

By: Carona

S.B. No. 1272

A BILL TO BE ENTITLED

1 AN ACT
2 relating to ad valorem and sales and use tax exemptions for
3 high-speed passenger rail facilities.

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

5 ARTICLE 1. AD VALOREM TAX EXEMPTION

6 SECTION 1.01. Subchapter B, Chapter 11, Tax Code, is
7 amended by adding Section 11.34 to read as follows:

8 Sec. 11.34. HIGH-SPEED PASSENGER RAIL FACILITY. (a) In
9 this section:

10 (1) "Ancillary facility" means property, equipment,
11 or a building that is acquired, installed, or constructed for the
12 construction, management, and operation of a high-speed passenger
13 rail facility.

14 (2) "Earthworks and structures" means an excavation or
15 embankment of earth made for a high-speed passenger rail facility,
16 including the clearing and grubbing of right-of-way; demolition of
17 structures; relocation of utilities, pipelines, and any other
18 obstacles in right-of-way; stripping and stockpiling; removal of
19 subsoils for embankment or spoil; borrow pits; dressing and seeding
20 of slopes; construction of culverts; road crossings; bridges;
21 restoration of roadway; drainage in right-of-way or along road
22 networks; or restoration of a hydrologic system.

23 (3) "Environmental facility" means a facility, an
24 improvement, or equipment related to a high-speed passenger rail

1 facility that is required for the enhancement or protection of the
2 environment or the high-speed passenger rail facility or for the
3 mitigation of any adverse environmental effect of the construction,
4 operation, or maintenance of the high-speed passenger rail
5 facility.

6 (4) "High-speed passenger rail" means a rail or
7 electromagnetically guided technology that permits the operation
8 of rolling stock between scheduled stops at speeds of at least 200
9 miles per hour.

10 (5) "High-speed passenger rail facility" means any
11 real, personal, or mixed property or any interest, right, or power
12 in that property that is determined by the owner of the facility to
13 be necessary or convenient for the provision of an intercity
14 high-speed passenger rail transportation system in this state and
15 all property or interests necessary for the financing, refinancing,
16 acquiring, purchasing, condemning, constructing, planning,
17 designing, engineering, enlarging, reconstructing, remodeling,
18 repairing, renovating, extending, improving, bettering,
19 furnishing, maintaining, using, or equipping of the system,
20 including right-of-way, earthworks and structures, trackwork,
21 electrification facilities, train controls, traction power
22 systems, rail stations, rolling stock, ancillary facilities,
23 environmental facilities, and maintenance facilities.

24 (6) "Maintenance facility" includes a workshop,
25 service facility, garage, equipment or other storage facility,
26 security facility, or personnel facility.

27 (7) "Personnel facility" includes temporary or

1 transient employee lodging.

2 (8) "Right-of-way" means an easement or any other
3 interest in real property determined by the owner of a high-speed
4 passenger rail facility to be necessary or convenient for the
5 trackwork of the facility.

6 (9) "Rolling stock" means high-speed electrically
7 propelled trains that run on rails or electromagnetic guideways.

8 (10) "Station" means a passenger service building,
9 terminal, or station, including ticketing facilities, waiting
10 areas, platforms, concessions, retail establishments, restaurants,
11 elevators, escalators, facilities for handicapped access, access
12 roads, parking facilities, baggage handling facilities, local
13 maintenance facilities, offices for purposes of the owner of a
14 high-speed passenger rail facility, ancillary facilities, and any
15 interest in real property necessary or convenient for the listed
16 items.

17 (11) "Trackwork" means track, track beds, track bed
18 preparation, ties, rail fasteners, slabs, rails, emergency
19 crossovers, setout tracks, storage tracks, and switches.

20 (12) "Traction power systems" means transformers,
21 switches, controls, conductors, and any supports necessary to
22 provide power to rolling stock.

23 (13) "Train controls" includes signaling,
24 interlocking equipment, speed monitoring equipment, emergency
25 braking systems, central traffic control facilities, and
26 communication systems.

27 (b) A person is entitled to an exemption from taxation of a

1 high-speed passenger rail facility owned by the person.

2 (c) A high-speed passenger rail facility may not be exempted
3 under this section for more than 50 years.

4 SECTION 1.02. Section 11.43(c), Tax Code, is amended to
5 read as follows:

6 (c) An exemption provided by Section 11.13, 11.17, 11.18,
7 11.182, 11.183, 11.19, 11.20, 11.21, 11.22, 11.23(h), (j), or
8 (j-1), 11.29, 11.30, [~~or~~] 11.31, or 11.34, once allowed, need not be
9 claimed in subsequent years, and except as otherwise provided by
10 Subsection (e), the exemption applies to the property until it
11 changes ownership or the person's qualification for the exemption
12 changes. However, the chief appraiser may require a person allowed
13 one of the exemptions in a prior year to file a new application to
14 confirm the person's current qualification for the exemption by
15 delivering a written notice that a new application is required,
16 accompanied by an appropriate application form, to the person
17 previously allowed the exemption.

18 SECTION 1.03. This article applies only to ad valorem taxes
19 imposed for a tax year beginning on or after January 1, 2010.

20 SECTION 1.04. This article takes effect January 1, 2010,
21 but only if the constitutional amendment proposed by the 81st
22 Legislature, Regular Session, 2009, authorizing the legislature to
23 exempt from ad valorem taxation a high-speed passenger rail
24 facility is approved by the voters. If that amendment is not
25 approved by the voters, this article has no effect.

26 ARTICLE 2. SALES AND USE TAX EXEMPTION

27 SECTION 2.01. Subchapter H, Chapter 151, Tax Code, is

1 amended by adding Section 151.3312 to read as follows:

2 Sec. 151.3312. HIGH-SPEED PASSENGER RAIL FACILITY. (a) In
3 this section, "high-speed passenger rail facility," "rolling
4 stock," "trackwork," and "train controls" have the meanings
5 assigned by Section 11.34.

6 (b) The sale or storage, use, or other consumption of the
7 following items is exempted from the taxes imposed by this chapter:

8 (1) tangible personal property for the construction or
9 operation of, or that will become an ingredient or component part
10 of, a high-speed passenger rail facility, including rolling stock,
11 trackwork, and train controls; and

12 (2) services to construct a high-speed passenger rail
13 facility.

14 SECTION 2.02. The change in law made by this article does
15 not affect tax liability accruing before the effective date of this
16 Act. That liability continues in effect as if this Act had not been
17 enacted, and the former law is continued in effect for the
18 collection of taxes due and for civil and criminal enforcement of
19 the liability for those taxes.

20 ARTICLE 3. EFFECTIVE DATE

21 SECTION 3.01. Except as otherwise provided by this Act,
22 this Act takes effect September 1, 2009.