street railway" means:

(1) A system of public transportation operating over fixed rails on the surface of the ground; or

(2) An overhead or underground system, other than a monorail, used for public transportation.



↪ The term does not include a Super Speed Ground Transportation System as defined in NRS 705.4292 **H** *or a high-speed rail system as defined in section 8.35 of this act.*

(c) “Telecommunication service” has the meaning ascribed to it in NRS 704.028.

4. As used in this section, “monorail” has the meaning ascribed to it in NRS 705.650.

Sec. 10. NRS 709.290 is hereby amended to read as follows:

709.290 1. The county commissioners, town trustees, supervisors or other governing body directly entrusted with the management of affairs of any town or city in this State are authorized to sell to the highest responsible bidder any franchise for a street railway through and over any street or streets of such town, according to the provisions of NRS 709.310.

2. As used in NRS 709.290 to 709.360, inclusive, “street railway” means:

(a) A system of public transportation operating over fixed rails on the surface of the ground; or

(b) An overhead or underground system, other than a monorail, used for public transportation.

↪ The term does not include a Super Speed Ground Transportation System as defined in NRS 705.4292 **H** *or a high-speed rail system as defined in section 8.35 of this act.*

3. As used in this section, “monorail” has the meaning ascribed to it in NRS 705.650.

Secs. 11-13. (Deleted by amendment.)

Sec. 14. The initial appointments to the Nevada High-Speed Rail Authority created by section 8.5 of this act must be made as follows:

1. The Governor shall appoint one member to a term beginning on July 1, 2015, and ending on June 30, 2017;

2. The Governor shall appoint two members to terms beginning on July 1, 2015, and ending on June 30, 2018; and

3. The Governor shall appoint two members to terms beginning on July 1, 2015, and ending on June 30, 2019.

Sec. 15. The Nevada High-Speed Rail Authority created by section 8.5 of this act shall, on or before October 1, 2015, select a franchisee as required by section 8.7 of this act.

Sec. 16. 1. This act becomes effective upon passage and approval.

2. Sections 1 to 10, inclusive, of this act expire by limitation:

(a) One year after the date on which the Governor declares by public proclamation that the Nevada High-Speed Rail System



connecting southern California with southern Nevada has been completed; or

(b) On the date all borrowing made pursuant to section 8.85 of this act is retired,
↳ whichever is later.

