

BILL ANALYSIS

C.S.H.B. 2114
By: Merritt
Transportation
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The background and purpose of this bill is to create a form of transportation that provides a safer, faster and more reliable means for people to travel in the border regions, thus improving the quality of life of Texans. Such a system would reduce air pollution and create a transportation system to support economic growth

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the Board of Directors of a boarder region high-speed rail authority in SECTION 1 of this bill, and to the border region high-speed rail authority in SECTION 1 of this bill.

ANALYSIS

SECTION 1. Chapter 13, Title 112, Revised Statutes, is amended by adding Article 6550c-4 to read as follows:

Sec. 1 of this bill sets out the appropriate definitions. It defines border region as either the Texas-Louisiana border or the Texas-Mexico border region as defined by Section 1056.002, Government Code.

Sec. 2 of this bill provides that the Texas Transportation Commission shall authorize the creation of a border region high-speed rail authority for the purposes of financing, acquiring property for, constructing, maintaining, and operating a high-speed rail system.

Sec. 3 of this bill sets forth that a board of directors shall govern the authority with representatives being from each county for which the authority is created. The governor shall appoint 11 members for the board, and the board shall elect a presiding officer. The officer shall call at least one meeting of the board each year. Members of the board are entitled to reimbursement for reasonable expenses incurred while serving as a member but are not entitled to compensation. However, the board may employ and compensate persons to carry out the powers and duties of the authority.

Sec. 4 of this bill sets forth the powers and duties of the authority. The authority is considered a public body and a political subdivision of the state. It is subject to the Texas Sunset Act. It can sue and be sued in all courts. The authority may acquire and hold, use, sell or lease real or personal property, licenses, patents, rights. In addition, the authority may acquire, own and maintain intermodal and high-speed rail facilities to connect political subdivisions in the applicable border regions.

Sec. 5 provides that the authority may issue revenue bonds and notes for the high-speed facilities. The authority shall submit all bonds and notes to the attorney general for examination before delivery. To secure payment, the authority may mortgage or encumber any or all parts of its revenue or property.

Sec. 6 allows for competitive bids. Contracts for more than \$15,000 may be let after notice is published in an appropriate newspaper. Some exceptions apply.

Sec. 7 exempts from all taxes imposed by this state or political subdivision any property, material purchases, revenues and income of the authority and the interest on a bond or note issued by the authority.

EFFECTIVE DATE

September, 1 2005.

COMPARISON OF ORIGINAL TO SUBSTITUTE

The committee substitute adds Sec. 8 which imposes a sales and use tax on items sold on authority property. The rate is calculated by the highest combination of local sales and use taxes imposed at the time of the authority's creation.