

BILL ANALYSIS

Senate Research Center
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C.S.S.B. 977
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Transportation
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Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

A group of private investors is in the early stages of developing a high-speed rail line connecting Houston and Dallas. The investors have repeatedly claimed that the planning, operation, and maintenance of these projects will be funded entirely with private investment and that the project will require no state funds. While the state is supportive of private business, Texas taxpayers have expressed concern that should the private entities fail in their undertaking, Texans would be left with an incomplete or failed high-speed rail project potentially requiring state bailouts for either project completion or damage mitigation.

S.B. 977 ensures that Texas taxpayers will not be asked to later subsidize, bail out, or otherwise financially support a private high-speed rail project.

The bill prohibits the legislature from making an appropriation related to the planning, facility construction or maintenance, security, or operation of a high-speed rail project operated by a private entity. State agencies are also prohibited from accepting or using state money for such costs. The bill makes certain exceptions for federally required environmental duties.

In order to ensure transparency and accountability, S.B. 977 requires that certain elected and appointed officials will receive a quarterly report from agencies on high-speed rail-related expenses.

S.B. 977 protects the interests of state taxpayers while continuing to allow private entities to pursue their state objectives.

The committee substitute to S.B. 977 specifies that agencies must follow existing state and federal law, adds promotion of high-speed rail operated by a private entity to the list of actions that the legislature may not appropriate and agencies may not accept or use funds for, and includes the Texas comptroller of public accounts and speaker of the house of representatives to the list of certain elected and appointed officials who will receive certain expense reports which will be made on a semiannual basis.

C.S.S.B. 977 amends current law relating to the use of state money for high-speed rail operated by a private entity.

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 Chapter 199, Transportation Code, by adding Section 199.003, as follows:

Sec. 199.003. USE OF STATE MONEY FOR HIGH-SPEED RAIL. (a) Defines "high-speed rail."

(b) Provides that, except as required by federal law or other state law, including the National Environmental Policy Act of 1969 (42 U.S.C. Section 4321 et seq.):

(1) the legislature is prohibited from appropriating money to pay for a cost of planning, facility construction or maintenance, or security for, promotion of, or operation of, high-speed rail operated by a private entity; and

(2) a state agency is prohibited from accepting or using state money to pay for a cost described by Subdivision (1).

(c) Requires a state agency to prepare a semiannual report of each expense described by this section and submit a copy of each report to the Texas Transportation Commission, the Texas comptroller of public accounts, the committee in each house of the legislature with primary jurisdiction over transportation, the speaker of the house of representatives, the lieutenant governor, and the governor.

SECTION 2. Effective date: September 1, 2017.