

## **BILL ANALYSIS**

Senate Research Center

H.B. 2377  
By: Hill (Ogden)  
Infrastructure Development and Security  
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Engrossed

### **DIGEST AND PURPOSE**

While current law gives the Texas Transportation Commission clear authority to establish a state highway system, once a highway has been placed on the system there is no specific authority to remove the facility from the system when it is no longer operated as a state highway. Since former state highways are often turned over to local governments for use as local roads or streets, this could invite claims that these local facilities are in fact still part of the state highway system and that the Texas Department of Transportation (TxDOT) should take responsibility for them.

Under current law, in order for a state highway to be converted into a city street or county road, either the local governmental entity must purchase the underlying real estate or TxDOT must retain ownership of a facility that it has no authority to operate or control. The value to TxDOT of having another entity take on the cost and responsibility of maintaining a segment of highway is often greater than the price of the real estate. If payment could be waived, cities and counties might be more willing to take over highways that TxDOT no longer needs.

TxDOT cannot fully comply with both state and federal law in transferring ownership of historically significant bridges that are scheduled for replacement. Federal law requires that historic bridges be offered for donation only to public or private entities that have the desire and the ability to preserve the bridges' historic features. State law allows agencies to make surplus property available to public entities at no cost only on a first-come, first-served basis. The only private entities to which a state agency can donate surplus property are "assistance organizations," the definition of which excludes the very groups that might want to acquire a historic bridge.

H.B. 2377 provides for the transfer of property under the jurisdiction of TxDOT.

### **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 Section 201.103, Transportation Code, as follows:

- (b) Requires the Texas Transportation Commission (TTC) to designate as part of the state highway system a highway that it determines is necessary for the proper development and operation of the system. Authorizes TTC to remove a segment of the state highway system that it determines is not needed for the system.
- (c) Subsection created from existing text.
- (d) Redesignated from original Subsection (b).

SECTION 2. Amends Section 202.021, Transportation Code, as follows:

- (a) Authorizes TTC to recommend to the governor the sale or transfer of any interest in real property, including a highway right-of-way that meets certain conditions.

(b) Requires the real property, except as provided by Subsection (c), to be transferred or sold with priorities to a governmental entity with the authority to condemn the property or to the general public.

(c) Deletes text relating to a highway right-of-way that is sold. Makes conforming changes.

(d) Redesignated from original Subsection (c). Requires TTC to advise the governor of the value, if the value is \$10,000 or more. Makes nonsubstantive changes.

(e) Authorizes TTC to waive payment for real property transferred to a governmental entity under this section if the estimated cost of future maintenance on the property equals or exceeds the fair value of the property.

(f) Redesignated from original Subsection (d). Requires any revenue, rather than revenue, from the sale of property under this subchapter to be deposited to the credit of the state highway fund.

(g) Redesignated from original Subsection (e).

(h) Authorizes TTC, if it determines that the value of the real property is less than \$10,000, to authorize the executive director to execute a deed conveying the state's interest in the property without a recommendation to the governor.

SECTION 3. Amends Section 202.030(a), Transportation Code, to require the attorney general to approve a transfer or conveyance that is made under this subchapter if the value of the real property transferred or conveyed is \$10,000 or more.

SECTION 4. Amends Subchapter B, Chapter 202, Transportation Code, by adding Section 202.033, as follows:

Sec. 202.033. TRANSFER OF HISTORIC BRIDGE. (a) Defines "historic bridge."

(b) Authorizes the Texas Department of Transportation to transfer ownership of a historic bridge scheduled for replacement to a governmental entity or a responsible private entity. Provides that the entity that accepts ownership of the bridge assumes all legal and financial responsibility for the bridge and requires the entity to maintain and preserve the bridge and its historic features.

(c) Provides that certain laws do not apply to a transfer under this section.

SECTION 5. Effective date: upon passage or September 1, 2003.