

By: Lindsay

S.B. No. 1624

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the creation of freight rail districts; granting
3 authority to issue bonds or other similar obligations to create
4 public debt; granting the power of eminent domain.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. The legislature finds that:

7 (1) certain areas of the state suffer from an
8 outdated, uncoordinated, and inefficient system of freight rail
9 lines that were originally constructed in rural, sparsely populated
10 areas that have become part of urban or metropolitan areas;

11 (2) the excessive number of rail lines in these areas
12 and the associated at-grade crossings reduce mobility,
13 unnecessarily increase automobile idling time, increase automobile
14 emissions, increase the risk of automobile and train accidents,
15 unnecessarily disrupt residential neighborhoods with freight rail
16 traffic, and reduce the speed at which freight rail cargoes reach
17 their destinations;

18 (3) the ports and related private industry of this
19 state, which are essential to the commerce and economic development
20 of the entire state, have traditionally been and continue to be
21 major generators of freight rail traffic, as a result of which ports
22 must be participants in the coordination of freight rail traffic in
23 areas in which the ports operate; and

24 (4) a system of consolidated, improved freight rail

1 lines will reduce pollution, improve safety, increase regional
2 mobility, decrease transit times for freight rail cargoes, benefit
3 the environment, and generally enhance economic development and the
4 quality of life in affected areas.

5 SECTION 2. Title 5, Transportation Code, is amended by
6 adding Subtitle I to read as follows:

7 SUBTITLE I. SPECIAL DISTRICTS

8 CHAPTER 171. FREIGHT RAIL DISTRICTS

9 SUBCHAPTER A. GENERAL PROVISIONS

10 Sec. 171.001. DEFINITIONS. In this chapter:

11 (1) "Board" means the district's board of directors.

12 (2) "Bonds," "rail facilities," and "revenues" have
13 the meanings assigned by Chapter 623, Acts of the 67th Legislature,
14 Regular Session, 1981 (Article 6550c, Vernon's Texas Civil
15 Statutes).

16 (3) "District" means a freight rail district created
17 under this chapter.

18 (4) "Principal municipality" means the most populous
19 municipality in the most populous county that created the district.

20 Sec. 171.002. APPLICABILITY OF RURAL RAIL TRANSPORTATION
21 DISTRICTS LAW. (a) Except as provided by this chapter, Chapter
22 623, Acts of the 67th Legislature, Regular Session, 1981 (Article
23 6550c, Vernon's Texas Civil Statutes), applies to the district as
24 if the district was created under that chapter.

25 (b) For purposes of this chapter, an "eligible county" under
26 Chapter 623, Acts of the 67th Legislature, Regular Session, 1981
27 (Article 6550c, Vernon's Texas Civil Statutes), means a county that

1 created the district.

2 [Sections 171.003-171.050 reserved for expansion]

3 SUBCHAPTER B. CREATION

4 Sec. 171.051. APPLICABILITY TO CERTAIN COUNTIES. A
5 district may be created only in a county with a population of 3.3
6 million or more and counties adjacent to such a county.

7 Sec. 171.052. CREATION BY COUNTIES AND MUNICIPALITIES. The
8 governing bodies of one or more counties and a principal
9 municipality may by concurrent order or orders and by concurrent
10 ordinance create a district. A district must include:

- 11 (a) a county with a population of 3.3 million or more; and
- 12 (b) a principal municipality.

13 Sec. 171.053. DISTRICT TERRITORY. The district consists of
14 the territory of each county that created the district and the
15 principal municipality, if located in more than one county.

16 [Sections 171.054-171.100 reserved for expansion]

17 SUBCHAPTER C. BOARD OF DIRECTORS

18 Sec. 171.101. COMPOSITION OF BOARD. The concurrent order
19 or orders and current ordinance creating the district must specify
20 the number of directors for the district and who appoints the
21 directors, except as otherwise provided in Sec. 171.103 and Sec.
22 171.104.

23 Sec. 171.102. PRESIDING OFFICER. The concurrent order or
24 orders and concurrent ordinance creating the district must specify
25 who shall serve as presiding officer of the board.

26 Sec. 171.103. NAVIGATION DISTRICT. If the most populous
27 county in the district contains a countywide navigation district

1 and the presiding officer of the navigation district is jointly
2 appointed by the county and the principal municipality, one of the
3 directors appointed by the most populous county in the district
4 shall be the presiding officer of the navigation district. The
5 common law doctrine of incompatibility does not apply to a director
6 who serves under this section.

7 Sec. 171.104. DEPARTMENT OF TRANSPORTATION. The Texas
8 Transportation Commission may appoint a representative to serve as
9 an ex officio member of the board of the District.

10 Sec. 171.105. CONFLICT OF INTEREST. Chapter 171, Local
11 Government Code, governs conflicts of interest for directors.

12 [Sections 171.106-171.150 reserved for expansion]

13 SUBCHAPTER D. POWERS AND DUTIES

14 Sec. 171.151. GENERAL POWERS. A district may study,
15 evaluate, design, finance, acquire, construct, maintain, repair,
16 and operate a system of consolidated, improved, freight rail lines
17 and other transportation projects.

18 Section 171.152. FREIGHT RAIL SYSTEM. (a) A district may
19 plan, acquire, construct, complete, develop, finance, maintain,
20 improve, own, and operate a new or existing system of freight rail
21 facilities, including:

22 (1) tracks;

23 (2) rail lines;

24 (3) switching signaling, or other operating
25 equipment;

26 (4) a depot;

27 (5) locomotives;

- 1 (6) rolling stock;
- 2 (7) maintenance facilities; and
- 3 (8) any other property associated with freight rail
- 4 operation.

5 (b) A district may, for a freight rail system created or
6 operated under this section, exercise the transportation project
7 powers of a regional mobility authority under Chapter 370.

8 Sec. 171.153. GENERAL CONTRACT POWERS. A district may
9 contract with:

- 10 (1) any county or municipality, including those that
- 11 created the district;
- 12 (2) a navigation district that includes all or part of
- 13 a county or municipality that created the district;
- 14 (3) a municipality that operates a port in a county
- 15 that created the district; or
- 16 (4) the state and any agency or political subdivision
- 17 of the state.

18 Sec. 171.154. CONTRACT FOR GOODS OR SERVICES. A district
19 may contract with a county or any other political subdivision of
20 this state for the district to provide goods or services to an area
21 outside the boundaries of the district on any conditions agreed to
22 by the parties.

23 Sec. 171.155. EXERCISE OF POWERS IN OTHER COUNTIES. The
24 commissioners court of a county that is not in the district may
25 authorize the district to exercise its powers in the county.

26 [Sections 171.156-171.200 reserved for expansion]

27 SUBCHAPTER E. FINANCIAL PROVISIONS

1 Sec. 171.201. PLEDGE OF REVENUES. A district may secure and
2 pledge revenues derived from any source to secure the payment of
3 district bonds.

4 Section 171.202. PURCHASE CONTRACTS. Subchapter C, Chapter
5 60, Water Code, as added by Chapter 307, Acts of the 78th
6 Legislature, Regular Session, 2003, applies to the district as if
7 the district were a navigation district under that subchapter. For
8 the purposes of applying that subchapter to the district under this
9 section, "commission" means the board.

10 Sec. 171.203. AD VALOREM TAX PROHIBITED. A district may not
11 impose an ad valorem tax.

12 [Sections 171.204-171.250 reserved for expansion]

13 SUBCHAPTER F. WITHDRAWAL; DISSOLUTION

14 Sec. 171.251. WITHDRAWAL. A county or municipality that
15 created the district may petition the board for approval to
16 withdraw from the district. The board may approve the petition only
17 if:

18 (1) the district has no outstanding bonds; or

19 (2) the district has debt other than bonds and the
20 board finds that the withdrawal of the county or municipality will
21 not materially affect the ability of the district to repay the debt.

22 Sec. 171.252. DISSOLUTION. In addition to the dissolution
23 procedures provided by Chapter 623, Acts of the 67th Legislature,
24 Regular Session, 1981 (Article 6550c, Vernon's Texas Civil
25 Statutes), the board may dissolve a district if:

26 (1) all district liabilities have been paid or
27 adequate provision has been made for the payment of all

1 liabilities;

2 (2) the district is not a party to any lawsuits or
3 adequate provision has been made for the satisfaction of any
4 judgment or order that may be entered against the district in a
5 lawsuit to which the district is a party; and

6 (3) the district has commitments from other
7 governmental entities to assume jurisdiction of all district rail
8 facilities.

9 [Sections 171.253-171.260 reserved for expansion]

10 SUBCHAPTER G. COMMUTER RAIL

11 Sec. 171.261. APPLICABILITY OF INTERMUNICIPAL COMMUTER
12 RAIL DISTRICTS LAW. If the concurrent order or orders and
13 concurrent ordinance creating the district expressly so provide, a
14 district may exercise the powers of a district under Chapter 381,
15 Acts of the 75th Legislature, Regular Session 1997 (Article
16 6550c-1, Vernon's Texas Civil Statutes), in addition to the other
17 powers as provided in this chapter.

18 [Sections 171.262-171.270 reserved for expansion]

19 SECTION 3. This Act takes effect immediately if it receives
20 a vote of two-thirds of all the members elected to each house, as
21 provided by Section 39, Article III, Texas Constitution. If this
22 Act does not receive the vote necessary for immediate effect, this
23 Act takes effect September 1, 2005.