

BILL ANALYSIS

Senate Research Center
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C.S.S.B. 979
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Transportation
4/5/2017
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

A private entity is currently using the threat of eminent domain to acquire land in east Texas for the construction of a proposed high-speed rail line to connect Houston and Dallas. This land is being aggressively acquired despite the fact that the private entity's authority to condemn property through eminent domain has been considerably disputed and is currently the subject of ongoing litigation in multiple jurisdictions. In addition, a number of private landowners subject to condemnation have expressed concern that this high-speed rail project has been marketed to investors as a potentially lucrative real estate opportunity.

S.B. 979 specifies that a private entity does not have the power of eminent domain for the purpose of developing or operating a high-speed rail project. Additionally, the bill prohibits any such entity that acquires private property through the threat of eminent domain from later using that property for purposes other than the high-speed rail project. If the acquired property is not ultimately used for its stated purpose of high-speed rail, the original landowner must be given notice and the right of first refusal to repurchase the property.

S.B. 979 protects private property rights by providing landowners with assurances that their property will not be taken under the threat of eminent domain and later used for a different purpose.

The committee substitute to S.B. 979 removes Section 1 of the bill as introduced and clarifies that the bill applies to a private entity that represents itself as a railroad, whether or not the entity is a railroad, or as another entity that may exercise the power of eminent domain.

C.S.S.B. 979 amends current law relating to the disposition of real property intended for high-speed rail projects.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter B, Chapter 112, Transportation Code, by adding Section 112.063, as follows:

Sec. 112.063. DISPOSITION OF REAL PROPERTY ACQUIRED FOR HIGH-SPEED RAIL PROJECT. (a) Defines "high-speed rail."

(b) Prohibits a private entity that operates or plans to operate a high-speed rail project and acquires real property for a high-speed rail project through the threat of the exercise of a purported power of eminent domain from using the property for any purpose other than a high-speed rail project and, if the property is not used for a high-speed rail project, prohibits the private entity from conveying the property to any person unless the former property owner is given notice and opportunity to repurchase the property.

(c) Provides that this section applies to a private entity that represents itself as a railroad, whether or not the entity is a railroad, or as another entity that is authorized to exercise the power of eminent domain.

SECTION 2. Makes application of Section 112.063, Transportation Code, as added by this Act, prospective.

SECTION 3. Effective date: September 1, 2017.