

By: Schwertner

S.B. No. 980

A BILL TO BE ENTITLED

AN ACT

relating to state money or credit or a state guarantee used or provided for high-speed rail owned by a private entity.

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

SECTION 1. Chapter 199, Transportation Code, is amended by adding Section 199.003 to read as follows:

Sec. 199.003. STATE MONEY FOR HIGH-SPEED RAIL; PRIORITY OF LIEN. (a) For the purposes of this section, "high-speed rail" means intercity passenger rail service that is reasonably expected to reach speeds that exceed 110 miles per hour.

(b) No state money, credit, or guarantee shall be used or provided, wholly or partly, for any purpose related to high-speed rail owned by a private entity unless, to secure the repayment of state money, this state acquires and maintains a lien on or other security interest in:

(1) property of the private entity acquired with or through state money or credit or using a guarantee of this state; or

(2) other assets owned by the private entity.

(c) Before an entity or official of this state enters into an agreement to provide state money or credit or a state guarantee under Subsection (b), the comptroller must review and certify the agreement to ensure that the lien or other security interest described by that subsection is sufficient, in accordance with generally accepted accounting standards, to protect this state's

1 financial interests.

2 (d) A lien on or other security interest held by this state
3 in property or other assets described by Subsection (b) is superior
4 and prior to any other lien, claim, or interest of any other person
5 on or against the property or other assets of the private entity.

6 SECTION 2. This Act takes effect September 1, 2017.