

Ammon
Boyer
Brannan
Spick
W. Williams
Fallick
Benjamin
Antoni
Lang
Hend
Johnson
Boigard
Country
Scott
Keele
Waldron
J. Hirsch

H BILL NO. *525* *Johnston*

INTRODUCED BY *Mular Brand Ossinger* *metall*

A BILL FOR AN ACT ENTITLED: "AN ACT TO BE CITED AS "THE
 STATE RAILROAD PLANNING AND ASSISTANCE ACT" TO PROVIDE THE
 BASIC STATUTORY AUTHORIZATION TO ENABLE THE STATE TO
 PARTICIPATE IN RAIL PLANNING AND PRESERVATION FUNCTIONS
 UNDER PROVISIONS OF THE FEDERAL "RAILROAD REVITALIZATION AND
 REGULATORY REFORM ACT OF 1976"; LODGING STATE RAIL PLANNING
 AND PRESERVATION FUNCTIONS IN THE DEPARTMENT OF COMMUNITY
 AFFAIRS; APPROPRIATING FEDERAL AND STATE FUNDS TO THE
 DEPARTMENT OF COMMUNITY AFFAIRS FOR RAIL PLANNING AND
 PRESERVATION FUNCTIONS; AND PROVIDING AN IMMEDIATE EFFECTIVE
 DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Short title. This act may be cited as "The
 State Railroad Planning and Assistance Act".

Section 2. Purpose. The purpose of this act is to
 provide a means to begin comprehensive integrated rail
 transportation planning in Montana and to establish a basis
 for cooperation with the "Railroad Revitalization and
 Regulatory Reform Act of 1976", Public Law 94-210.

Section 3. Definitions. As used in this act, the
 following definitions apply:

Johnston
metall
W. Beath
Hammer
San
Larkin
Illig
Ryan
Cherref
Marx
Hoy
Conroy
Ude
Klein
Collins
Konety
Shelden

(1) "Designated state agency" means the department of
 community affairs, which is designated to administer and
 coordinate the state rail plan as required by section
 5(j)(2) of the Department of Transportation Act (49 U.S.C.
 1654).

(2) "Department" means the department of community
 affairs.

(3) "Rail properties" means assets or rights owned,
 leased, or otherwise controlled by a railroad or other
 person which are used or useful in rail service.

(4) "Rail service" means both freight and passenger
 service.

Section 4. Department to conduct transportation
 planning. The department may exercise those powers necessary
 for the state to qualify and become eligible to receive rail
 service assistance pursuant to the provisions of the
 Railroad Revitalization and Regulatory Reform Act of 1976
 and shall:

(1) establish a state plan for rail services in
 Montana as part of an overall planning process for all
 transportation services in the state;

(2) administer, coordinate, update, revise, and amend
 the state plan;

(3) provide in the plan for the equitable distribution
 of federal rail service financial assistance;

1 (4) develop, promote, supervise, and support safe,
2 adequate, and efficient rail transportation services;

3 (5) employ sufficient trained and qualified personnel
4 for these purposes;

5 (6) maintain adequate programs of investigation,
6 research, promotion, and development in connection with such
7 purposes and provide for public participation therein;

8 (7) cooperate with other state agencies to take all
9 practicable steps to improve transportation safety and to
10 reduce transportation-related energy use and pollution;

11 (8) provide satisfactory assurances on behalf of the
12 state that it will adopt and maintain such fiscal control
13 and fund accounting as may be necessary to assure proper use
14 of federal funds;

15 (9) comply with the regulations of the secretary of
16 the United States department of transportation affecting
17 federal rail service assistance programs; and

18 (10) do all things otherwise necessary to maximize
19 federal assistance to the state under Title V or Title VIII
20 of the Railroad Revitalization and Regulatory Reform Act of
21 1976.

22 Section 5. Rail transportation planning advisory
23 council created -- members -- duties. (1) The director of
24 the department shall establish a rail transportation
25 planning advisory council to furnish advice, assist in

1 gathering information, and make recommendations in order to
2 assist the department in carrying out its planning functions
3 under this act.

4 (2) The following persons shall serve ex officio as
5 members of the rail transportation planning advisory council
6 for the purpose indicated:

7 (a) the chairman of the public service commission, to
8 provide railroad regulation information;

9 (b) the director of the department of revenue, to
10 provide information on the impact on taxation of
11 alternatives;

12 (c) the director of the department of community
13 affairs, to provide information on the impact of
14 alternatives on localities;

15 (d) the director of the department of agriculture, to
16 provide information on the impact of alternatives on the
17 agricultural community;

18 (e) the director of the department of highways, to
19 provide information on the impact of alternatives on the
20 highway system; and

21 (f) the budget director, to evaluate the fiscal impact
22 of alternatives.

23 (3) (a) The governor shall appoint members
24 representing the following groups to serve on the council:

25 (i) a member of the public at large;

1 (ii) a representative of rail management; and
 2 (iii) a representative of rail labor.
 3 (b) These members are entitled to pay and compensation
 4 as provided in 82A-11C.
 5 (4) The director of the department of community
 6 affairs shall serve as chairman of the council.
 7 Section 6. Financial assistance authorized. (1) The
 8 department may provide financial assistance, within the
 9 limits of the funds appropriated for this purpose, through a
 10 rail freight assistance program that is designed to cover:
 11 (a) the cost of rail service continuation payments;
 12 (b) the cost of purchasing a line of railroad or other
 13 rail properties to maintain existing or provide for future
 14 rail service;
 15 (c) the cost of rehabilitating and improving rail
 16 properties on a line of railroad to the extent necessary to
 17 permit adequate and efficient rail service on such line; and
 18 (d) the cost of reducing the costs of least rail
 19 service in a manner less expensive than continuing rail
 20 service.
 21 (2) The department may provide financial assistance,
 22 within the limits of the funds appropriated for this
 23 purpose, for the continuation of operations and maintenance
 24 of any railroad within Montana as provided for in the
 25 Railroad Revitalization and Regulatory Reform Act of 1976 or

1 other relevant federal legislation. The department may also
 2 act as the agent in cooperation with any local or regional
 3 transportation authority, local governmental units, any
 4 group of rail users, or any person, and the federal
 5 government in any rail service assistance and continuation
 6 program.

7 (3) The department may provide financial assistance in
 8 furtherance of the purposes of this act by use of the
 9 federal local rail service assistance funds available under
 10 the provisions of the Railroad Revitalization and Regulatory
 11 Reform Act of 1976.

12 Section 7. Railroads required to provide data --
 13 subpoena power -- confidentiality to be protected. The
 14 department, in performing its planning function, may request
 15 any railroad to provide such information as is necessary for
 16 the planning process. Railroads operating within Montana
 17 shall provide such information within 60 days of the date of
 18 the request. Should the railroad fail to provide such
 19 information, the department may subpoena the information.
 20 The department shall exercise all necessary caution to avoid
 21 disclosure of confidential information supplied under this
 22 section.

23 Section 8. Authorization for the department to acquire
 24 rail properties. (1) The department, as sole agent for the
 25 state, may acquire by purchase or condemnation any portion

1 of any rail properties. In addition, the department may
2 acquire any other nonrail property found by the department
3 to be necessary for the operation of a railroad.

4 (2) The authority to acquire rail properties extends
5 to rail properties both within and not within the
6 jurisdiction of the interstate commerce commission. It also
7 includes rail properties within the purview of the Railroad
8 Revitalization and Regulatory Reform Act of 1976 and any
9 other relevant federal legislation.

10 (3) The acquisition of the rail properties by the
11 department is for the purpose of the continued and future
12 operation of a railroad considered to be in the public
13 interest. The acquisition of the rail properties and other
14 nonrail property is declared to be a public purpose and to
15 be reasonably necessary. This action may be taken in
16 concert with another state or states as necessary to ensure
17 continued rail service in Montana.

18 Section 9. Continuation of services with acquired
19 properties. The department may sell, transfer, or lease rail
20 properties acquired under the provisions of this section to
21 any responsible person, firm, or corporation for continued
22 operation of a railroad or other public purpose, provided
23 that approval for the continued operation or other public
24 purpose is granted by the interstate commerce commission of
25 the United States, whenever approval is required. The sale,

1 transfer, or lease shall be for a price and subject to any
2 further terms and conditions that the department feels are
3 necessary and appropriate to effectuate the purpose of this
4 act.

5 Section 10. Department to assist in obtaining
6 interstate commerce commission certificate. After acquiring
7 any railroad lines within the state, the department shall
8 assist any responsible person, firm, or corporation to
9 secure, as promptly as possible, any order or certificate
10 required by the interstate commerce commission for the
11 performance of railroad service. The department shall also
12 give any assurances or guarantees which are necessary or
13 desirable to carry out the purposes of this act.

14 Section 11. Acquisition of rail properties by
15 condemnation authorized. If the department is unable to
16 acquire necessary rail properties by purchase, it may
17 proceed to condemn all or any portion of such rail
18 properties. In all condemnation proceedings, the legislative
19 determination set forth in this act that the acquisition is
20 for a public purpose and is reasonably necessary is prima
21 facie evidence of the purpose and necessity. The procedure
22 provided in 93-9901 through 93-9922 shall be followed to
23 acquire property under this section.

24 Section 12. Status of title of property of railroads
25 to be determined by department. The department may take

1 whatever steps may be necessary in order to determine the
 2 status of ownership of all rail properties of any railroad
 3 within the state. The determination may include the status
 4 of the rail properties with respect to easements,
 5 rights-of-way, leases, reversionary rights, fee simple title
 6 ownership, and related title matters. The department may
 7 retain attorneys, experts, or other assistants as is
 8 necessary to make the title determination.

9 Section 13. Sale of rail properties. All rail
 10 properties within the state offered for sale by any railroad
 11 after June 30, 1978, shall be offered for sale to the state
 12 in the first instance.

13 Section 14. Cooperation between states. The department
 14 may cooperate with other states in connection with the
 15 purchase of any rail properties within this state. The
 16 department may also acquire trackage rights in other states
 17 and rail properties in other states in order to carry out
 18 the intentions and purposes of this act. In carrying out the
 19 authority conferred by this section, the department may
 20 enter into general contractual arrangements, including joint
 21 purchasing and leasing of rail properties with other states.

22 Section 15. Cooperation between the department and
 23 local governmental units. In weighing the varied interests
 24 of the residents of this state, the department shall give
 25 consideration, as the situation allows, to the individual

1 interest of any county, city, or town expressing a desire to
 2 acquire a portion or all of the abandoned real estate
 3 located within its jurisdiction. The department may exercise
 4 its powers under this act to acquire the abandoned property
 5 for subsequent conveyance to the county, city, or town.

6 Section 16. Department authorized to accept and use
 7 federal funds. The department may apply for, accept, and
 8 administer federal funds, grants, gifts, or donations which
 9 are available and any sums that are appropriated in carrying
 10 out the purposes of this act. The department may also apply
 11 for discretionary or other funds available under the
 12 provisions of the Railroad Revitalization and Regulatory
 13 Reform Act of 1976 or other federal programs.

14 Section 17. Department authorized to apply for federal
 15 loans. The department may apply for rehabilitation and
 16 improvement financing pursuant to and under the provisions
 17 of Title V of the Railroad Revitalization and Regulatory
 18 Reform Act of 1976 or any other federal programs, within the
 19 limit of funds appropriated for those purposes.

20 Section 18. Delinquent railroad taxes. In addition to
 21 any other funds available to carry out the purposes of this
 22 act, there are appropriated, and the department may use, any
 23 delinquent state taxes from any railroad entity and the
 24 interest due on taxes to the date of acquisition as an
 25 offset against the purchase cost of any rail properties

1 purchased from that railroad entity.

2 Section 19. Department authorized to purchase rolling
3 stock, equipment, and machinery. The department is
4 authorized to purchase any railroad rolling stock,
5 equipment, and machinery necessary for the operation and
6 maintenance of any rail properties purchased by it on behalf
7 of the state, with any funds made available for this
8 purpose. The department may also acquire and have available
9 a pool of equipment and machinery that may be used by the
10 operators of the rail properties for the purpose of track
11 maintenance and other related railroad activities, upon
12 terms and conditions determined by the department.

13 Section 20. Rebuilding, modernization, and maintenance
14 of rail properties. The department may contract for the
15 rebuilding of any rail properties acquired pursuant to this
16 act, within the provisions of the Railroad Revitalization
17 and Regulatory Reform Act of 1976 or any other appropriate
18 legislation. The department may also spend any sums
19 appropriated, as well as any other available funds, for the
20 modernization and rebuilding of any rail properties owned by
21 the state or by a private carrier. The department may do any
22 maintenance on any rail properties owned by the state as is
23 necessary in the public interest.

24 Section 21. Authorization to contract to improve rail
25 transportation service. The department may contract with any

1 person, firm, corporation, agency, or governmental unit to
2 provide, maintain, or improve rail transportation service on
3 the rail properties acquired by the state under this act.

4 Section 22. Disposition of acquired rail properties.
5 Whenever the department determines that any rail properties
6 acquired by the state are no longer needed for railroad
7 purposes, it may permanently or temporarily transfer the
8 rail properties to any other state department, agency, or
9 political subdivision of the state, which shall use the
10 properties for a public purpose. Whenever more than one
11 department, agency, or political subdivision wishes to use
12 the property, the department shall resolve such a conflict
13 and make a prompt determination of the reasonable and proper
14 order of priority, taking into consideration any applicable
15 state plans, policies, or objectives. If no state
16 department, agency, or political subdivision wants the
17 properties, the department may sell them, with the proceeds
18 deposited to the special railroad account established by
19 [section 23]. A public hearing is required prior to the
20 transfer or sale of any rail properties by the department.

21 Section 23. Special railroad account established.
22 There is created a special railroad account in the earmarked
23 revenue fund. The proceeds from the sale or lease of any
24 rail properties, any income derived by the department as a
25 result of action taken pursuant to the provisions of this

1 act, and any special gifts, grants, or donations given to
2 carry out the purposes of this act shall be deposited in the
3 special railroad account.

4 Section 24. Appropriation of moneys from special
5 railroad account. Moneys deposited in the special railroad
6 account established under [section 23] are appropriated to
7 the department for the following purposes:

8 (1) to amortize and pay interest on outstanding bonds
9 or loans; and

10 (2) to purchase or pay for the operation and
11 maintenance of transportation properties under the
12 provisions of this act.

13 Section 25. Appropriation of federal funds for state
14 rail plan. There are appropriated to the department of
15 community affairs all federal funds and grants available to
16 the state under the Railroad Revitalization and Regulatory
17 Reform Act of 1976 or received under [section 16] for the
18 purpose of implementing the state rail plan provisions
19 established by [section 4].

20 Section 26. Appropriation from the general fund for
21 state rail plan. There is appropriated to the department of
22 community affairs from the general fund \$50,000 for fiscal
23 year 1977-1978 and \$50,000 for fiscal year 1978-1979 for the
24 purpose of implementing the state rail plan provisions
25 established by [section 4].

1 Section 27. Priority for expenditure of
2 appropriations. Funds appropriated by [sections 24 and 25]
3 may be expended by the department only for the purpose of
4 establishing a state rail plan sufficient to meet
5 requirements of the Railroad Revitalization and Regulatory
6 Reform Act of 1976 and shall be expended in accordance with
7 the following:

8 (1) Federal funds and grants received under this act
9 shall be expended first, insofar as is possible.

10 (2) Following expenditure of federal funds, state
11 general funds appropriated by [section 25] may be expended
12 for the purposes authorized.

13 Section 28. Appropriation of federal funds for local
14 rail service assistance. There are appropriated to the
15 department of community affairs all federal funds that may
16 be available under section 803 of the Railroad
17 Revitalization and Regulatory Reform Act of 1976 for the
18 purpose of providing local rail service assistance.

19 Section 29. Appropriation from the general fund for
20 local rail service assistance. There is appropriated from
21 the general fund \$600,000 to the department of community
22 affairs for the biennium ending June 30, 1979, for the
23 purpose of implementing the provisions of this act and
24 section 803 of the Railroad Revitalization and Regulatory
25 Reform Act of 1976 other than state rail planning.

1 Section 30. Authority to make rules. The department
2 may make necessary rules to implement the provisions of this
3 act.

4 Section 31. Severability. If a part of this act is
5 invalid, all valid parts that are severable from the invalid
6 part remain in effect. If a part of this act is invalid in
7 one or more of its applications, the part remains in effect
8 in all valid applications that are severable from the
9 invalid applications.

10 Section 32. Effective date. This act is effective on
11 its passage and approval.

-End-

FISCAL NOTE

Form BD-15

In compliance with a written request received February 8, 19 77, there is hereby submitted a Fiscal Note for House Bill 525 pursuant to Chapter 53, Laws of Montana, 1965 - Thirty-Ninth Legislative Assembly.

Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION OF PROPOSED LEGISLATION:

House Bill 525 establishes "The State Railroad Planning and Assistance Act" to provide statutory authority to enable Montana to participate in rail planning and preservation activities pursuant to the provisions of the federal "Railroad Revitalization and Regulatory Reform Act of 1976" (Public Law 94-210, 90 Stat. 31).

The federal Railroad and Revitalization and Regulatory Reform Act (known as the 4R Act) acknowledges that a private railroad company can no longer be expected to provide rail services for which the revenues earned are less than the actual cost of providing the transportation service. The 4R Act emphasizes that if it is in the public interest to continue light volume freight lines and rail services to isolated rural communities, then the public sector must assume financial responsibility and directly subsidize the railroad industry.

Sections 802 and 803 of the federal 4R Act significantly change the Interstate Commerce laws governing the abandonment of rail lines and the discontinuance of rail services, and also establishes a \$360 million, five-year federal and state cost sharing program for the continuation of local rail freight services which otherwise might be discontinued or abandoned by private railroad companies.

The federal-state cost sharing schedule for providing local freight financial assistance is as follows:

- 1st year - FY 77: 100% federal funds; no state or local matching funds required.
- 2nd year - FY 78: 90% federal funds; 10% state or local matching funds required.
- 3rd year - FY 79: 80% federal funds; 20% state or local.
- 4th year - FY 80: 70% federal funds; 30% state or local.
- 5th year - FY 81: 70% federal funds; 30% state or local.
- 6th year and thereafter: No federal funds available; assume 100% state or local support needed.

Rail freight assistance programs which qualify for federal funding include the following items:

- (a) subsidies to continue existing private rail operations,
- (b) state or local government purchase and operation of a railroad line to provide future rail service,
- (c) state or local government rehabilitation and improvement of rail properties on a line, and
- (d) adjustment assistance to those losing rail transportation service.

House Bill 525 designates the Department of Community Affairs (DCA) to administer and coordinate the state's rail planning and assistance functions. It also establishes a nine (9) member Rail Transportation Planning Advisory Council.

Section 4 of House Bill 525 requires DCA to establish and maintain a state plan for rail services in Montana as part of an overall planning process for all transportation services in the state.

Section 6 authorizes DCA to provide state financial assistance (a) to cover the cost of rail freight service, (b) to purchase a rail line in operation, (c) to provide financial assistance to rehabilitate or improve a railroad, or (d) to subsidize the rail user for increased transportation costs as a result of discontinued rail service.

(continued)

BUDGET DIRECTOR

Office of Budget and Program Planning

Date: _____

FISCAL NOTE

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DESCRIPTION OF PROPOSED LEGISLATION: (continued)

Section 8 authorizes DCA to acquire by purchase or condemnation unlimited railroad properties for the purpose of the continued and future operation of a rail system considered to be in the public interest.

Section 19 authorizes DCA to purchase various railroad rolling stock, equipment, and machinery as necessary for the operation and maintenance of any rail properties purchased by the state.

Sections 20 and 21 authorize DCA to contract the rebuilding and modernization of any rail properties owned by the state or by a private carrier.

Section 24 appropriates funds to DCA from the "special railroad earmarked revenue account" (1) to amortize and pay interest on outstanding bonds or loans, and (2) to purchase or pay for the operation and maintenance of properties under the provisions of this act.

Section 25 appropriates to DCA all federal funds and grants available to the state for the purpose of implementing the state rail plan.

Section 26 appropriates to DCA from the General Fund \$50,000 in FY 78 and \$50,000 in FY 79 for the purpose of implementing the state rail plan.

Section 28 appropriates to DCA all federal funds and grants that might be available for the purpose of providing rail freight assistance programs.

Section 29 appropriates to DCA from the General Fund \$600,000 for the 1979 Biennium for the purpose of providing rail freight assistance programs.

ASSUMPTIONS:

1. It is assumed that the following federal funds will be made available to Montana under Section 803 of the federal 4R Act:

	<u>FY 78</u>	<u>FY 79</u>	<u>TOTAL</u>
For rail planning	\$ 50,000	\$ 50,000	\$ 100,000
For local rail financial assistance	<u>1,200,000</u>	<u>2,400,000</u>	<u>3,600,000</u>
Total federal funds	<u>\$1,250,000</u>	<u>\$2,450,000</u>	<u>\$3,700,000</u>

2. It is assumed that if the proposed legislation is passed and approved, the State of Montana will have the lead financial responsibility in future years in railroad preservation efforts throughout the state.

It is unknown at this time the possible number of rail line abandonment proposals or rail service discontinuations that might occur as a result of future Interstate Commerce Commission actions. Currently in Montana there are six (6) railroad companies operating on approximately 6,082 miles of track. These companies are:

(continued)

BUDGET DIRECTOR

Office of Budget and Program Planning

Date: _____

FISCAL NOTE

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ASSUMPTIONS: (continued)

	<u>Miles of Line</u>
Burlington Northern	4,395
Milwaukee Road	1,310
Union Pacific	162
Butte, Anaconda & Pacific	135
Soo Line	57
White Sulphur Springs & Yellowstone Park RR	<u>23</u>
Statewide Total	<u>6,082</u>

3. To implement Section 4 of the proposed legislation, it is assumed that four (4) additional FTEs will be required (three transportation planners and one secretary).

FISCAL IMPACT:

Section 4 - State Rail Planning

	<u>FY 78</u>	<u>FY 79</u>
Proposed law		
Personal services	\$ 59,236	\$ 60,630
Operating expenses	<u>40,764</u>	<u>39,370</u>
Total expenditures under Section 4	100,000	100,000
Expenditures under current law	<u>0</u>	<u>0</u>
Increased expenditures under Section 4	<u>\$100,000¹</u>	<u>\$100,000¹</u>

Section 6 - Rail Freight Financial Assistance

Proposed law		
State General Funds	\$ 120,000	\$ 480,000
Federal funds	<u>1,200,000</u>	<u>2,400,000</u>
Total expenditures under Section 6	1,320,000	2,880,000
Expenditures under current law	<u>0</u>	<u>0</u>
Increased expenditures under Section 6	<u>\$1,320,000²</u>	<u>\$2,880,000²</u>

Section 8 - Acquisition of Railroad Properties

No dollar estimate can be made for Section 8 at this time. It is unknown the possible number of rail line abandonment proposals or rail service discontinuations that might occur in Montana. Potential financial impact could be quite significant.

Section 19 - Purchase of Rolling Stock

No dollar estimate can be made for Section 19 at this time. Potential fiscal impact could be quite significant.

¹Funds are provided in Sections 25 and 26 of the proposed bill. See following page.

²Funds are provided in Sections 28 and 29 of the proposed bill. See following page.

(continued)

BUDGET DIRECTOR

Office of Budget and Program Planning

Date: _____

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ASSUMPTIONS: (continued)

Sections 20 and 21 - Rebuilding Railroad Properties

At this time, no dollar estimate can be made for Sections 20 and 21. Potential financial impact could be significant.

Section 24 - Special Railroad Earmarked Revenue Account

No dollar estimate is available for this section.

Section 25 - Federal Funds for Implementing State Rail Plan

FY 78	\$ 50,000
FY 79	<u>50,000</u>
Total	<u>\$100,000</u>

Section 26 - General Funds for Implementing State Rail Plan

FY 78	\$ 50,000
FY 79	<u>50,000</u>
Total	<u>\$100,000</u>

Section 28 - Federal Funds for Rail Freight Assistance

FY 78	\$1,200,000
FY 79	<u>2,400,000</u>
Total	<u>\$3,600,000</u>

Section 29 - General Funds for Rail Freight Assistance

FY 78	\$120,000
FY 79	<u>480,000</u>
Total	<u>\$600,000</u>

LONG-RANGE IMPACT:

The passage and approval of House Bill 525 could have a multi-million dollar fiscal impact in the future. The federal cost share of expenses are currently for only five years. After FY 81, the State of Montana is currently expected to fund the railroad planning and preservation activities without any federal assistance.

The purchase, rebuilding, and/or modernization of old, outdated railroad beds and equipment could be very expensive. In addition, the operation of a low volume railroad operation could cost millions. Adjustment subsidies to persons losing existing rail service could also become extremely expensive. No dollar estimate can be made as to the long-range fiscal impact of the proposed legislation.

Richard L. Dring
BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2-17-77

Approved by Committee
on State Administration

HOUSE BILL NO. 525

INTRODUCED BY MULAR, BRAND, DASSINGER, FEDA,

MENAHAN, HALVORSON, BENGTSON, PISTORIA, QUILICI,

HAND, J. GUNDERSON, STAIGMILLER, COURTNEY, SOUTH,

KESSLER, WALDRON, HIRSCH, HOLMES, TROPILA, FRATES,

JOHNSTON, HANSEN, COONEY, KENNY, HARRINGTON, UHDE,

KANDUCH, R. BAETH, WILLIAMS, ESTENSON, KIMBLE, DAY,

BRADLEY, E. GUNDERSON, MELOY, SCULLY, VINCENT, LIEN,

DUSSAULT, ROBBINS, W. BAETH, HUENNEKENS, RYAN, PALMER,

COLBURN, KENNERLY, SHELDEN, GERKE, LYNCH, METCALF, TEAGUE,

GILLIGAN, O'CONNELL, MANUEL, HARPER, CONROY, DRISCOLL, COX,

A BILL FOR AN ACT ENTITLED: "AN ACT TO BE CITED AS "THE
STATE RAILROAD PLANNING AND ASSISTANCE ACT" TO PROVIDE THE
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PARTICIPATE IN RAIL PLANNING AND PRESERVATION FUNCTIONS
UNDER PROVISIONS OF THE FEDERAL "RAILROAD REVITALIZATION AND
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AFFAIRS; APPROPRIATING FEDERAL AND STATE FUNDS TO THE
DEPARTMENT OF COMMUNITY AFFAIRS FOR RAIL PLANNING AND
PRESERVATION FUNCTIONS; AND PROVIDING AN IMMEDIATE EFFECTIVE
DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

SECOND READING

Section 1. Short title. This act may be cited as "The
State Railroad Planning and Assistance Act".

Section 2. Purpose. The purpose of this act is to
provide a means to begin comprehensive integrated rail
transportation planning in Montana and to establish a basis
for cooperation with the "Railroad Revitalization and
Regulatory Reform Act of 1976", Public Law 94-210.

Section 3. Definitions. As used in this act, the
following definitions apply:

(1) "Designated state agency" means the department of
community affairs, which is designated to administer and
coordinate the state rail plan as required by section
5(j)(2) of the Department of Transportation Act (49 U.S.C.
1654).

(2) "Department" means the department of community
affairs.

(3) "Rail properties" means ~~assets or rights owned,~~
~~leased, or otherwise controlled by a railroad or other~~
~~person which are used or useful in rail service~~ RAILROAD
ROADBEDS, TRACK, TRACK STRUCTURE AND OTHER APPURTENANCES OF
RAILROAD RIGHTS-OF-WAY.

(4) "Rail service" means both freight and passenger
service.

Section 4. Department to conduct transportation
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1 for the state to qualify and become eligible to receive rail
 2 service assistance pursuant to the provisions of the
 3 Railroad Revitalization and Regulatory Reform Act of 1976
 4 and shall:

5 (1) establish a state plan for rail services in
 6 Montana as part of an overall planning process for all
 7 transportation services in the state;

8 (2) administer, coordinate, update, revise, and amend
 9 the state plan;

10 (3) provide in the plan for the equitable distribution
 11 of federal rail service financial assistance;

12 (4) develop, promote, ~~supervise,~~ and support safe,
 13 adequate, and efficient rail transportation services;

14 (5) employ sufficient trained and qualified personnel
 15 for these purposes;

16 (6) maintain adequate programs of investigation,
 17 research, promotion, and development in connection with such
 18 purposes and provide for public participation therein;

19 (7) cooperate with other state agencies to take all
 20 practicable steps to improve transportation safety and to
 21 reduce transportation-related energy use and pollution;

22 (8) provide satisfactory assurances on behalf of the
 23 state that it will adopt and maintain such fiscal control
 24 and fund accounting as may be necessary to assure proper use
 25 of federal funds;

1 (9) comply with the regulations of the secretary of
 2 the United States department of transportation affecting
 3 federal rail service assistance programs; and

4 (10) do all things otherwise necessary to maximize
 5 federal assistance to the state under Title V or Title VIII
 6 of the Railroad Revitalization and Regulatory Reform Act of
 7 1976.

8 Section 5. Rail transportation planning advisory
 9 council created -- members -- duties. (1) The director of
 10 the department shall establish a rail transportation
 11 planning advisory council to furnish advice, assist in
 12 gathering information, and make recommendations in order to
 13 assist the department in carrying out its planning functions
 14 under this act.

15 (2) The following persons shall serve ex officio as
 16 members of the rail transportation planning advisory council
 17 for the purpose indicated:

18 (a) the chairman of the public service commission, to
 19 provide railroad regulation information;

20 (b) the director of the department of revenue, to
 21 provide information on the impact on taxation of
 22 alternatives;

23 (c) the director of the department of community
 24 affairs, to provide information on the impact of
 25 alternatives on localities;

1 (d) the director of the department of agriculture, to
2 provide information on the impact of alternatives on the
3 agricultural community;

4 (e) the director of the department of highways, to
5 provide information on the impact of alternatives on the
6 highway system; and

7 (f) the budget director, to evaluate the fiscal impact
8 of alternatives.

9 (3) (a) The governor shall appoint members
10 representing the following groups to serve on the council:

11 (i) a member of the public at large;

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13 (iii) a representative of rail labor.

14 (b) These members are entitled to pay and compensation
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14 transportation authority, local governmental units, any
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17 program.

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19 furtherance of the purposes of this act by use of the
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23 Section 7. Railroads required to provide data --
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DIRECTOR OF THE DEPARTMENT OF COMMUNITY AFFAIRS MAY REQUEST ANY RAILROAD TO PROVIDE SUCH INFORMATION AS IS REASONABLY NECESSARY TO CARRY OUT THE PURPOSES OF THIS ACT. AFTER A REASONABLE TIME TO COMPLY WITH THE REQUEST, THE DIRECTOR MAY MAKE FINAL DEMAND FOR THE REQUESTED INFORMATION. IF THE INFORMATION IS NOT PROVIDED WITHIN 60 DAYS OF FINAL DEMAND THE DIRECTOR MAY ISSUE A SUBPOENA TO COMPEL PRODUCTION OF THE INFORMATION. The department shall exercise all necessary caution to avoid disclosure of confidential information supplied under this section.

~~Section 8. Authorization for the department to acquire rail properties. (1) The department, as sole agent for the state, may acquire by purchase or condemnation any portion of any rail properties. In addition, the department may acquire any other nonrail property found by the department to be necessary for the operation of a railroad.~~

~~(2) The authority to acquire rail properties extends to rail properties both within and not within the jurisdiction of the interstate commerce commission. It also includes rail properties within the purview of the Railroad~~

~~Revitalization and Regulatory Reform Act of 1976 and any other relevant federal legislation.~~

~~(3) The acquisition of the rail properties by the department is for the purpose of the continued and future operation of a railroad considered to be in the public interest. The acquisition of the rail properties and other nonrail property is declared to be a public purpose and to be reasonably necessary. This action may be taken in concert with another state or states as necessary to ensure continued rail service in Montana.~~

Section 8. Continuation of services with acquired properties. The department may sell, transfer, or lease rail properties acquired under the provisions of this section to any responsible person, firm, or corporation for continued operation of a railroad or other public purpose, provided that approval for the continued operation or other public purpose is granted by the interstate commerce commission of the United States, whenever approval is required. The sale, transfer, or lease shall be for a price and subject to any further terms and conditions that the department feels are necessary and appropriate to effectuate the purpose of this act.

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 21 within the state. The determination may include the status
 22 of the rail properties with respect to easements,
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 12 ~~FOR A PERIOD OF 6 MONTHS FROM THE DATE OF THE NOTICE THEREOF~~
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 19 ~~PROPERTIES FOR SUCH PURPOSES ARE ENTITLED TO BARGAIN~~
 20 ~~COLLECTIVELY UNDER THE TERMS OF THE RAILWAY LABOR ACT.~~

21 Section 12. Cooperation between states. The department
 22 may cooperate with other states in connection with the
 23 purchase of any rail properties within this state. The
 24 department may also acquire trackage rights in other states
 25 and rail properties in other states in order to carry out

1 the intentions and purposes of this act. In carrying out the
2 authority conferred by this section, the department may
3 enter into general contractual arrangements, including joint
4 purchasing and leasing of rail properties with other states.

5 Section 13. Cooperation between the department and
6 local governmental units. In weighing the varied interests
7 of the residents of this state, the department shall give
8 consideration, as the situation allows, to the individual
9 interest of any county, city, or town expressing a desire to
10 acquire a portion or all of the abandoned real estate
11 located within its jurisdiction. The department may exercise
12 its powers under this act to acquire the abandoned property
13 for subsequent conveyance to the county, city, or town.

14 Section 14. Department authorized to accept and use
15 federal funds. The department may apply for, accept, and
16 administer federal funds, grants, gifts, or donations which
17 are available and any sums that are appropriated in carrying
18 out the purposes of this act. The department may also apply
19 for discretionary or other funds available under the
20 provisions of the Railroad Revitalization and Regulatory
21 Reform Act of 1976 or other federal programs.

22 Section 15. Department authorized to apply for federal
23 loans. The department may apply for rehabilitation and
24 improvement financing pursuant to and under the provisions
25 of Title V of the Railroad Revitalization and Regulatory

1 Reform Act of 1976 or any other federal programs, within the
2 limit of funds appropriated for those purposes.

3 Section 16. Delinquent railroad taxes. In addition to
4 any other funds available to carry out the purposes of this
5 act, there are appropriated, and the department may use, any
6 delinquent state taxes from any railroad entity and the
7 interest due on taxes to the date of acquisition as an
8 offset against the purchase cost of any rail properties
9 purchased from that railroad entity.

10 Section 17. Department authorized to purchase rolling
11 stock, equipment, and machinery. The department is
12 authorized to purchase any railroad rolling stock,
13 equipment, and machinery necessary for the operation and
14 maintenance of any rail properties purchased by it on behalf
15 of the state, with any funds made available for this
16 purpose. The department may also acquire and have available
17 a pool of equipment and machinery that may be used by the
18 operators of the rail properties for the purpose of track
19 maintenance and other related railroad activities, upon
20 terms and conditions determined by the department.

21 Section 18. Rebuilding, modernization, and maintenance
22 of rail properties. The department may contract for the
23 rebuilding of any rail properties acquired pursuant to this
24 act, within the provisions of the Railroad Revitalization
25 and Regulatory Reform Act of 1976 or any other appropriate

1 legislation. The department may also spend any sums
2 appropriated, as well as any other available funds, for the
3 modernization and rebuilding of any rail properties owned by
4 the state or by a private carrier. The department may do any
5 maintenance on any rail properties owned by the state as is
6 necessary in the public interest.

7 Section 19. Authorization to contract to improve rail
8 transportation service. The department may contract with any
9 person, firm, corporation, agency, or governmental unit to
10 provide, maintain, or improve rail transportation service on
11 the rail properties acquired by the state under this act.

12 Section 20. Disposition of acquired rail properties.
13 Whenever the department determines that any rail properties
14 acquired by the state are no longer needed for railroad
15 purposes, it may permanently or temporarily transfer the
16 rail properties to any other state department, agency, or
17 political subdivision of the state, which shall use the
18 properties for a public purpose. Whenever more than one
19 department, agency, or political subdivision wishes to use
20 the property, the department shall resolve such a conflict
21 and make a prompt determination of the reasonable and proper
22 order of priority, taking into consideration any applicable
23 state plans, policies, or objectives. If no state
24 department, agency, or political subdivision wants the
25 properties, the department may sell them, with the proceeds

1 deposited to the special railroad account established by
2 [section 23]. A public hearing is required prior to the
3 transfer or sale of any rail properties by the department.

4 Section 21. Special railroad account established.
5 There is created a special railroad account in the earmarked
6 revenue fund. The proceeds from the sale or lease of any
7 rail properties, any income derived by the department as a
8 result of action taken pursuant to the provisions of this
9 act, and any special gifts, grants, or donations given to
10 carry out the purposes of this act shall be deposited in the
11 special railroad account.

12 Section 22. Appropriation of moneys from special
13 railroad account. Moneys deposited in the special railroad
14 account established under [section 23] are appropriated to
15 the department for the following purposes:

16 (1) to amortize and pay interest on outstanding bonds
17 or loans; and

18 (2) to purchase or pay for the operation and
19 maintenance of transportation properties under the
20 provisions of this act.

21 Section 23. Appropriation of federal funds for state
22 rail plan. There are appropriated to the department of
23 community affairs all federal funds and grants available to
24 the state under the Railroad Revitalization and Regulatory
25 Reform Act of 1976 or received under [section 16] for the

1 purpose of implementing the state rail plan provisions
2 established by [section 4].

3 Section 24. Appropriation from the general fund for
4 state rail plan. There is appropriated to the department of
5 community affairs from the general fund \$50,000 for fiscal
6 year 1977-1978 and \$50,000 for fiscal year 1978-1979 for the
7 purpose of implementing the state rail plan provisions
8 established by [section 4].

9 Section 25. Priority for expenditure of
10 appropriations. Funds appropriated by [sections 24 and 25
11 AND 26] may be expended by the department only for the
12 purpose of establishing a state rail plan sufficient to meet
13 requirements of the Railroad Revitalization and Regulatory
14 Reform Act of 1976 and shall be expended in accordance with
15 the following:

16 (1) Federal funds and grants received under this act
17 shall be expended first, insofar as is possible.

18 (2) Following expenditure of federal funds, state
19 general funds appropriated by [section 25 26] may be
20 expended for the purposes authorized.

21 Section 26. Appropriation of federal funds for local
22 rail service assistance. There are appropriated to the
23 department of community affairs all federal funds that may
24 be available under section 803 of the Railroad
25 Revitalization and Regulatory Reform Act of 1976 for the

1 purpose of providing local rail service assistance.

2 Section 27. Appropriation from the general fund for
3 local rail service assistance. There is appropriated from
4 the general fund \$600,000 to the department of community
5 affairs for the biennium ending June 30, 1979, for the
6 purpose of implementing the provisions of this act and
7 section 803 of the Railroad Revitalization and Regulatory
8 Reform Act of 1976 other than state rail planning.

9 Section 28. Authority to make rules. The department
10 may make necessary rules to implement the provisions of this
11 act.

12 Section 29. Severability. If a part of this act is
13 invalid, all valid parts that are severable from the invalid
14 part remain in effect. If a part of this act is invalid in
15 one or more of its applications, the part remains in effect
16 in all valid applications that are severable from the
17 invalid applications.

18 Section 30. Effective date. This act is effective on
19 its passage and approval.

-End-

APPROVED BY COMM. ON APPROPRIATIONS

HOUSE BILL NO. 525

INTRODUCED BY MULAR, BRAND, DASSINGER, FEDA,

MENAHAN, HALVORSON, BENGTSON, PISTORIA, QUILICI,

HAND, J. GUNDERSON, STAIGMILLER, COURTNEY, SOUTH,

KESSLER, WALDRUN, HIRSCH, HOLMES, TROPILA, FRATES,

JOHNSTON, HANSEN, COONEY, KENNY, HARRINGTON, UHDE,

KANDUCH, R. BAETH, WILLIAMS, ESTENSON, KIMBLE, DAY,

BRADLEY, E. GUNDERSON, MELOY, SCULLY, VINCENT, LIEN,

DUSSAULT, ROBBINS, W. BAETH, HUENNEKENS, RYAN, PALMER,

COLBURN, KENNERLY, SHELDEN, GERKE, LYNCH, METCALF, TEAGUE,

GILLIGAN, O'CONNELL, MANUEL, HARPER, CONROY, DRISCOLL, COX,

A BILL FOR AN ACT ENTITLED: "AN ACT TO BE CITED AS "THE STATE RAILROAD PLANNING AND ASSISTANCE ACT" TO PROVIDE THE BASIC STATUTORY AUTHORIZATION TO ENABLE THE STATE TO PARTICIPATE IN RAIL PLANNING AND PRESEKVIATION FUNCTIONS UNDER PROVISIONS OF THE FEDERAL "RAILROAD REVITALIZATION AND REGULATORY REFORM ACT OF 1976"; LODGING STATE RAIL PLANNING AND PRESERVATION FUNCTIONS IN THE DEPARTMENT OF COMMUNITY AFFAIRS; APPROPRIATING FEDERAL AND STATE FUNDS TO THE DEPARTMENT OF COMMUNITY AFFAIRS FOR RAIL PLANNING AND PRESEKVIATION FUNCTIONS; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MUNTANA:

SECOND READING
Second Printing

Section 1. Short title. This act may be cited as "The State Railroad Planning and Assistance Act".

Section 2. Purpose. The purpose of this act is to provide a means to begin comprehensive integrated rail transportation planning in Montana and to establish a basis for cooperation with the "Railroad Revitalization and Regulatory Reform Act of 1976", Public Law 94-210.

Section 3. Definitions. As used in this act, the following definitions apply:

(1) "Designated state agency" means the department of community affairs, which is designated to administer and coordinate the state rail plan as required by section 5(j)(2) of the Department of Transportation Act (49 U.S.C. 1654).

(2) "Department" means the department of community affairs.

(3) "Rail properties" means ~~assets or rights owned, leased, or otherwise controlled by a railroad or other person which are used or useful in rail service~~ RAILROAD ROADBEDS, TRACK, TRACK STRUCTURE AND OTHER APPURTENANCES OF RAILROAD RIGHTS-OF-WAY.

(4) "Rail service" means both freight and passenger service.

Section 4. Department to conduct transportation planning. The department may exercise those powers necessary

1 for the state to qualify and become eligible to receive rail
 2 service assistance pursuant to the provisions of the
 3 Railroad Revitalization and Regulatory Reform Act of 1976
 4 and shall:

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5 Section 13. Cooperation between the department and
6 local governmental units. In weighing the varied interests
7 of the residents of this state, the department shall give
8 consideration, as the situation allows, to the individual
9 interest of any county, city, or town expressing a desire to
10 acquire a portion or all of the abandoned real estate
11 located within its jurisdiction. The department may exercise
12 its powers under this act to acquire the abandoned property
13 for subsequent conveyance to the county, city, or town.

14 Section 14. Department authorized to accept and use
15 federal funds. The department may apply for, accept, and
16 administer federal funds, grants, gifts, or donations which
17 are available and any sums that are appropriated in carrying
18 out the purposes of this act. The department may also apply
19 for discretionary or other funds available under the
20 provisions of the Railroad Revitalization and Regulatory
21 Reform Act of 1976 or other federal programs.

22 Section 15. Department authorized to apply for federal
23 loans. The department may apply for rehabilitation and
24 improvement financing pursuant to and under the provisions
25 of Title V of the Railroad Revitalization and Regulatory

1 Reform Act of 1976 or any other federal programs, within the
2 limit of funds appropriated for those purposes.

3 Section 16. Delinquent railroad taxes. In addition to
4 any other funds available to carry out the purposes of this
5 act, there are appropriated, and the department may use, any
6 delinquent state taxes from any railroad entity and the
7 interest due on taxes to the date of acquisition as an
8 offset against the purchase cost of any rail properties
9 purchased from that railroad entity.

10 Section 17. Department authorized to purchase rolling
11 stock, equipment, and machinery. The department is
12 authorized to purchase any railroad rolling stock,
13 equipment, and machinery necessary for the operation and
14 maintenance of any rail properties purchased by it on behalf
15 of the state, with any funds made available for this
16 purpose. The department may also acquire and have available
17 a pool of equipment and machinery that may be used by the
18 operators of the rail properties for the purpose of track
19 maintenance and other related railroad activities, upon
20 terms and conditions determined by the department.

21 Section 18. Rebuilding, modernization, and maintenance
22 of rail properties. The department may contract for the
23 rebuilding of any rail properties acquired pursuant to this
24 act, within the provisions of the Railroad Revitalization
25 and Regulatory Reform Act of 1976 or any other appropriate

1 legislation. The department may also spend any sums
2 appropriated, as well as any other available funds, for the
3 modernization and rebuilding of any rail properties owned by
4 the state or by a private carrier. The department may do any
5 maintenance on any rail properties owned by the state as is
6 necessary in the public interest.

7 Section 19. Authorization to contract to improve rail
8 transportation service. The department may contract with any
9 person, firm, corporation, agency, or governmental unit to
10 provide, maintain, or improve rail transportation service on
11 the rail properties acquired by the state under this act.

12 Section 20. Disposition of acquired rail properties.
13 Whenever the department determines that any rail properties
14 acquired by the state are no longer needed for railroad
15 purposes, it may permanently or temporarily transfer the
16 rail properties to any other state department, agency, or
17 political subdivision of the state, which shall use the
18 properties for a public purpose. Whenever more than one
19 department, agency, or political subdivision wishes to use
20 the property, the department shall resolve such a conflict
21 and make a prompt determination of the reasonable and proper
22 order of priority, taking into consideration any applicable
23 state plans, policies, or objectives. If no state
24 department, agency, or political subdivision wants the
25 properties, the department may sell them, with the proceeds

1 deposited to the special railroad account established by
2 [section 23]. A public hearing is required prior to the
3 transfer or sale of any rail properties by the department.

4 Section 21. Special railroad account established.
5 There is created a special railroad account in the earmarked
6 revenue fund. The proceeds from the sale or lease of any
7 rail properties, any income derived by the department as a
8 result of action taken pursuant to the provisions of this
9 act, and any special gifts, grants, or donations given to
10 carry out the purposes of this act shall be deposited in the
11 special railroad account.

12 Section 22. Appropriation of moneys from special
13 railroad account. Moneys deposited in the special railroad
14 account established under [section 23] are appropriated to
15 the department for the following purposes:

16 (1) to amortize and pay interest on outstanding bonds
17 or loans; and

18 (2) to purchase or pay for the operation and
19 maintenance of transportation properties under the
20 provisions of this act.

21 Section 23. Appropriation of federal funds for state
22 rail plan. There are appropriated to the department of
23 community affairs all federal funds and grants available to
24 the state under the Railroad Revitalization and Regulatory
25 Reform Act of 1976 or received under [section 16] for the

1 purpose of implementing the state rail plan provisions
2 established by [section 4].

3 Section 24. Appropriation from the general fund for
4 state rail plan. There is appropriated to the department of
5 community affairs from the general fund \$50,000 for fiscal
6 year 1977-1978 and \$50,000 for fiscal year 1978-1979 for the
7 purpose of implementing the state rail plan provisions
8 established by [section 4].

9 Section 25. Priority for expenditure of
10 appropriations. Funds appropriated by [sections ~~24~~ and 25
11 ~~AND 26~~] may be expended by the department only for the
12 purpose of establishing a state rail plan sufficient to meet
13 requirements of the Railroad Revitalization and Regulatory
14 Reform Act of 1976 and shall be expended in accordance with
15 the following:

16 (1) Federal funds and grants received under this act
17 shall be expended first, insofar as is possible.

18 (2) Following expenditure of federal funds, state
19 general funds appropriated by [section 25 ~~26~~] may be
20 expended for the purposes authorized.

21 Section 26. Appropriation of federal funds for local
22 rail service assistance. There are appropriated to the
23 department of community affairs all federal funds that may
24 be available under section 803 of the Railroad
25 Revitalization and Regulatory Reform Act of 1976 for the

1 purpose of providing local rail service assistance.

2 Section 27. Appropriation from the general fund for
3 local rail service assistance. There is appropriated from
4 the general fund ~~\$600,000~~ \$300,000 to the department of
5 community affairs for the biennium ending June 30, 1979, for
6 the purpose of implementing the provisions of this act and
7 section 803 of the Railroad Revitalization and Regulatory
8 Reform Act of 1976 other than state rail planning.

9 Section 28. Authority to make rules. The department
10 may make necessary rules to implement the provisions of this
11 act.

12 Section 29. Severability. If a part of this act is
13 invalid, all valid parts that are severable from the invalid
14 part remain in effect. If a part of this act is invalid in
15 one or more of its applications, the part remains in effect
16 in all valid applications that are severable from the
17 invalid applications.

18 Section 30. Effective date. This act is effective on
19 its passage and approval.

-End-

1 HOUSE BILL NO. 525

2 INTRODUCED BY MULAR, BRAND, DASSINGER, FEDA,

3 MENAHAN, HALVORSON, BENGTSON, PISTORIA, QUILICI,

4 HAND, J. GUNDERSON, STAIGMILLER, COURTNEY, SOUTH,

5 KESSLER, WALDRON, HIRSCH, HOLMES, TROPILA, FRATES,

6 JOHNSTON, HANSEN, CODNEY, KENNY, HARRINGTON, UHDE,

7 KANDUCH, R. BAETH, WILLIAMS, ESTENSON, KIMBLE, DAY,

8 BRADLEY, E. GUNDERSON, MELOY, SCULLY, VINCENT, LIEN,

9 DOUSSAULT, ROBBINS, W. BAETH, HUENNEKENS, RYAN, PALMER,

10 COLBURN, KENNERLY, SHELDEN, GERKE, LYNCH, METCALF, TEAGUE,

11 GILLIGAN, O'CONNELL, MANUEL, HARPER, CONROY, DRISCOLL, COX,

12

13 A BILL FOR AN ACT ENTITLED: "AN ACT TO BE CITED AS "THE

14 STATE RAILROAD PLANNING AND ASSISTANCE ACT" TO PROVIDE THE

15 BASIC STATUTORY AUTHORIZATION TO ENABLE THE STATE TO

16 PARTICIPATE IN RAIL PLANNING AND PRESERVATION FUNCTIONS

17 UNDER PROVISIONS OF THE FEDERAL "RAILROAD REVITALIZATION AND

18 REGULATORY REFORM ACT OF 1976"; LODGING STATE RAIL PLANNING

19 AND PRESERVATION FUNCTIONS IN THE DEPARTMENT OF COMMUNITY

20 AFFAIRS; APPROPRIATING FEDERAL AND STATE FUNDS TO THE

21 DEPARTMENT OF COMMUNITY AFFAIRS FOR RAIL PLANNING AND

22 PRESERVATION FUNCTIONS; AND PROVIDING AN IMMEDIATE EFFECTIVE

23 DATE."

24

25 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

There are no changes in HB 525, and due to length will not
be rerun. Please refer to yellow copy for complete text.

THIRD READING

1 Section 1. Short title. This act may be cited as "The
2 State Railroad Planning and Assistance Act".

3 Section 2. Purpose. The purpose of this act is to
4 provide a means to begin comprehensive integrated rail
5 transportation planning in Montana and to establish a basis
6 for cooperation with the "Railroad Revitalization and
7 Regulatory Reform Act of 1976", Public Law 94-210.

8 Section 3. Definitions. As used in this act, the
9 following definitions apply:

10 (1) "Designated state agency" means the department of
11 community affairs, which is designated to administer and
12 coordinate the state rail plan as required by section
13 5(j)(2) of the Department of Transportation Act (49 U.S.C.
14 1654).

15 (2) "Department" means the department of community
16 affairs.

17 (3) "Rail properties" means ~~assets or rights owned by~~
18 ~~leased or otherwise controlled by a railroad or other~~
19 ~~person which are used or useful in rail service~~ RAILROAD
20 ROADBEDS, TRACK, TRACK STRUCTURE AND OTHER APPURTENANCES OF
21 RAILROAD RIGHTS-OF-WAY.

22 (4) "Rail service" means both freight and passenger
23 service.

24 Section 4. Department to conduct transportation
25 planning. The department may exercise those powers necessary

1 for the state to qualify and become eligible to receive rail
 2 service assistance pursuant to the provisions of the
 3 Railroad Revitalization and Regulatory Reform Act of 1976
 4 and shall:

5 (1) establish a state plan for rail services in
 6 Montana as part of an overall planning process for all
 7 transportation services in the state;

8 (2) administer, coordinate, update, revise, and amend
 9 the state plan;

10 (3) provide in the plan for the equitable distribution
 11 of federal rail service financial assistance;

12 (4) develop, promote, ~~supervise~~ and support safe,
 13 adequate, and efficient rail transportation services;

14 (5) employ sufficient trained and qualified personnel
 15 for these purposes;

16 (6) maintain adequate programs of investigation,
 17 research, promotion, and development in connection with such
 18 purposes and provide for public participation therein;

19 (7) cooperate with other state agencies to take all
 20 practicable steps to improve transportation safety and to
 21 reduce transportation-related energy use and pollution;

22 (8) provide satisfactory assurances on behalf of the
 23 state that it will adopt and maintain such fiscal control
 24 and fund accounting as may be necessary to assure proper use
 25 of federal funds;

1 (9) comply with the regulations of the secretary of
 2 the United States department of transportation affecting
 3 federal rail service assistance programs; and

4 (10) do all things otherwise necessary to maximize
 5 federal assistance to the state under Title V or Title VIII
 6 of the Railroad Revitalization and Regulatory Reform Act of
 7 1976.

8 Section 5. Rail transportation planning advisory
 9 council created -- members -- duties. (1) The director of
 10 the department shall establish a rail transportation
 11 planning advisory council to furnish advice, assist in
 12 gathering information, and make recommendations in order to
 13 assist the department in carrying out its planning functions
 14 under this act.

15 (2) The following persons shall serve ex officio as
 16 members of the rail transportation planning advisory council
 17 for the purpose indicated:

18 (a) the chairman of the public service commission, to
 19 provide railroad regulation information;

20 (b) the director of the department of revenue, to
 21 provide information on the impact on taxation of
 22 alternatives;

23 (c) the director of the department of community
 24 affairs, to provide information on the impact of
 25 alternatives on localities;

HOUSE BILL NO. 525

INTRODUCED BY MULAR, BRAND, DASSINGER, FEDA,

MENAHAN, HALVORSON, BENGTSON, PISTORIA, QUILICI,

HAND, J. GUNDERSON, STAIGMILLER, COURTNEY, SOUTH,

KESSLER, WALDRON, HIRSCH, HOLMES, TROPILA, FRATES,

JOHNSTON, HANSEN, COONEY, KENNY, HARRINGTON, UHDE,

KANDUCH, R. BAETH, WILLIAMS, ESTENSON, KIMBLE, DAY,

BRADLEY, E. GUNDERSON, MELOY, SCULLY, VINCENT, LIEN,

DUSSAULT, ROBBINS, W. BAETH, HUENNEKENS, RYAN, PALMER,

COLBURN, KENNERLY, SHELDEN, GERKE, LYNCH, METCALF, TEAGUE,

GILLIGAN, O'CONNELL, MANUEL, HARPER, CONROY, DRISCOLL, COX,

A BILL FOR AN ACT ENTITLED: "AN ACT TO BE CITED AS "THE STATE RAILROAD PLANNING AND ASSISTANCE ACT" TO PROVIDE THE BASIC STATUTORY AUTHORIZATION TO ENABLE THE STATE TO PARTICIPATE IN RAIL PLANNING AND PRESERVATION FUNCTIONS UNDER PROVISIONS OF THE FEDERAL "RAILROAD REVITALIZATION AND REGULATORY REFORM ACT OF 1976"; LODGING STATE RAIL PLANNING AND PRESERVATION FUNCTIONS IN THE DEPARTMENT OF COMMUNITY AFFAIRS; APPROPRIATING FEDERAL AND STATE FUNDS TO THE DEPARTMENT OF COMMUNITY AFFAIRS FOR RAIL PLANNING AND PRESERVATION FUNCTIONS; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Short title. This act may be cited as "The State Railroad Planning and Assistance Act".

Section 2. Purpose. The purpose of this act is to provide a means to begin comprehensive integrated rail transportation planning in Montana and to establish a basis for cooperation with the "Railroad Revitalization and Regulatory Reform Act of 1976", Public Law 94-210.

Section 3. Definitions. As used in this act, the following definitions apply:

(1) "Designated state agency" means the department of community affairs, which is designated to administer and coordinate the state rail plan as required by section 5(j)(2) of the Department of Transportation Act (49 U.S.C. 1654).

(2) "Department" means the department of community affairs.

(3) "Rail properties" means ~~assets or rights owned, leased, or otherwise controlled by a railroad or other person which are used or useful in rail service~~ RAILROAD ROADBEDS, TRACK, TRACK STRUCTURE AND OTHER APPURTENANCES OF RAILROAD RIGHTS-OF-WAY.

(4) "Rail service" means both freight and passenger service.

Section 4. Department to conduct transportation planning. The department may exercise those powers necessary

THIRD READING
Second Printing

1 for the state to qualify and become eligible to receive rail
2 service assistance pursuant to the provisions of the
3 Railroad Revitalization and Regulatory Reform Act of 1976
4 and shall:

5 (1) establish a state plan for rail services in
6 Montana as part of an overall planning process for all
7 transportation services in the state;

8 (2) administer, coordinate, update, revise, and amend
9 the state plan;

10 (3) provide in the plan for the equitable distribution
11 of federal rail service financial assistance;

12 (4) develop, promote, supervise, and support safe,
13 adequate, and efficient rail transportation services;

14 (5) employ sufficient trained and qualified personnel
15 for these purposes;

16 (6) maintain adequate programs of investigation,
17 research, promotion, and development in connection with such
18 purposes and provide for public participation therein;

19 (7) cooperate with other state agencies to take all
20 practicable steps to improve transportation safety and to
21 reduce transportation-related energy use and pollution;

22 (8) provide satisfactory assurances on behalf of the
23 state that it will adopt and maintain such fiscal control
24 and fund accounting as may be necessary to assure proper use
25 of federal funds;

1 (9) comply with the regulations of the secretary of
2 the United States department of transportation affecting
3 federal rail service assistance programs; and

4 (10) do all things otherwise necessary to maximize
5 federal assistance to the state under Title V or Title VIII
6 of the Railroad Revitalization and Regulatory Reform Act of
7 1976.

8 Section 5. Rail transportation planning advisory
9 council created -- members -- duties. (1) The director of
10 the department shall establish a rail transportation
11 planning advisory council to furnish advice, assist in
12 gathering information, and make recommendations in order to
13 assist the department in carrying out its planning functions
14 under this act.

15 (2) The following persons shall serve ex officio as
16 members of the rail transportation planning advisory council
17 for the purpose indicated:

18 (a) the chairman of the public service commission, to
19 provide railroad regulation information;

20 (b) the director of the department of revenue, to
21 provide information on the impact on taxation of
22 alternatives;

23 (c) the director of the department of community
24 affairs, to provide information on the impact of
25 alternatives on localities;

1 (d) the director of the department of agriculture, to
 2 provide information on the impact of alternatives on the
 3 agricultural community;

4 (e) the director of the department of highways, to
 5 provide information on the impact of alternatives on the
 6 highway system; and

7 (f) the budget director, to evaluate the fiscal impact
 8 of alternatives.

9 (3) (a) The governor shall appoint members
 10 representing the following groups to serve on the council:

- 11 (i) a member of the public at large;
- 12 (ii) a representative of rail management; and
- 13 (iii) a representative of rail labor.

14 (b) These members are entitled to pay and compensation
 15 as provided in 82A-110.

16 (4) The director of the department of community
 17 affairs shall serve as chairman of the council.

18 Section 6. Financial assistance authorized. (1) The
 19 department may provide financial assistance, within the
 20 limits of the funds appropriated for this purpose, through a
 21 rail freight assistance program that is designed to cover:

- 22 (a) the cost of rail service continuation payments;
- 23 (b) the cost of purchasing a line of railroad or other
 24 rail properties to maintain existing or provide for future
 25 rail service;

1 (c) the cost of rehabilitating and improving rail
 2 properties on a line of railroad to the extent necessary to
 3 permit adequate and efficient rail service on such line; and

4 (d) the cost of reducing the costs of lost rail
 5 service in a manner less expensive than continuing rail
 6 service.

7 (2) The department may provide financial assistance,
 8 within the limits of the funds appropriated for this
 9 purpose, for the continuation of operations and maintenance
 10 of any railroad within Montana as provided for in the
 11 Railroad Revitalization and Regulatory Reform Act of 1976 or
 12 other relevant federal legislation. The department may also
 13 act as the agent in cooperation with any local or regional
 14 transportation authority, local governmental units, any
 15 group of rail users, or any person, and the federal
 16 government in any rail service assistance and continuation
 17 program.

18 (3) The department may provide financial assistance in
 19 furtherance of the purposes of this act by use of the
 20 federal local rail service assistance funds available under
 21 the provisions of the Railroad Revitalization and Regulatory
 22 Reform Act of 1976.

23 Section 7. Railroads required to provide data --
 24 subpoena power -- confidentiality to be protected. The
 25 ~~department in performing its planning functions may request~~

1 ~~any railroad to provide such information as is necessary for~~
 2 ~~the planning process. Railroads operating within Montana~~
 3 ~~shall provide such information within 60 days of the date of~~
 4 ~~the request. Should the railroad fail to provide such~~
 5 ~~information, the department may subpoena the information.~~
 6 DIRECTOR OF THE DEPARTMENT OF COMMUNITY AFFAIRS MAY REQUEST
 7 ANY RAILROAD TO PROVIDE SUCH INFORMATION AS IS REASONABLY
 8 NECESSARY TO CARRY OUT THE PURPOSES OF THIS ACT. AFTER A
 9 REASONABLE TIME TO COMPLY WITH THE REQUEST, THE DIRECTOR MAY
 10 MAKE FINAL DEMAND FOR THE REQUESTED INFORMATION. IF THE
 11 INFORMATION IS NOT PROVIDED WITHIN 60 DAYS OF FINAL DEMAND
 12 THE DIRECTOR MAY ISSUE A SUBPOENA TO COMPEL PRODUCTION OF
 13 THE INFORMATION. The department shall exercise all necessary
 14 caution to avoid disclosure of confidential information
 15 supplied under this section.

16 ~~Section 8. Authorization for the department to acquire~~
 17 ~~rail properties. (1) The department, as sole agent for the~~
 18 ~~state, may acquire by purchase or condemnation any portion~~
 19 ~~of any rail properties. In addition, the department may~~
 20 ~~acquire any other nonrail property found by the department~~
 21 ~~to be necessary for the operation of a railroad.~~

22 ~~(2) The authority to acquire rail properties extends~~
 23 ~~to rail properties both within and not within the~~
 24 ~~jurisdiction of the interstate commerce commission. It also~~
 25 ~~includes rail properties within the purview of the Railroad~~

1 ~~Revitalization and Regulatory Reform Act of 1976 and any~~
 2 ~~other relevant federal legislation.~~

3 ~~(3) The acquisition of the rail properties by the~~
 4 ~~department is for the purpose of the continued and future~~
 5 ~~operation of a railroad considered to be in the public~~
 6 ~~interest. The acquisition of the rail properties and other~~
 7 ~~nonrail property is declared to be a public purpose and to~~
 8 ~~be reasonably necessary. This action may be taken in~~
 9 ~~concert with another state or states as necessary to ensure~~
 10 ~~continued rail service in Montana.~~

11 Section 8. Continuation of services with acquired
 12 properties. The department may sell, transfer, or lease rail
 13 properties acquired under the provisions of this section to
 14 any responsible person, firm, or corporation for continued
 15 operation of a railroad or other public purpose, provided
 16 that approval for the continued operation or other public
 17 purpose is granted by the interstate commerce commission of
 18 the United States, whenever approval is required. The sale,
 19 transfer, or lease shall be for a price and subject to any
 20 further terms and conditions that the department feels are
 21 necessary and appropriate to effectuate the purpose of this
 22 act.

23 Section 9. Department to assist in obtaining
 24 interstate commerce commission certificate. After acquiring
 25 any railroad lines within the state, the department shall

1 assist any responsible person, firm, or corporation to
 2 secure, as promptly as possible, any order or certificate
 3 required by the interstate commerce commission for the
 4 performance of railroad service. The department shall also
 5 give any assurances or guarantees which are necessary or
 6 desirable to carry out the purposes of this act.

7 ~~Section 11. Acquisition of rail properties by~~
 8 ~~condemnation authorized if the department is unable to~~
 9 ~~acquire necessary rail properties by purchase, it may~~
 10 ~~proceed to condemn all or any portion of such rail~~
 11 ~~properties, in all condemnation proceedings, the legislative~~
 12 ~~determination set forth in this act that the acquisition is~~
 13 ~~for a public purpose and is reasonably necessary is prima~~
 14 ~~facie evidence of the purpose and necessity. The procedure~~
 15 ~~provided in 93-9901 through 93-9922 shall be followed to~~
 16 ~~acquire property under this section.~~

17 Section 10. Status of title of property of railroads
 18 to be determined by department. The department may take
 19 whatever steps may be necessary in order to determine the
 20 status of ownership of all rail properties of any railroad
 21 within the state. The determination may include the status
 22 of the rail properties with respect to easements,
 23 rights-of-way, leases, reversionary rights, fee simple title
 24 ownership, and related title matters. The department may
 25 retain attorneys, experts, or other assistants as is

1 necessary to make the title determination.

2 ~~Section 11. Sale of rail properties. All rail~~
 3 ~~properties within the state offered for sale by any railroad~~
 4 ~~after June 30, 1978, shall be offered for sale to the state~~
 5 ~~in the first instance. ACQUISITION OF RAIL PROPERTIES, IN~~
 6 ~~ANY CASE IN WHICH RAIL PROPERTIES SOUGHT TO BE ABANDONED OR~~
 7 ~~OTHERWISE DISPOSED OF, ARE DETERMINED BY THE DIRECTOR OF THE~~
 8 ~~DEPARTMENT OF COMMUNITY AFFAIRS TO BE SUITABLE FOR OTHER~~
 9 ~~PUBLIC PURPOSES, INCLUDING ROADS OR HIGHWAYS, CONSERVATION,~~
 10 ~~RECREATION OR OTHER FORMS OF MASS TRANSPORTATION, SUCH RAIL~~
 11 ~~PROPERTIES SHALL NOT BE ABANDONED OR OTHERWISE DISPOSED OF~~
 12 ~~FOR A PERIOD OF 6 MONTHS FROM THE DATE OF THE NOTICE THEREOF~~
 13 ~~FILED WITH THE DEPARTMENT OF PUBLIC SERVICE REGULATION,~~
 14 ~~UNLESS SUCH RAIL PROPERTIES HAVE FIRST BEEN OFFERED TO THE~~
 15 ~~DEPARTMENT OF COMMUNITY AFFAIRS UPON REASONABLE TERMS, FOR~~
 16 ~~ACQUISITION FOR PUBLIC PURPOSES. WHENEVER SUCH PROPERTIES~~
 17 ~~ARE ACQUIRED AND USED BY THE STATE FOR RAIL TRANSPORTATION~~
 18 ~~PURPOSES, EMPLOYEES OF THE STATE EMPLOYED TO OPERATE THE~~
 19 ~~PROPERTIES FOR SUCH PURPOSES ARE ENTITLED TO BARGAIN~~
 20 ~~COLLECTIVELY UNDER THE TERMS OF THE RAILWAY LABOR ACT.~~

21 Section 12. Cooperation between states. The department
 22 may cooperate with other states in connection with the
 23 purchase of any rail properties within this state. The
 24 department may also acquire trackage rights in other states
 25 and rail properties in other states in order to carry out

1 the intentions and purposes of this act. In carrying out the
2 authority conferred by this section, the department may
3 enter into general contractual arrangements, including joint
4 purchasing and leasing of rail properties with other states.

5 Section 13. Cooperation between the department and
6 local governmental units. In weighing the varied interests
7 of the residents of this state, the department shall give
8 consideration, as the situation allows, to the individual
9 interest of any county, city, or town expressing a desire to
10 acquire a portion or all of the abandoned real estate
11 located within its jurisdiction. The department may exercise
12 its powers under this act to acquire the abandoned property
13 for subsequent conveyance to the county, city, or town.

14 Section 14. Department authorized to accept and use
15 federal funds. The department may apply for, accept, and
16 administer federal funds, grants, gifts, or donations which
17 are available and any sums that are appropriated in carrying
18 out the purposes of this act. The department may also apply
19 for discretionary or other funds available under the
20 provisions of the Railroad Revitalization and Regulatory
21 Reform Act of 1976 or other federal programs.

22 Section 15. Department authorized to apply for federal
23 loans. The department may apply for rehabilitation and
24 improvement financing pursuant to and under the provisions
25 of Title V of the Railroad Revitalization and Regulatory

1 Reform Act of 1976 or any other federal programs, within the
2 limit of funds appropriated for those purposes.

3 Section 16. Delinquent railroad taxes. In addition to
4 any other funds available to carry out the purposes of this
5 act, there are appropriated, and the department may use, any
6 delinquent state taxes from any railroad entity and the
7 interest due on taxes to the date of acquisition as an
8 offset against the purchase cost of any rail properties
9 purchased from that railroad entity.

10 Section 17. Department authorized to purchase rolling
11 stock, equipment, and machinery. The department is
12 authorized to purchase any railroad rolling stock,
13 equipment, and machinery necessary for the operation and
14 maintenance of any rail properties purchased by it on behalf
15 of the state, with any funds made available for this
16 purpose. The department may also acquire and have available
17 a pool of equipment and machinery that may be used by the
18 operators of the rail properties for the purpose of track
19 maintenance and other related railroad activities, upon
20 terms and conditions determined by the department.

21 Section 18. Rebuilding, modernization, and maintenance
22 of rail properties. The department may contract for the
23 rebuilding of any rail properties acquired pursuant to this
24 act, within the provisions of the Railroad Revitalization
25 and Regulatory Reform Act of 1976 or any other appropriate

1 legislation. The department may also spend any sums
2 appropriated, as well as any other available funds, for the
3 modernization and rebuilding of any rail properties owned by
4 the state or by a private carrier. The department may do any
5 maintenance on any rail properties owned by the state as is
6 necessary in the public interest.

7 Section 19. Authorization to contract to improve rail
8 transportation service. The department may contract with any
9 person, firm, corporation, agency, or governmental unit to
10 provide, maintain, or improve rail transportation service on
11 the rail properties acquired by the state under this act.

12 Section 20. Disposition of acquired rail properties.
13 Whenever the department determines that any rail properties
14 acquired by the state are no longer needed for railroad
15 purposes, it may permanently or temporarily transfer the
16 rail properties to any other state department, agency, or
17 political subdivision of the state, which shall use the
18 properties for a public purpose. Whenever more than one
19 department, agency, or political subdivision wishes to use
20 the property, the department shall resolve such a conflict
21 and make a prompt determination of the reasonable and proper
22 order of priority, taking into consideration any applicable
23 state plans, policies, or objectives. If no state
24 department, agency, or political subdivision wants the
25 properties, the department may sell them, with the proceeds

1 deposited to the special railroad account established by
2 [section 23]. A public hearing is required prior to the
3 transfer or sale of any rail properties by the department.

4 Section 21. Special railroad account established.
5 There is created a special railroad account in the earmarked
6 revenue fund. The proceeds from the sale or lease of any
7 rail properties, any income derived by the department as a
8 result of action taken pursuant to the provisions of this
9 act, and any special gifts, grants, or donations given to
10 carry out the purposes of this act shall be deposited in the
11 special railroad account.

12 Section 22. Appropriation of moneys from special
13 railroad account. Moneys deposited in the special railroad
14 account established under [section 23] are appropriated to
15 the department for the following purposes:

16 (1) to amortize and pay interest on outstanding bonds
17 or loans; and

18 (2) to purchase or pay for the operation and
19 maintenance of transportation properties under the
20 provisions of this act.

21 Section 23. Appropriation of federal funds for state
22 rail plan. There are appropriated to the department of
23 community affairs all federal funds and grants available to
24 the state under the Railroad Revitalization and Regulatory
25 Reform Act of 1976 or received under [section 16] for the

1 purpose of implementing the state rail plan provisions
2 established by [section 4].

3 Section 24. Appropriation from the general fund for
4 state rail plan. There is appropriated to the department of
5 community affairs from the general fund \$50,000 for fiscal
6 year 1977-1978 and \$50,000 for fiscal year 1978-1979 for the
7 purpose of implementing the state rail plan provisions
8 established by [section 4].

9 Section 25. Priority for expenditure of
10 appropriations. Funds appropriated by [sections 24--and 25
11 AND 26] may be expended by the department only for the
12 purpose of establishing a state rail plan sufficient to meet
13 requirements of the Railroad Revitalization and Regulatory
14 Reform Act of 1976 and shall be expended in accordance with
15 the following:

16 (1) Federal funds and grants received under this act
17 shall be expended first, insofar as is possible.

18 (2) Following expenditure of federal funds, state
19 general funds appropriated by [section 25 26] may be
20 expended for the purposes authorized.

21 Section 26. Appropriation of federal funds for local
22 rail service assistance. There are appropriated to the
23 department of community affairs all federal funds that may
24 be available under section 803 of the Railroad
25 Revitalization and Regulatory Reform Act of 1976 for the

1 purpose of providing local rail service assistance.

2 Section 27. Appropriation from the general fund for
3 local rail service assistance. There is appropriated from
4 the general fund ~~\$600,000~~ \$300,000 to the department of
5 community affairs for the biennium ending June 30, 1979, for
6 the purpose of implementing the provisions of this act and
7 section 803 of the Railroad Revitalization and Regulatory
8 Reform Act of 1976 other than state rail planning.

9 Section 28. Authority to make rules. The department
10 may make necessary rules to implement the provisions of this
11 act.

12 Section 29. Severability. If a part of this act is
13 invalid, all valid parts that are severable from the invalid
14 part remain in effect. If a part of this act is invalid in
15 one or more of its applications, the part remains in effect
16 in all valid applications that are severable from the
17 invalid applications.

18 Section 30. Effective date. This act is effective on
19 its passage and approval.

-End-

April 15, 1977

STANDING COMMITTEE REPORT
Senate Committee on Finance and Claims

That House Bill No. 525 be amended as follows:

1. Amend page 12, section 17, lines 10 through 20.

Following: line 9

Strike: section 17 in its entirety

2. Amend page 16, section 27, line 4.

Following: "\$600,000"

Strike: "\$300,000"

Insert: "\$200,000"

3. Amend page 16, section 27, line 8.

Following: "planning."

Insert: "These funds shall only be expended if federal matching funds are received."