

By: Harris

H.B. No. 2979

A BILL TO BE ENTITLED

AN ACT

relating to a prohibition on the exercise of eminent domain and the disposition of certain property acquired for certain rail projects.

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

SECTION 1. Section 112.002, Transportation Code, is amended by amending Subsection (b) and adding Subsection (c) to read as follows:

(b) A railroad company may:

(1) sue, be sued, plead, and be impleaded in its corporate name;

(2) have and use a seal and alter the seal at will;

(3) receive and convey persons and property on its railway by any mechanical power, including the use of steam;

(4) regulate the time and manner in which, and the compensation for which, passengers and property are transported, subject to the provisions of law;

(5) except as provided by Subsection (c), exercise the power of eminent domain for the purposes prescribed by this subtitle or Subtitle D;

(6) purchase, hold, and use all property as necessary for the construction and use of its railway, stations, and other accommodations necessary to accomplish company objectives, and convey that property when no longer required for railway use; and

(7) take, hold, and use property granted to the

1 company to aid in the construction and use of its railway, and
2 convey that property in a manner consistent with the terms of the
3 grant when the property is no longer required for railway use.

4 (c) A private entity may not exercise the power of eminent
5 domain for the purpose of developing or operating a high-speed rail
6 project, as defined by Section 112.201.

7 SECTION 2. Subchapter B, Chapter 112, Transportation Code,
8 is amended by adding Section 112.063 to read as follows:

9 Sec. 112.063. DISPOSITION OF REAL PROPERTY ACQUIRED FOR
10 HIGH-SPEED RAIL PROJECT. (a) In this section, "high-speed rail"
11 has the meaning assigned by Section 112.201.

12 (b) Except as provided by Subsection (d), a private entity
13 that acquires real property for a high-speed rail project may not
14 use that property for any purpose other than a high-speed rail
15 project.

16 (c) Except as provided by Subsection (d), a person from whom
17 real property is acquired by a private entity as described by
18 Subsection (b), and the person's heirs, successors, and assigns,
19 are entitled to notice and opportunity to repurchase the property
20 before all other purchasers for the price paid to the owner by the
21 entity at the time the entity acquired the property if:

22 (1) the high-speed rail project for which the property
23 was acquired is canceled before the property is used for that
24 project;

25 (2) the property is not used for the high-speed rail
26 project for which the property was acquired before the 10th
27 anniversary of the date of acquisition; or

1 (3) the property becomes unnecessary for the
2 high-speed rail project for which the property was acquired before
3 the 10th anniversary of the date of acquisition.

4 (d) Subsections (b) and (c) do not apply to real property
5 acquired by a private entity as described by Subsection (b) if,
6 before the acquisition of the property:

7 (1) the entity acquiring the property gives written
8 notice to the person from whom the property is to be acquired that
9 the property may be used for a purpose other than a high-speed rail
10 project; and

11 (2) the person from whom the property is to be acquired
12 signs a statement acknowledging that written notice was given under
13 Subdivision (1).

14 (e) Notice and repurchase as required by Subsection (c)
15 shall follow the timelines and processes for notice and repurchase
16 in Chapter 21, Property Code.

17 SECTION 3. Section 131.012, Transportation Code, is amended
18 to read as follows:

19 Sec. 131.012. EMINENT DOMAIN. (a) Except as provided by
20 Subsection (b), a [A] corporation chartered for the purpose of
21 constructing, acquiring, maintaining, or operating lines of
22 electric railway between municipalities in this state for the
23 transportation of freight, passengers, or both freight and
24 passengers may:

25 (1) exercise the power of eminent domain with all the
26 rights and powers granted by law to a railroad company; and

27 (2) enter, condemn, and appropriate land,

1 right-of-way, easements, or other property of any person or
2 corporation to acquire:

3 (A) right-of-way on which to construct and
4 operate lines of railway for the acquiring corporation; or

5 (B) sites for depots or power plants.

6 (b) An interurban electric railway company may not exercise
7 the power of eminent domain for the purposes described by
8 Subsection (a).

9 SECTION 4. Section 112.063, Transportation Code, as added
10 by this Act, applies to real property acquired on or after September
11 1, 2025.

12 SECTION 5. This Act takes effect September 1, 2025.