

Assembly Bill No. 663—Committee on Ways and Means

CHAPTER.....

AN ACT relating to state financial administration; authorizing the issuance of general obligation bonds to pay a portion of the costs of establishing a certain tricounty railway; revising the provision governing the reversion of the appropriation made during the 68th session of the Nevada Legislature to the Tricounty Railway Commission of Carson City, Lyon and Storey counties; and providing other matters properly relating thereto.

WHEREAS, In reliance on Assembly Bill No. 113 of the 1995 legislative session, the Tricounty Railway Commission of Carson City and Lyon and Storey counties has been working diligently to obtain the required \$15 million from public and private sources to support the establishment of a railroad line similar to the former Virginia & Truckee Railroad from Virginia City through the Gold Hill area to Carson City; and

WHEREAS, This historic reconstruction has wide public support and will benefit the entire Western Nevada region; and

WHEREAS, It is important that the State of Nevada honor its 1995 commitment to contribute one-fourth of the costs of this project contingent upon the success of the local effort to raise the remainder; and

WHEREAS, If current financial conditions require the withdrawal of the 1995 appropriation, then the State of Nevada must find an alternative method to keep its commitment to this economic development project; now, therefore,

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

Section 1. 1. Except as otherwise provided in subsection 3, the State Board of Finance shall issue general obligation bonds of the State of Nevada in the face amount of not more than \$5,000,000. The proceeds of the bonds must be allocated for the establishment of a railroad line similar to the former Virginia & Truckee Railroad from Virginia City through the Gold Hill area to Carson City, including, without limitation:

(a) Acquisition of the right of way necessary for the railway and any appurtenances thereto;

(b) Construction of the track, including any necessary preparation of the underlying surface; and

(c) Purchase or other acquisition of any associated equipment.

2. The expenses related to the issuance of bonds pursuant to this section must be paid from the proceeds of the bonds, and must not exceed 2 percent of the face amount of the bonds sold.

3. The State Board of Finance shall not issue the general obligation bonds pursuant to subsection 1 unless on or before July 1, 2003:

(a) The Tricounty Railway Commission has received commitments for at least \$15,000,000 from other public or private sources, or both, for the establishment of the railroad line.

(b) The Tricounty Railway Commission has entered into a written agreement with the State Board of Examiners to repay the amount of these bonds by transferring to the State Treasurer at least 6 percent of the price charged or \$1 per ticket sold, whichever is greater, per person to ride upon the railroad line once it is completed until \$5,000,000 has been repaid to the State Treasurer. The agreement must set forth the terms of repayment.

(c) The State Board of Examiners has received a first security interest in favor of the State of Nevada upon the railroad track, the right of way acquired and all equipment and other assets of the Tricounty Railway Commission to the extent necessary, as determined by the State Board of Examiners, to secure the repayment of the \$5,000,000.

4. The provisions of the State Securities Law, contained in chapter 349 of NRS, apply to the issuance of bonds pursuant to this section.

Sec. 2. Section 2 of chapter 676, Statutes of Nevada 1995, at page 2589, is hereby amended to read as follows:

Sec. 2. Any remaining balance of the appropriation made by section 1 of this act must not be committed for expenditure after ~~{the project is completed,}~~ **April 1, 1999**, and reverts to the state general fund as soon as all payments of money have been made.

Sec. 3. This act becomes effective upon passage and approval.

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