

SENATE BILL NO. 457—COMMITTEE ON TRANSPORTATION

MARCH 23, 2015

Referred to Committee on Transportation

SUMMARY—Revises provisions relating to the Super Speed Ground Transportation System. (BDR 58-1106)

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

~

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

AN ACT relating to trains; revising provisions relating to the Super Speed Ground Transportation System 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 removes the references to California’s
5 participation on the Commission and reorganizes the System under the State of
6 Nevada. **Section 3** of this bill creates the Nevada High-Speed Rail Authority, and
7 requires that the members of the Authority be appointed by the Governor. Three of
8 the five members of the Authority must be residents of a county whose population
9 is 700,000 or more (currently only Clark County). **Section 4** of this bill charges the
10 Authority with pursuing the implementation of the Nevada High-Speed Rail
11 System connecting southern California with southern Nevada. **Section 5** of this bill
12 requires the Authority to select a franchisee to construct and operate the High-
13 Speed Rail System. **Section 5** also provides the criteria that the Authority must use
14 to select a franchisee and requires the Authority and the franchisee selected by the
15 Authority to perform various tasks related to the planning and development of the
16 System. **Section 6** of this bill allows the Authority to incorporate, and **section 7** of
17 this bill authorizes the Authority to issue bonds, notes, obligations or other
18 evidences of borrowing to finance construction of the System. **Section 8** of this bill
19 requires the Governor to issue a proclamation declaring the completion of the
20 System. **Sections 11-13 and 16** of this bill provide that the provisions of law
21 relating to the System and the Authority expire by limitation upon the proclamation
22 of the Governor that the System has been completed. **Section 14** of this bill
23 provides for staggered initial terms for the members of the Authority, and provides
24 for the transfer to the Authority of any rights, obligations and property of the
25 California-Nevada Super Speed Ground Transportation Commission. **Section 15** of



26 this bill requires the Authority to select a franchisee to construct and operate the
27 High-Speed Rail System on or before October 1, 2015.

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

1 **Section 1.** NRS 705.4291 is hereby amended to read as
2 follows:

3 705.4291 The Legislature finds and declares that:

4 1. Passage of NRS 705.4291 to 705.4296, inclusive, is a
5 declaration of legislative intent that the ~~{States of California and}~~
6 *State of Nevada* ~~{jointly consider and, if justified,}~~ pursue the
7 ~~{development}~~ *implementation* of a ~~{Super Speed Ground}~~
8 ~~Transportation}~~ *High-Speed Rail* System connecting southern
9 California with southern Nevada.

10 2. The System will:

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

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

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

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

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

23 **Sec. 2.** NRS 705.4292 is hereby amended to read as follows:

24 705.4292 As used in NRS 705.4291 to 705.4296, inclusive,
25 unless the context otherwise requires:

26 1. ~~{“Commission” means the California Nevada Super Speed}~~
27 ~~Ground Transportation Commission.}~~ *“Authority” means the*
28 *Nevada High-Speed Rail Authority created by NRS 705.4293.*

29 2. *“High-Speed Rail System” means a high-speed passenger*
30 *rail system that:*

31 (a) *Is capable of sustained speeds of at least 150 miles per*
32 *hour or the speed established by the United States Department of*
33 *Transportation and the Federal Railroad Administration’s plans*
34 *and policies for high-speed rail express services;*

35 (b) *Carries primarily passengers between southern Nevada*
36 *and southern California;*

37 (c) *Operates on dedicated and exclusive standard gauge tracks*
38 *for the purpose of high-speed rail service;*



1 (d) Allows for interoperability with existing and planned rail
2 systems; and

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

7 3. "Southern California" means the counties of Kern, Los
8 Angeles, Orange, Riverside, ~~and~~ San Bernardino ~~;~~

9 ~~3. "Super Speed Ground Transportation System" means a~~
10 ~~system that:~~

11 ~~(a) Is capable of sustained speeds of at least 240 miles per hour;~~

12 ~~(b) Uses magnetic levitation technology;~~

13 ~~(c) Carries primarily passengers; and~~

14 ~~(d) Operates on a grade-separated, dedicated guideway.~~ and
15 San Diego.

16 Sec. 3. NRS 705.4293 is hereby amended to read as follows:

17 705.4293 1. There is hereby created the ~~{California-Nevada~~
18 ~~Super Speed Ground Transportation Commission}~~ Nevada High-
19 Speed Rail Authority as a separate legal entity. The governing body
20 of the ~~{Commission}~~ Authority consists of ~~;~~

21 ~~(a) The members from California appointed pursuant to the law~~
22 ~~of California and the bylaws of the Commission.~~

23 ~~(b) The same number of members from Nevada as are from~~
24 ~~California,} five members~~ appointed by the Governor . ~~{of Nevada.}~~
25 *The members must be residents of the State of Nevada and must*
26 *be appointed based upon their knowledge, expertise or experience*
27 *in the areas of rail transportation and high-speed rail services.*
28 *Three of the members must be residents of a county whose*
29 *population is 700,000 or more.*

30 2. ~~{The}~~ *After their initial terms, the* members ~~{from Nevada}~~
31 serve for terms of 4 years and may be reappointed at the pleasure of
32 the Governor.

33 3. The ~~{Commission}~~ Authority shall elect one of its members
34 as Chair.

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

39 Sec. 4. NRS 705.42935 is hereby amended to read as follows:

40 705.42935 The ~~{Commission}~~ Authority is hereby designated
41 as an agency of the State of Nevada for the purposes of carrying out
42 the provisions of NRS 705.4291 to 705.4296, inclusive.

43 Sec. 5. NRS 705.4294 is hereby amended to read as follows:

44 705.4294 1. The ~~{Commission may}~~



1 ~~—(a) Subject~~ *Authority shall, subject* to the provisions of
2 subsection 2, ~~secure a right of way and award~~ *select* a ~~franchisee~~
3 *franchisee* for the construction and operation of a ~~Super Speed~~
4 ~~Ground Transportation~~ *High-Speed Rail* System principally
5 following the route of Interstate Highway No. 15 between Las
6 Vegas, Nevada, and a point in southern California.

7 ~~[(b)]~~ *2. The Authority shall select a franchisee as required by*
8 *subsection 1 based on criteria which must include, without*
9 *limitation:*

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

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

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

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

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

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

25 ~~[(e)]~~ *(b) Conduct engineering and other studies related to the*
26 *selection and acquisition of rights-of-way , ~~and the selection of a~~*
27 *franchisee,* including, but not limited to, environmental impact
28 studies, socioeconomic impact studies and financial feasibility
29 studies. All local, state and federal environmental requirements must
30 be met by the ~~Commission.~~

31 ~~—(d) Evaluate alternative technologies, systems and operators for~~
32 ~~a Super Speed Ground Transportation System, and select a~~
33 ~~franchisee to construct and operate the Super Speed Ground~~
34 ~~Transportation System between southern California and Las Vegas.~~

35 ~~—(e) Establish criteria for the award of the franchise.~~

36 ~~—(f) franchisee.~~

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

40 ~~[(g)]~~ *(d) Issue debt, but this debt does not constitute an*
41 *obligation of the State of ~~California or the State of~~ Nevada, or any*
42 *of ~~their~~ its political subdivisions.*

43 ~~[(h)]~~ *(e) Hire ~~an Executive Officer, other~~ such* staff and any
44 consultants *as* deemed appropriate.

45 ~~[(i)] Select the exact route and terminal sites.~~



1 ~~(j)~~ (f) Obtain ~~], or assist the selected franchisee in obtaining,]~~
2 all necessary permits and certificates from governmental entities in
3 California and Nevada ~~†~~

4 ~~—2.— Before the:~~

5 ~~—(a) Commission or a franchisee begins construction in Nevada;~~
6 ~~and~~

7 ~~—(b) Receipt of any final certificates and permits necessary for the~~
8 ~~construction or use of a public right of way;~~

9 ~~→ the route and terminals selected by the Commission must be~~
10 ~~approved by the appropriate local, regional and state governmental~~
11 ~~entities in Nevada which have jurisdiction over the route and~~
12 ~~terminals located in this state. As a condition of awarding a~~
13 ~~franchise, the Commission shall require the franchisee to comply~~
14 ~~with this subsection.~~

15 ~~—3.— Before the:~~

16 ~~—(a) Commission or a franchisee begins construction in~~
17 ~~California; and~~

18 ~~—(b) Receipt of any final certificates and permits necessary for the~~
19 ~~construction or use of a public right of way;~~

20 ~~→ the route and terminals selected by the Commission must be~~
21 ~~approved by the appropriate local, regional and state governmental~~
22 ~~entities in California which have jurisdiction over the route and~~
23 ~~terminals located in that state. As a condition of awarding a~~
24 ~~franchise, the Commission shall require the franchisee to comply~~
25 ~~with this subsection.]~~

26 *recognizing the preemptive federal*
27 *authority of the Surface Transportation Board of the United States*
28 *Department of Transportation over interstate passenger railroads.*

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

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

37 **Sec. 6.** NRS 705.4295 is hereby amended to read as follows:

38 705.4295 1. The **[Commission] Authority** may incorporate
39 under the general incorporation laws of either this state or the State
40 of California, whichever the **[Commission] Authority** determines to
41 be in its best interests. Copies of its proceedings, records and acts,
42 when authenticated, are admissible in evidence in all courts of either
43 State and are prima facie evidence of the truth of all statements
44 therein.

45 2. The members of the **[Commission] Authority** and its agents
and employees are not liable for any damages that result from any



1 act or omission in the performance of their duties or the exercise of
2 their powers pursuant to NRS 705.4291 to 705.4296, inclusive.

3 **Sec. 7.** NRS 705.42955 is hereby amended to read as follows:

4 705.42955 1. The ~~{Commission}~~ *Authority*, or a corporation
5 formed by the ~~{Commission}~~ *Authority* pursuant to the laws of this
6 state or the State of California, as the ~~{Commission}~~ *Authority*
7 deems appropriate, may issue bonds, notes, obligations or other
8 evidences of borrowing to finance all or a part of the construction of
9 all or a part of the ~~{Super-Speed-Ground-Transportation}~~ *High-*
10 *Speed Rail* System. For purposes of issuing bonds, notes,
11 obligations or other evidences of borrowing pursuant to this section,
12 the ~~{Commission}~~ *Authority* and any corporation formed by the
13 ~~{Commission}~~ *Authority* are constituted authorities for the purposes
14 of regulations enacted by the Internal Revenue Service pursuant to
15 26 U.S.C. §§ 103 and 141 to 150, inclusive.

16 2. Bonds, notes, obligations or other evidences of borrowing
17 issued by the ~~{Commission}~~ *Authority* or any corporation formed by
18 the ~~{Commission}~~ *Authority* which are issued to finance all or any
19 part of the construction of all or a part of the ~~{Super-Speed-Ground}~~
20 ~~Transportation}~~ *High-Speed Rail* System may be payable from and
21 secured by:

22 (a) A pledge of property of the ~~{Commission}~~ *Authority* or a
23 corporation formed by the ~~{Commission}~~ *Authority* pursuant to this
24 section;

25 (b) A pledge of any revenue of the ~~{Super-Speed-Ground}~~
26 ~~Transportation}~~ *High-Speed Rail* System, including revenue from
27 fares, revenue from advertising and all other revenue of the System;
28 and

29 (c) A pledge of any other money made available to the
30 ~~{Commission}~~ *Authority* or a corporation formed by the
31 ~~{Commission}~~ *Authority* pursuant to this section by:

32 (1) Grants from the Federal Government or any other federal
33 funds as may be available to pay costs of the ~~{Super-Speed-Ground}~~
34 ~~Transportation}~~ *High-Speed Rail* System or debt service on any
35 borrowing;

36 (2) Any company, public or private; or

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

40 3. The ~~{Commission}~~ *Authority*, *in coordination with the*
41 *franchisee selected pursuant to NRS 705.4294*, may enter into
42 agreements with any person, local government or governmental
43 entity for the provision of resources or assistance to the
44 ~~{Commission}~~ *Authority* or a corporation formed by the



1 ~~{Commission}~~ *Authority* concerning the financing of the ~~{Super~~
2 ~~Speed Ground Transportation}~~ *High-Speed Rail* System.

3 4. The ~~{Commission}~~ *Authority* or any corporation formed by
4 the ~~{Commission}~~ *Authority* pursuant to this section may issue
5 obligations to refund any obligations issued pursuant to the
6 provisions of NRS 705.4291 to 705.4296, inclusive, for any purpose
7 the ~~{Commission}~~ *Authority* determines to be sufficient.

8 5. Nothing in this section authorizes the ~~{Commission}~~
9 *Authority* or any corporation formed by the ~~{Commission}~~
10 *Authority* to obligate this state or the State of California or any
11 political subdivision thereof unless such State or political
12 subdivision has obligated itself to the ~~{Commission}~~ *Authority* or a
13 corporation created by the ~~{Commission}~~ *Authority* through an
14 intergovernmental agreement.

15 6. ~~{Unless a specific statute of this state or the State of~~
16 ~~California requires otherwise, upon dissolution of the Commission,~~
17 ~~all property of the Commission must be distributed between this~~
18 ~~state and the State of California in an equitable manner as agreed~~
19 ~~upon by the States.~~

20 ~~—7.~~ The creation, perfection, priority and enforcement of any
21 lien on pledged revenue or other money established to secure any
22 bond, note, obligation or other evidence of borrowing issued
23 pursuant to this section, must be as specified in this section and in
24 the instruments approved by the ~~{Commission}~~ *Authority* pertaining
25 to that bond, note, obligation or other evidence of borrowing. It is
26 the purpose of this section to provide expressly for the creation,
27 perfection, priority and enforcement of a security interest created by
28 the ~~{Commission}~~ *Authority* in pledged revenues or other money in
29 connection with bonds, notes, obligations or other evidences of
30 borrowing issued pursuant to this section, as provided for in
31 paragraph (n) of subsection 4 of NRS 104.9109. Any lien on
32 pledged revenue or other money created to secure any bond, note,
33 obligation or other evidence of borrowing issued pursuant to this
34 section has priority over any lien thereon created pursuant to the
35 provisions of chapter 104 of NRS unless otherwise provided in the
36 instrument creating the lien to secure such bond, note, obligation or
37 other evidence of borrowing issued pursuant to the provisions of this
38 section.

39 **Sec. 8.** NRS 705.4296 is hereby amended to read as follows:

40 705.4296 The Governor shall declare, by public proclamation
41 on the date of completion of the ~~{Super Speed Ground~~
42 ~~Transportation}~~ *High-Speed Rail* System connecting southern
43 California with Southern Nevada, that the System has been
44 completed.



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

2 709.050 1. The board of county commissioners may grant to
3 any person, company, corporation or association the franchise, right
4 and privilege to construct, install, operate and maintain street
5 railways, electric light, heat and power lines, gas and water mains,
6 telephone lines, and all necessary or proper appliances used in
7 connection therewith or appurtenant thereto, in the streets, alleys,
8 avenues and other places in any unincorporated town in the county,
9 and along the public roads and highways of the county, when the
10 applicant complies with the terms and provisions of NRS 709.050 to
11 709.170, inclusive.

12 2. The board of county commissioners shall not:

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

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

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

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

26 (b) "Street railway" means:

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

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

31 ➔ The term does not include a ~~super speed ground transportation~~
32 ~~system~~ **High-Speed Rail System** as defined in NRS 705.4292.

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

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

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

38 709.290 1. The county commissioners, town trustees,
39 supervisors or other governing body directly entrusted with the
40 management of affairs of any town or city in this State are
41 authorized to sell to the highest responsible bidder any franchise for
42 a street railway through and over any street or streets of such town,
43 according to the provisions of NRS 709.310.

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



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

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

5 ↪ The term does not include a ~~{Super-Speed-Ground~~
6 ~~Transportation}~~ *High-Speed Rail* System as defined in
7 NRS 705.4292.

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

10 **Sec. 11.** Section 3.5 of chapter 88, Statutes of Nevada 2001, as
11 added by section 7 of chapter 2, Statutes of Nevada 2003, at page 6,
12 is hereby amended to read as follows:

13 Sec. 3.5. NRS 705.4291, 705.4292, 705.4293,
14 705.4294, 705.4295 and 705.4296 expire by limitation:

15 1. One year after the date on which the Governor
16 declares by public proclamation that the ~~{super-speed-ground~~
17 ~~transportation-system}~~ *High-Speed Rail System* connecting
18 southern California with southern Nevada has been
19 completed; or

20 2. On the date all borrowing made pursuant to section 1
21 of this act is retired,
22 ↪ whichever is later.

23 **Sec. 12.** Section 4 of chapter 88, Statutes of Nevada 2001, at
24 page 560, is hereby amended to read as follows:

25 Sec. 4. 1. This act becomes effective on July 1, 2001.

26 2. Sections 1 and 2 of this act expire by limitation:

27 (a) One year after the date on which the Governor
28 declares by public proclamation that the ~~{super-speed-ground~~
29 ~~transportation-system}~~ *High-Speed Rail System* connecting
30 southern California with southern Nevada has been
31 completed; or

32 (b) On the date all borrowing made pursuant to section 1
33 of this act is retired,
34 ↪ whichever is later.

35 **Sec. 13.** Section 5 of chapter 209, Statutes of Nevada 2003, at
36 page 1173, is hereby amended to read as follows:

37 Sec. 5. 1. This act becomes effective on July 1, 2003.

38 2. Sections 1 to 4, inclusive, of this act expire by
39 limitation:

40 (a) One year after the date on which the Governor
41 declares by public proclamation that the ~~{Super-Speed~~
42 ~~Ground-Transportation}~~ *High-Speed Rail* System connecting
43 southern California with southern Nevada has been
44 completed; or



1 (b) On the date all borrowing made pursuant to NRS
2 705.42955 is retired,
3 ↪ whichever is later.

4 **Sec. 14.** On the effective date of this act:

5 1. The rights, obligations and property of the State of Nevada
6 in the California-Nevada Super Speed Ground Transportation
7 Commission, if any, become the rights, obligations and property of
8 the Nevada High-Speed Rail Authority created by NRS 705.4293, as
9 amended by section 3 of this act.

10 2. The terms of the Nevada members of the California-Nevada
11 Super Speed Ground Transportation Commission expire and the
12 initial appointments to the Nevada High-Speed Rail Authority must
13 be made as follows:

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

16 (b) The Governor shall appoint two members to terms beginning
17 on July 1, 2015, and ending on June 30, 2018; and

18 (c) The Governor shall appoint one member to a term beginning
19 on July 1, 2015, and ending on June 30, 2019.

20 3. Any agreements entered into by the California-Nevada
21 Super Speed Ground Transportation Commission terminate.

22 **Sec. 15.** The Nevada High-Speed Rail Authority shall, on or
23 before October 1, 2015, select a franchisee as required by NRS
24 705.4294, as amended by section 5 of this act.

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

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

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

31 (b) On the date all borrowing made pursuant to NRS 705.42955
32 is retired,

33 ↪ whichever is later.



