

## **BILL ANALYSIS**

Senate Research Center

C.S.S.B. 628  
By: Truan  
Infrastructure  
5/9/1999  
Committee Report (Substituted)

### **DIGEST**

Currently, two major Class 1 railroads and a single smaller Class 1 carrier, one Class 2 carrier and approximately thirty-four Class 3 railroads, remain in Texas. Major rail-dependent industries such as the agricultural production industry which stretches from the Panhandle to the Rio Grande Valley, the petrochemical industry of the Gulf Coast, and the raw materials industry along the Balcones Escarpment in Central Texas, are limited to a single, monopoly carrier. This bill would provide a decentralized mechanism by which the state may encourage the development of competitive rail transportation markets through the agency of rail transportation districts.

### **PURPOSE**

As proposed, C.S.S.B. 628 provides guidelines for the issuance of a declaration of taking and establishes a competitive rail account to assist rail transportation districts.

### **RULEMAKING AUTHORITY**

Rulemaking authority is granted to the railroad commission in SECTION 7 (Article 6550c, V.T.C.S.) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 1, Article 6550c, V.T.C.S., to provide that the legislature finds the state contains many industries that are dependent on rail transportation, and thus the competitiveness of Texas industries and agriculture is threatened by a monopolization of railroad companies; and that it is in the interest of all citizens to have access to a competitive rail transportation market. Provides that rail transportation districts, rather than rural rail transportation districts, are appropriate for the continued operation of railroads. Makes conforming changes.

SECTION 2. Amends Subdivisions (1), (3), (4), and (11), Section 2, Article 6550c, V.T.C.S., to redefine "board," "concurrent orders," "district," and "real facilities." Makes conforming changes.

SECTION 3. Amends Section 3(a) and (c), Article 6550c, V.T.C.S., to authorize a commissioners court of two or more counties, rather than eligible counties, to create a rail transportation district. Makes conforming changes.

SECTION 4. Amends Sections 3A(a), Article 6550c, V.T.C.S., to delete text regarding eligible counties that meet the requirements of Section 3(b) of this Act. Makes a conforming change.

SECTION 5. Amends Section 5(a), Article 6550c, V.T.C.S., to make a conforming change.

SECTION 6. Amends Chapter 623, Article 6650c, V.T.C.S., by adding Section 6B, as follows:

Sec. 6B. COMPETITIVE RAIL ACCOUNT. Provides that the competitive rail account is part of the general revenue fund and the account may only be appropriated to the railroad commission for grants or loans under this section. Authorizes the commission to grant or loan money to a district to assist covering cost for the project. Prohibits the commission from granting or loaning money from the account to assist in the construction of a new rail line. Requires the commission to adopt rules governing the qualifications and the application process to receive assistance under this section.

SECTION 7. Repealers: Sections 2(6) and 3(b), Article 6550c, V.T.C.S. (defining "eligible counties" and providing that the boundaries of a district created under this section are the boundaries of the county in which the district is created).

SECTION 8. Effective date: September 1, 1999.

SECTION 9. Emergency clause.

### **SUMMARY OF COMMITTEE CHANGES**

#### SECTION 2.

Amends Section 2, Article 6550c, V.T.C.S., by amending Subdivision (3), to redefine "concurrent orders."

#### SECTION 3.

Amends Section 3, Article 6550c, V.T.C.S., by amending Subsection (c), to authorize a commissioners court of two or more counties, rather than eligible counties, to create a rail transportation district.

#### SECTION 4.

Amends Section 3A(a), Article 6550c, V.T.C.S., to delete text regarding eligible counties that meet the requirements of Section 3(b) of this Act.

#### SECTION 6.

Amends Section 6B, Article 6550c, V.T.C.S., to prohibit the commission from granting or loaning money from the account to assist in the construction of a new rail line. Deletes proposed SECTION 6.

#### SECTION 7.

Adds repealers: Sections 2(6) and 3(b), Article 6550c, V.T.C.S. (defining "eligible counties" and providing that the boundaries of a district created under this section are the boundaries of the county in which the district is created).