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EMINENT DOMAIN - TEXAS

Miles v. Texas Central Railroad & Infrastructure, Inc.

Supreme Court of Texas - June 24, 2022 - S.W.3d - 2022 WL 2282641 - 65 Tex. Sup. Ct. J. 1599

Owner of real property along proposed high-speed rail route brought action that sought, among other things, a declaratory judgment that the corporations that wished to survey the property lacked eminent-domain authority.

The District Court entered summary judgment in favor of property owner, awarded him attorney fees, and dismissed corporations' counterclaims with prejudice. Corporations appealed. The Corpus Christi-Edinburg Court of Appeals reversed, rendered judgment, and remanded. Property owner petitioned for review.

The Supreme Court held that the corporations qualified as "interurban electric railway companies" under the Transportation Code.

Corporations conducting surveys for a high-speed rail route qualified as "interurban electric railway companies" under the Transportation Code's provision granting eminent-domain powers to corporations chartered for the purpose of constructing, acquiring, maintaining, or operating lines of electric railway between municipalities in Texas for the transportation of freight, passengers, or both, and thus corporations had eminent-domain powers under that statute; even though high-speed rail was unimaginable when the statute was enacted, rail project was an electric railway between municipalities in Texas, corporations were actually chartered for the statutorily authorized purpose of constructing, acquiring, maintaining, or operating lines of electric railway between municipalities in Texas for the transportation of freight, passengers, or both, and corporations were engaged in activities in furtherance of that purpose.

That corporation's proposed railway would connect to the interstate rail system, and thus be subject to the Surface Transportation Board's jurisdiction, did not mean that the railway could not be an "interurban railway," as relevant to determining if corporation had eminent-domain powers under the Transportation Code for being an interurban electric railway company.

Corporations conducting surveys for high-speed rail route did not have to show that there was a reasonable probability of completing the route in order for them to have eminent-domain powers under Transportation Code's provision that granted such powers to corporations chartered for the purpose of constructing, acquiring, maintaining, or operating lines of electric railway between municipalities in Texas for the transportation of freight, passengers, or both.

Statute that required companies with eminent-domain powers to submit by a certain date a letter to the comptroller containing information about such powers did not apply to corporation that qualified as an interurban electric railway company such that it had eminent-domain powers under the Transportation Code, and thus corporation's failure to send such a letter did not extinguish its eminent-domain powers; it was not until after the deadline listed in that statute that corporation amended its charter to state that corporation's purpose was to operate an interurban electric

railway company, which was a necessary component of its acquisition of eminent-domain authority under the Transportation Code provision at issue.

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