

SPECIAL DISTRICT LOCAL LAWS CODE  
TITLE 4. DEVELOPMENT AND IMPROVEMENT  
SUBTITLE D. PARKS AND RECREATION  
CHAPTER 4501. TEXAS STATE RAILROAD AUTHORITY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 4501.001. DEFINITIONS. In this chapter:

(1) "Authority" means the Texas State Railroad Authority.

(2) "Board" means the authority's board of directors.

(3) "Director" means a board member.

Added by Acts 2007, 80th Leg., R.S., Ch. 568 (S.B. [1659](#)), Sec. 1, eff. June 16, 2007.

Sec. 4501.002. CREATION AND NATURE OF AUTHORITY. The Texas State Railroad Authority is a special district created under Section [59](#), Article XVI, Texas Constitution, for the development of parks and recreational facilities.

Added by Acts 2007, 80th Leg., R.S., Ch. 568 (S.B. [1659](#)), Sec. 1, eff. June 16, 2007.

Sec. 4501.003. PURPOSES OF AUTHORITY. (a) The authority is created to:

(1) purchase, own, hold, lease, and otherwise acquire facilities or other property to operate and maintain the Texas State Railroad;

(2) continue and improve the operation of the Texas State Railroad as a public recreational, historical, and cultural resource;

(3) operate concessions, museums, campgrounds, and other facilities associated with the Texas State Railroad; and

(4) enhance, augment, and improve the historical, educational, and cultural benefits offered by the Texas State Railroad.

(b) The creation of the authority is necessary to promote, develop, encourage, and maintain employment, commerce,

transportation, tourism, recreation, the arts, entertainment, economic development, and public welfare in Anderson and Cherokee Counties.

Added by Acts 2007, 80th Leg., R.S., Ch. 568 (S.B. [1659](#)), Sec. 1, eff. June 16, 2007.

Sec. 4501.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The authority is created to serve a public use and benefit.

(b) All residents of this state will benefit from the works and projects provided by the authority.

(c) The creation of the authority is in the public interest and is essential to:

(1) further the public purposes of development and diversification of the economy of the state;

(2) eliminate unemployment and underemployment; and

(3) develop and expand commerce, tourism, recreation, historical awareness, education, and the arts.

(d) The authority will:

(1) promote the health, safety, and general welfare of residents, employers, employees, visitors, and consumers in Anderson and Cherokee Counties;

(2) preserve, maintain, and enhance the Texas State Railroad; and

(3) preserve, maintain, and enhance the economic health and vitality of Anderson and Cherokee Counties.

(e) The authority may not act as the agent or instrumentality of any private interest, even though the authority will incidentally benefit many private interests in addition to the paramount public interest.

Added by Acts 2007, 80th Leg., R.S., Ch. 568 (S.B. [1659](#)), Sec. 1, eff. June 16, 2007.

Sec. 4501.005. GENERAL WATER DISTRICT LAW NOT APPLICABLE. Chapter [49](#), Water Code, does not apply to the authority.

Added by Acts 2007, 80th Leg., R.S., Ch. 568 (S.B. [1659](#)), Sec. 1, eff. June 16, 2007.

## SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 4501.051. GOVERNING BODY; TERMS. (a) The authority is governed by a board of seven voting directors appointed under Section 4501.053, with three directors appointed by the City of Palestine, three directors appointed by the City of Rusk, and one director appointed by the other directors.

(b) Voting directors serve staggered three-year terms, with:

(1) as near as possible to one-third of the terms of directors appointed by each city or other political subdivision expiring September 1 of each year; and

(2) the term of the director appointed by the other directors expiring October 1 of each third year.

Added by Acts 2007, 80th Leg., R.S., Ch. 568 (S.B. 1659), Sec. 1, eff. June 16, 2007.

Sec. 4501.052. ELIGIBILITY. (a) To be qualified to serve as a director, a person must be at least 21 years of age.

(b) A voting director may not serve more than three consecutive terms.

(c) At least two of the three directors appointed by:

(1) the City of Palestine must reside in Anderson County; and

(2) the City of Rusk must reside in Cherokee County.

Added by Acts 2007, 80th Leg., R.S., Ch. 568 (S.B. 1659), Sec. 1, eff. June 16, 2007.

Sec. 4501.053. APPOINTMENT OF DIRECTORS. (a) Not later than August 31 of each year, by majority vote:

(1) the city council of the City of Palestine shall appoint as a voting director one person proposed by the mayor of Palestine; and

(2) the city council of the City of Rusk shall appoint as a voting director one person proposed by the mayor of Rusk.

(b) Not later than September 30 of every third year, by majority vote, the directors appointed under Subsection (a) shall

appoint a seventh director.

Added by Acts 2007, 80th Leg., R.S., Ch. 568 (S.B. [1659](#)), Sec. 1, eff. June 16, 2007.

Sec. 4501.054. NONVOTING DIRECTORS. (a) The following persons serve as nonvoting directors:

(1) the mayor of the City of Palestine or a member of the city council of the City of Palestine designated by the mayor; and

(2) the mayor of the City of Rusk or a member of the city council of the City of Rusk designated by the mayor.

(b) A nonvoting director is not counted in determining the board quorum.

Added by Acts 2007, 80th Leg., R.S., Ch. 568 (S.B. [1659](#)), Sec. 1, eff. June 16, 2007.

Sec. 4501.055. VACANCIES. A board vacancy is filled in the same manner as the original appointment.

Added by Acts 2007, 80th Leg., R.S., Ch. 568 (S.B. [1659](#)), Sec. 1, eff. June 16, 2007.

Sec. 4501.056. VOTING AUTHORITY OF PRESIDENT. The board president is a voting director but may vote only to break a tie. All other voting directors are entitled to one vote on any issue before the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 568 (S.B. [1659](#)), Sec. 1, eff. June 16, 2007.

Sec. 4501.057. OFFICERS. (a) Each year, the board shall elect from among the voting directors officers for the authority, including a president, a vice president, a secretary, and a treasurer.

(b) The president and the vice president may not be directors appointed by the same city.

Added by Acts 2007, 80th Leg., R.S., Ch. 568 (S.B. [1659](#)), Sec. 1, eff. June 16, 2007.

## SUBCHAPTER C. POWERS AND DUTIES

Sec. 4501.101. GENERAL POWERS. The authority has the powers necessary to accomplish any authority purpose, including the purposes specified in Section [4501.003](#).

Added by Acts 2007, 80th Leg., R.S., Ch. 568 (S.B. [1659](#)), Sec. 1, eff. June 16, 2007.

Sec. 4501.102. CONTRACT TO MANAGE OR OPERATE AUTHORITY PROPERTY. The authority may contract with any person to manage or operate all or part of authority property.

Added by Acts 2007, 80th Leg., R.S., Ch. 568 (S.B. [1659](#)), Sec. 1, eff. June 16, 2007.

Sec. 4501.1021. SALE OF ALCOHOLIC BEVERAGES ON AUTHORITY PROPERTY. The authority may contract with a person for the retail sale of alcoholic beverages and a person may sell alcoholic beverages at retail on authority property that is used as a station for passenger rail services if the person holds or obtains the appropriate permit or license authorizing the sale of the alcoholic beverages.

Added by Acts 2019, 86th Leg., R.S., Ch. 230 (H.B. [2196](#)), Sec. 4, eff. September 1, 2019.

Sec. 4501.103. COMPETITIVE BIDDING. (a) Except as provided by Subsection (b), the competitive bidding requirements for a municipality under Chapter [252](#), Local Government Code, apply to the authority.

(b) A contract with a private person under Section [4501.102](#) or [4501.104](#)(2) is exempt from the competitive bidding requirements of Chapter [252](#), Local Government Code, or any other statute if the contract:

(1) is entered into before the effective date of the Act creating this chapter;

(2) is conditioned on the passage of the Act creating this chapter; and

(3) is assigned by a party to the contract after the

effective date of the Act creating this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 568 (S.B. [1659](#)), Sec. 1, eff. June 16, 2007.

Sec. 4501.104. GENERAL PROPERTY POWERS. The authority may:

- (1) acquire, own, lease, operate, construct, maintain, repair, improve, or extend improvements, equipment, or any other property necessary to accomplish an authority purpose; or
- (2) lease or otherwise convey authority property to private parties for an authority purpose.

Added by Acts 2007, 80th Leg., R.S., Ch. 568 (S.B. [1659](#)), Sec. 1, eff. June 16, 2007.

Sec. 4501.105. CONDITIONAL TRANSFER OF PROPERTY. (a) A conveyance of authority property, including a lease, to a private operator or any other person must be conditioned on an obligation that the property must be used as provided by this section.

(b) The conveyance must provide that ownership of authority property automatically reverts to the Parks and Wildlife Department if the authority or a private operator:

- (1) does not use the property:
  - (A) to support the operations of the Texas State Railroad; or
  - (B) in a manner that primarily promotes a state public interest; or
- (2) converts the Texas State Railroad to a static display.

Added by Acts 2007, 80th Leg., R.S., Ch. 568 (S.B. [1659](#)), Sec. 1, eff. June 16, 2007.

Sec. 4501.106. SURPLUS PROPERTY. The authority, with the consent of the Parks and Wildlife Department, may dispose of surplus property, including by exchanging the surplus property with another person for other property, to improve the quality and usefulness of property used by the authority.

Added by Acts 2007, 80th Leg., R.S., Ch. 568 (S.B. [1659](#)), Sec. 1, eff. June 16, 2007.

Sec. 4501.107. DISPOSITION OF PUBLIC PARKS AND RECREATIONAL LANDS; EXEMPTION FROM APPLICABILITY OF OTHER LAW. Chapter 253, Local Government Code, and Chapter 26, Parks and Wildlife Code, do not apply to the use, transfer, or other disposition of property by any method:

- (1) to the authority by any person; or
- (2) by the authority to any person.

Added by Acts 2007, 80th Leg., R.S., Ch. 568 (S.B. 1659), Sec. 1, eff. June 16, 2007.

Sec. 4501.108. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist the authority in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation.

Added by Acts 2007, 80th Leg., R.S., Ch. 568 (S.B. 1659), Sec. 1, eff. June 16, 2007.

Sec. 4501.109. AUTHORITY TO SUE AND BE SUED; IMMUNITY. (a) The authority may sue and be sued in this state.

(b) This section does not waive any governmental immunity that would otherwise apply to the authority.

Added by Acts 2007, 80th Leg., R.S., Ch. 568 (S.B. 1659), Sec. 1, eff. June 16, 2007.

#### SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 4501.151. AD VALOREM TAXES PROHIBITED. The authority may not impose an ad valorem tax.

Added by Acts 2007, 80th Leg., R.S., Ch. 568 (S.B. 1659), Sec. 1, eff. June 16, 2007.

Sec. 4501.152. GRANTS; DONATIONS. The authority may accept

grants and donations, including property, for any authority purpose.

Added by Acts 2007, 80th Leg., R.S., Ch. 568 (S.B. 1659), Sec. 1, eff. June 16, 2007.

Sec. 4501.153. GRANTS FROM OTHER TAXING AUTHORITY; CONTRACT. (a) A taxing authority in Anderson or Cherokee County may by contract grant to the authority:

(1) sales tax revenue received from a sale made on property owned, controlled, or leased by the authority or by a person with whom the authority contracts under Section 4501.102; or

(2) local hotel occupancy tax revenue received from a hotel located within one mile of a place where the Texas State Railroad loads or unloads passengers.

(b) The grant must serve a public purpose of the taxing authority making the grant.

Added by Acts 2007, 80th Leg., R.S., Ch. 568 (S.B. 1659), Sec. 1, eff. June 16, 2007.

#### SUBCHAPTER E. DISSOLUTION

Sec. 4501.201. DISSOLUTION OF AUTHORITY; OUTSTANDING DEBT.

(a) The board may dissolve the authority regardless of whether the authority has debt.

(b) If the authority has debt when it is dissolved, the authority shall remain in existence solely for the purpose of discharging its debts. The dissolution is effective when all debts have been discharged.

Added by Acts 2007, 80th Leg., R.S., Ch. 568 (S.B. 1659), Sec. 1, eff. June 16, 2007.