

## **BILL ANALYSIS**

Senate Research Center

C.S.S.B. 1706  
By: Ratliff  
Finance  
3-20-97  
Committee Report (Substituted)

### **DIGEST**

In June of 1996, citing funding shortfalls, the National Railroad Passenger Corporation (Amtrak) announced its intent to eliminate the Texas Eagle. The Texas Eagle runs from Chicago and St. Louis to San Antonio, providing service to 19 Texas cities. Approximately 200,000 passengers travel through Texas on the Texas Eagle annually. This bill enables the Texas Department of Transportation to enter into a loan agreement with Amtrak to support the continuation of this national passenger rail service.

### **PURPOSE**

As proposed, C.S.S.B. 1706 authorizes the Texas Department of Transportation to enter into a loan agreement with an eligible corporation for funding passenger rail service.

### **RULEMAKING AUTHORITY**

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

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 456.002(b), Transportation Code, to provide that each public transportation program provided by this chapter, with the exception of the passenger rail service assistance program under Subchapter D, is a matching grant program for public transportation projects.

SECTION 2. Amends Chapter 456, Transportation Code, by adding Subchapter D, as follows:

#### **SUBCHAPTER D. PASSENGER RAIL SERVICE ASSISTANCE PROGRAM**

Sec. 456.061. DEFINITION. Defines "eligible corporation."

Sec. 456.062. LOANS TO CORPORATION. Authorizes the Texas Transportation Commission (commission), under the authority of Section 52-a, Article III, Texas Constitution, using funds appropriated from the general revenue fund for such purposes, to loan money to an eligible corporation that provides rail passenger service in the state. Requires, notwithstanding any other statutory restriction, that portion of the state highway fund not dedicated by the constitution to serve as collateral for repayment of a loan made under this section. Authorizes the comptroller to transfer from that portion of the state highway fund to the general revenue fund the amount needed to repay any unpaid balance on the loan, including applicable interest, in accordance with the loan agreement.

Sec. 456.063. AGREEMENT. Requires the Texas Department of Transportation (department), on behalf of the commission and with the approval of the comptroller, to enter into an agreement, under terms and conditions it deems appropriate, with an eligible corporation for the purposes of making a loan under this subchapter. Requires the agreement to provide for collateralization and guaranties in a form and amount determined by the comptroller and the commission sufficient to repay to the state highway fund any money transferred to the general revenue fund under Section 456.062(b).

Sec. 456.064. LIMITATION OF FUNDING. Authorizes the commission to only expend funds specifically appropriated by the legislature for the purposes of this subchapter.

SECTION 3. Emergency clause.

Effective date: upon passage.

### **SUMMARY OF COMMITTEE CHANGES**

SECTION 2.

Amends proposed Chapter 456D, Transportation code, by adding Section 456.062(b), to require that portion of the state highway fund not dedicated by the constitution to serve as collateral for repayment of a loan made under this section and to authorize the comptroller to transfer a certain amount from that portion of the state highway fund to the general revenue fund.

Amends proposed Section 456.063, Transportation Code, to require the agreement to provide for collateralization and guaranties in a certain form and amount.