

BILL ANALYSIS

C.S.H.B. 3727
By: Patterson
Transportation
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The bill author has informed the committee that rail grade separations improve safety, emergency response times, economic productivity, congestion mitigation, evacuation routing, and supply chain fluidity for critical locations in Texas and that the state's population growth has created an increased need for the movement of freight and generates increased roadway congestion. According to the Texas Department of Transportation, Texas has over 9,000 public at-grade railroad crossings, the most in the country. The bill author has also informed the committee that these locations can be significant congestion points for Texas motorists and first responders and that separating the road from the railroad improves safety, emergency response times, and economic productivity. C.S.H.B. 3727 seeks to address this issue by establishing a grant program for railroad grade separation projects.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the Texas Transportation Commission in SECTION 1 of this bill.

ANALYSIS

C.S.H.B. 3727 amends the Transportation Code to require the Texas Department of Transportation (TxDOT), for purposes of increasing public safety, enhancing economic development, and reducing traffic, to establish and administer a program to award grants to political subdivisions of the state to fund the following projects:

- rail-roadway grade separation projects that are located at intersections of railroads and public roadways that are not part of the state highway system; and
- rail-pedestrian grade separation projects that are located at intersections of railroads and public pedestrian crossings.

C.S.H.B. 3727 requires each grant to be approved by the Texas Transportation Commission and prohibits the commission from approving such a grant unless it determines that at least 10 percent of the total project costs will be provided by a source other than the state. The bill restricts funding for the grant program by TxDOT to money appropriated by the legislature for that purpose and gifts and grants, including grants from the federal government. The bill authorizes TxDOT to solicit and accept gifts and grants from any source for purposes of funding the grant program and prohibits money deposited to the credit of the state highway fund from being used to fund a grant awarded under the bill's provisions. The bill requires a political subdivision that receives a grant under the bill's provisions to designate TxDOT to manage contracting for, in accordance with statutory provisions relating to competitive bids for highway

projects, and supervision of the planning and construction of a project for which the grant was awarded. The bill requires a political subdivision to enter into an agreement with TxDOT prescribing the terms of a designation under these provisions in accordance with applicable state or federal law. The bill requires TxDOT, acting as the designee of a political subdivision under the bill's provisions, to make each contract in accordance with the law governing the making of contracts by or on behalf of the state.

C.S.H.B. 3727 requires the Texas Transportation Commission, not later than October 1, 2025, to adopt rules necessary to implement the bill's provisions.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2025.

COMPARISON OF INTRODUCED AND SUBSTITUTE

While C.S.H.B. 3727 may differ from the introduced in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute revises the requirement in the introduced for TxDOT to establish and administer a program to award grants to political subdivisions of the state or railroad companies to fund rail-roadway separation and rail-pedestrian grade separation projects as follows:

- removes railroad companies as eligible recipients of a grant;
- specifies that the roadways at which the rail-roadway grade separation projects are located are public roadways; and
- specifies that the pedestrian crossings at which the rail-pedestrian separation projects are located are public pedestrian crossings.

The substitute does not include the following provisions present in the introduced:

- an authorization for a political subdivision or railroad company to use the grant money as matching funds to secure additional funding for the specified projects; and
- a condition under which the Texas Transportation Commission may approve a grant under the bill's provisions that the commission determines that, if the grant money is being used as matching funds to secure additional project funding, at least 10 percent of the amount used as matching funds will be provided by a source other than the state.

The substitute includes the following provisions absent from the introduced:

- a requirement for a political subdivision that receives a grant under the bill's provisions to designate TxDOT to manage contracting for and supervision of the planning and construction of a project for which the grant was awarded;
- a requirement for a political subdivision to enter into an agreement with TxDOT prescribing the terms of a designation in accordance with applicable state or federal law; and
- a requirement for TxDOT, acting as the designee of a political subdivision under the bill's provisions, to make each contract in accordance with the law governing the making of contracts by or on behalf of the state.