

SUBJECT: Limitation of liability of passenger trains

COMMITTEE: Transportation — favorable, without amendment

VOTE: 5 ayes — Alexander, Bosse, Alonzo, Moreno, Siebert
1 nay — Uher
3 absent — Clemons, Edwards, Price

WITNESSES: For — Robert Roberson, Fort Worth and Western Railroad; John R. Parten, Denver Railway Car; Bob Stout, Mitchell Energy Development Corporation and Excursion Trains, Inc; John Helsly, Granbury Chamber of Commerce; Robert MacDonald, Austin Steam Train
Against — None

DIGEST: HB 1208 would limit to \$5 million per occurrence the liability of state-certified excursion train operators who maintain liability insurance coverage of at least \$5 million per occurrence. The bill would allow the comptroller to certify excursion train operators only if they file evidence of insurance in the amount of \$5 million per occurrence. Operators could be certified if their trains were used primarily for tourism or public service and lead to promotion of the tourism industry.

The limitation on liability would apply to the operator of the excursion train, the owner of the equipment used by the excursion train, the owner of the tracks used by the excursion train and the host carrier.

The bill would take effect September 1, 1995.

SUPPORTERS SAY: The limitation of \$5 million for insurance liability on excursion trains is necessary to maintain the viability of the business. The high cost of liability insurance forces owners and operators of excursion trains to pass on the expense to the riding public. This places a hardship on excursion train operators who operate for the sole purpose of transporting tourists on scenic routes, which generally run through rural communities and promote economic development.

High ticket costs reduce the demand for the trips offered by excursion train operators and reduce the economic benefit provided by the passengers to the small towns along the route where the train stops.

The slow-moving excursion trains (40 miles per hour or slower, generally about 30 miles per hour) are extremely safe. They should not be subject to the higher insurance costs associated with other railroad operators.

The limitation of liability to \$5 million would extend to the owner of the tracks, if different than the operator of the train, and constitutes an important element of the legislation. Track owners would no longer be able to require operators of excursion trains who use their tracks to have more than \$5 million worth of liability insurance.

**OPPONENTS
SAY:**

HB 1208's proposed limit on the rights of injured parties to receive compensation for the harm done to them would not reduce the number of suits filed against excursion train operators, nor expedite the civil justice system. The only goal accomplished would be to limit the financial recovery of injured parties.