

SENATE BILL NO. 457—COMMITTEE ON TRANSPORTATION

MARCH 23, 2015

Referred to Committee on Transportation

SUMMARY—Creates the Nevada High-Speed Rail Authority.
(BDR 58-1106)

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.

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:

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



* S B 4 5 7 R 2 *

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

- 1 **Section 1.** (Deleted by amendment.)
2 **Sec. 2.** (Deleted by amendment.)
3 **Sec. 3.** (Deleted by amendment.)
4 **Sec. 4.** (Deleted by amendment.)
5 **Sec. 5.** (Deleted by amendment.)
6 **Sec. 6.** (Deleted by amendment.)
7 **Sec. 7.** (Deleted by amendment.)
8 **Sec. 8.** (Deleted by amendment.)
9 **Sec. 8.1.** Chapter 705 of NRS is hereby amended by adding
10 thereto the provisions set forth as sections 8.2 to 8.9, inclusive, of
11 this act.
12 **Sec. 8.2.** *The Legislature finds and declares that:*
13 **1.** *The passage of sections 8.2 to 8.9, inclusive, of this act is a*
14 *declaration of legislative intent that the State of Nevada pursue the*
15 *implementation of the Nevada High-Speed Rail System connecting*
16 *southern California with southern Nevada.*
17 **2.** *The System will:*
18 **(a)** *Provide economic benefits to both southern California and*
19 *southern Nevada.*
20 **(b)** *Reduce reliance on gasoline- and diesel-fueled engines and*
21 *encourage the use of alternative energy sources.*
22 **(c)** *Reduce congestion on Interstate Highway No. 15 between*
23 *southern California and Las Vegas.*
24 **(d)** *Provide a working example for a transportation system that*
25 *could play an essential role in the development of future*
26 *commuter and high-speed rail service in the Los Angeles Basin*
27 *and the Las Vegas Valley.*
28 **(e)** *Provide quick and convenient transportation service for*
29 *residents and visitors in southern California and southern*
30 *Nevada.*
31 **Sec. 8.25.** *As used in sections 8.2 to 8.9, inclusive, of this act,*
32 *unless the context otherwise requires, the words and terms defined*
33 *in sections 8.3, 8.35 and 8.4 of this act have the meanings ascribed*
34 *to them in those sections.*
35 **Sec. 8.3.** *“Authority” means the Nevada High-Speed Rail*
36 *Authority created by section 8.5 of this act.*
37 **Sec. 8.35.** *“Nevada High-Speed Rail System” means a high-*
38 *speed passenger rail system that:*
39 **1.** *Is capable of sustained speeds of at least 150 miles per*
40 *hour or the speed established by the United States Department of*
41 *Transportation and the Federal Railroad Administration’s plans*
42 *and policies for high-speed rail express services;*



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

44 **Sec. 8.85.** 1. The Authority, or a corporation formed by the
45 Authority pursuant to the laws of this State or the State of



1 *California, as the Authority deems appropriate, may issue bonds,*
2 *notes, obligations or other evidences of borrowing to finance all or*
3 *a part of the construction of all or a part of the Nevada High-*
4 *Speed Rail System. For the purposes of issuing bonds, notes,*
5 *obligations or other evidences of borrowing pursuant to this*
6 *section, the Authority and any corporation formed by the*
7 *Authority are constituted authorities for the purposes of*
8 *regulations enacted by the Internal Revenue Service pursuant to*
9 *26 U.S.C. §§ 103 and 141 to 150, inclusive.*

10 2. *Bonds, notes, obligations or other evidences of borrowing*
11 *issued by the Authority or any corporation formed by the*
12 *Authority which are issued to finance all or any part of the*
13 *construction of all or a part of the Nevada High-Speed Rail*
14 *System may be payable from and secured by:*

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

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

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

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

26 (2) *Any company, public or private; or*

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

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

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

41 5. *Nothing in this section authorizes the Authority or any*
42 *corporation formed by the Authority to obligate this State or the*
43 *State of California or any political subdivision thereof unless such*
44 *state or political subdivision has obligated itself to the Authority or*



1 *a corporation created by the Authority through an*
2 *intergovernmental agreement.*

3 *6. The creation, perfection, priority and enforcement of any*
4 *lien on pledged revenue or other money established to secure any*
5 *bond, note, obligation or other evidence of borrowing issued*
6 *pursuant to this section, must be as specified in this section and in*
7 *the instruments approved by the Authority pertaining to that bond,*
8 *note, obligation or other evidence of borrowing. It is the purpose*
9 *of this section to provide expressly for the creation, perfection,*
10 *priority and enforcement of a security interest created by the*
11 *Authority in pledged revenues or other money in connection with*
12 *bonds, notes, obligations or other evidences of borrowing issued*
13 *pursuant to this section, as provided for in paragraph (n) of*
14 *subsection 4 of NRS 104.9109. Any lien on pledged revenue or*
15 *other money created to secure any bond, note, obligation or other*
16 *evidence of borrowing issued pursuant to this section has priority*
17 *over any lien thereon created pursuant to the provisions of chapter*
18 *104 of NRS unless otherwise provided in the instrument creating*
19 *the lien to secure such bond, note, obligation or other evidence of*
20 *borrowing issued pursuant to the provisions of this section.*

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

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

26 709.050 1. The board of county commissioners may grant to
27 any person, company, corporation or association the franchise, right
28 and privilege to construct, install, operate and maintain street
29 railways, electric light, heat and power lines, gas and water mains,
30 telephone lines, and all necessary or proper appliances used in
31 connection therewith or appurtenant thereto, in the streets, alleys,
32 avenues and other places in any unincorporated town in the county,
33 and along the public roads and highways of the county, when the
34 applicant complies with the terms and provisions of NRS 709.050 to
35 709.170, inclusive.

36 2. The board of county commissioners shall not:

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

43 (b) Require a company that provides telecommunication service
44 or interactive computer service to obtain a franchise if it provides



1 telecommunication service over the telephone lines owned by
2 another company.

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

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

6 (b) "Street railway" means:

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

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

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

14 (c) "Telecommunication service" has the meaning ascribed to it
15 in NRS 704.028.

16 4. As used in this section, "monorail" has the meaning ascribed
17 to it in NRS 705.650.

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

19 709.290 1. The county commissioners, town trustees,
20 supervisors or other governing body directly entrusted with the
21 management of affairs of any town or city in this State are
22 authorized to sell to the highest responsible bidder any franchise for
23 a street railway through and over any street or streets of such town,
24 according to the provisions of NRS 709.310.

25 2. As used in NRS 709.290 to 709.360, inclusive, "street
26 railway" means:

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

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

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

34 3. As used in this section, "monorail" has the meaning ascribed
35 to it in NRS 705.650.

36 **Sec. 11.** (Deleted by amendment.)

37 **Sec. 12.** (Deleted by amendment.)

38 **Sec. 13.** (Deleted by amendment.)

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

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

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



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

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

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

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

9 (a) One year after the date on which the Governor declares by
10 public proclamation that the Nevada High-Speed Rail System
11 connecting southern California with southern Nevada has been
12 completed; or

13 (b) On the date all borrowing made pursuant to section 8.85 of
14 this act is retired,

15 ↪ whichever is later.

