

BILL ANALYSIS

Senate Research Center
77R12350 DWS-F

H.B. 1125
By: Swinford (Sponsor Unknown)
State Affairs
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Engrossed

DIGEST AND PURPOSE

Under current law, a railroad right-of-way is reserved to any railroad company to the extent of one hundred feet on each side of a road that crosses over or extends through any land granted or that may be granted to the railroad company by the legislature. When a railroad company receives permission from the federal Surface Transportation Board to abandon a rail line, the right-of-way and all improvements are typically sold to a salvage company. Many railroad right-of-ways have structures, installed equipment, and other types of leasehold improvements made by political entities, public utilities, pipeline operators, or communications companies under an agreement with the railroad company. When the railroad right-of-way is sold or abandoned, the persons or entities that make these leasehold improvements may lose investments made in the railroad right-of-way. H.B. 1125 requires a railroad company to give such a person or the state the right of first refusal to purchase at the fair market value the railroad right-of-way or adjoining property.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Title 112, Revised Statutes, by adding Article 6349a, as follows:

Art. 6349a. PURCHASE OF RIGHT-OF-WAY. (a) Requires a railroad company that intends to abandon or offer for sale any of the railroad company's right-of-way, except as provided by Subsection (d), to give any person who has constructed a building or other structure, installed equipment, or made any other type of leasehold improvement on railroad right-of-way of the company or adjoining railroad property the right of first refusal to purchase, at the fair market value of the land as determined by an independent appraiser, the right-of-way or adjoining property where the structure, equipment, or other improvement is located.

(b) Provides that the land subject to purchase under this article is that which is necessary for unrestricted use of the structure, equipment, or other leasehold improvement.

(c) Requires ownership of the structure, equipment, or other leasehold improvement to be transferred at no cost to a person buying the land under Subsection (a) of this article.

(d) Requires the state, if the state has authority to acquire property described by Subsection (a), to be given right of first refusal to acquire the property and requires the person described by Subsection (a) to be given the next right of refusal after the state.

SECTION 2. Effective date: September 1, 2001.