

HOUSE BILL NO. 383

1/23 Introduced  
1/23 Referred to Highways & Transportation  
1/24 Fiscal Note Requested  
1/31 Fiscal Note Received  
2/16 Hearing  
2/22 Committee Report-Bill Pass As amended  
2/23 2nd Reading Pass  
2/26 3rd Reading Pass

Transmitted to Senate

3/04 Referred to Highways & Transportation  
3/26 Hearing  
3/29 Adverse Committee Report  
3/29 Bill Killed

HOUSE BILL NO. 383

INTRODUCED BY *NATHAN HARRIS* ~~W. Mandhan~~ ~~Ducan~~ ~~Switzer~~  
*Raney* ~~Harbin~~ ~~Jensen~~ *E. Smith* ~~Ellison~~ ~~Boeck~~  
*Reppel*  
 A BILL FOR AN ACT ENTITLED "AN ACT ESTABLISHING AN  
 ABANDONED RAILROAD HIGHWAY ASSISTANCE ACCOUNT; PROVIDING FOR  
 PAYMENTS INTO THAT ACCOUNT BY RAILROADS ABANDONING LINES;  
 AND ALLOWING FOR EXPENDITURES FROM THAT ACCOUNT TO MEET  
 ADDITIONAL HIGHWAY COSTS CAUSED BY RAILROAD ABANDONMENTS."

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

Section 1. Abandoned railroad highway assistance account. There is within the state special revenue fund an abandoned railroad highway assistance account. Money is payable into this account under [section 2]. The state treasurer shall draw warrants from this account upon order of the department of highways for purposes provided in [section 2].

Section 2. Abandonment impact payments -- expenditures -- duties of department of highways. (1) A railroad that abandons a branch line or a main line, or any portion thereof, in this state that was profitable under the criteria in [section 3] shall pay each year into the abandoned railroad highway assistance account an amount equal to one-half of the additional cost, caused by the abandonment and subsequent increased motor vehicle traffic,

of improving, maintaining, or repairing the public highways in the area previously served by the abandoned railroad line, as determined according to the criteria in [section 4].

(2) The department of highways shall expend the money paid by the abandoning railroad under subsection (1) to improve, maintain, or repair public highways in the areas previously served by the abandoned railroad line, subject to appropriation by the legislature.

(3) It is the responsibility of the department of highways to plan, design, and complete projects funded under this section; however, with respect to projects of a purely local nature, the department of highways may delegate that responsibility to the county concerned.

Section 3. Determination of profitability. For the purposes of [section 2], a railroad branch line or main line, or any portion thereof, is considered profitable if that branch line or main line was determined to have revenue in excess of avoidable costs in the state of Montana rail plan most recently completed by the department of commerce before October 1, 1985, or in subsequent years, in the state of Montana rail plan most recently completed by the department of commerce.

Section 4. Additional highway costs of railroad abandonment. For purposes of [section 2], the additional



1 cost, caused by abandonment and subsequent increased motor  
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8 Section 5. Implementing abandoned railroad highway  
9 assistance. The department may expend money from the  
10 abandoned railroad highway assistance account for the  
11 purposes provided in [section 2] and shall take the actions  
12 required to fulfill the responsibilities imposed upon it by  
13 [section 2].

14 Section 6. Extension of authority. Any existing  
15 authority of the department of commerce to make rules on the  
16 subject of the provisions of this act is extended to the  
17 provisions of this act.

18 Section 7. Codification instruction. (1) Sections 1  
19 through 4 are intended to be codified as an integral part of  
20 Title 60, chapter 11.

21 (2) Section 5 is intended to be codified as an  
22 integral part of Title 60, chapter 2, part 2, and the  
23 provisions of Title 60, chapter 2, part 2, apply to section  
24 5.

-End-

STATE OF MONTANA  
FISCAL NOTE

REQUEST NO. FNN219-85

Form BD-15

In compliance with a written request received January 25 19 85, there is hereby submitted a Fiscal Note for H.B. 383 pursuant to Title 5, Chapter 4, Part 2 of the Montana Code Annotated (MCA). 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:

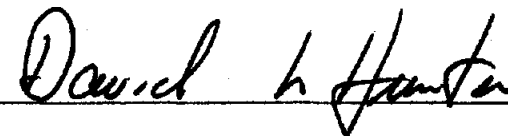
House Bill 383 creates an abandoned railroad highway assistance account to be used by the Department of Highways to improve roads.

ASSUMPTIONS:

1. Current procedures used to calculate rail line profitability are not modified.
2. Current procedures used to calculate highway impact cost are not modified.
3. No legal challenges of procedures are made; therefore, no legal costs will be incurred.
4. Projection of abandonment follows present System Diagram Map with allowances made for current three-year abandonment moratorium. Only 1 abandonment is anticipated in the next biennium.

FISCAL IMPACT ON STATE SPECIAL REVENUES:

	<u>FY 86</u>	<u>FY 87</u>
Revenue to Earmarked Account	\$ -0-	\$425,000
Expenditures:		
Operating Expense	-0-	106,250
Capital Outlay	-0-	318,750
	-0-	<u>\$425,000</u>
Net Effect	\$ -0-	\$ -0-



BUDGET DIRECTOR  
Office of Budget and Program Planning

Date: JAN 30, 1985

HB 383

Local Impact:

Item 3 of Section 2 of this bill allows the Department of Highways to delegate planning and design of "a purely local nature" to the respective county. To the extent this occurred, there would be a local impact.

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

Projecting current railroad operation beyond September, 1987 probable rail abandonment highway impacts could grow to \$20,353,706 annually by 1990. This number could then grow proportionately with the abandonment of any lines not included in current probability projections. The abandoned railroad Highway Assistance Account could be expanded by \$10,176,853 in Fiscal Years 1988 and 1989 if the railroads continue probable abandonment plans.

TECHNICAL NOTE:

1. Enforcement of these provisions may be subject to court interpretation of railroad taxation discrimination defined in USCA Title 49, Section 11503.
2. Since some abandonments are now pending or are in different stages under ICC rules, there may be a need to define clearly when abandonment occurs. (Would those which are now pending come under this law?)

APPROVED BY COMMITTEE  
ON HIGHWAYS & TRANSPORTATION

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ADDITIONAL HIGHWAY COSTS CAUSED BY RAILROAD ABANDONMENTS."

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ABANDONMENT OF RAILROAD LINES BY A RAILROAD COMPANY AND THE  
INCREASED MOTOR VEHICLE AND TRUCK TRAFFIC IN AN AREA  
PREVIOUSLY SERVED BY THE ABANDONED RAILROAD LINE. THE  
LEGISLATURE FURTHER FINDS THAT THE INCREASED MOTOR VEHICLE  
AND TRUCK TRAFFIC RESULTING FROM RAILROAD ABANDONMENT CAUSES  
CONSIDERABLE UNDUE WEAR UPON AND DETERIORATION OF THE PUBLIC  
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ABANDONED RAILROAD LINE. THE LEGISLATURE FURTHER FINDS THAT:

(1) IT IS THE UNQUESTIONABLE DUTY OF THE STATE TO  
ASSURE SAFE AND ADEQUATE PUBLIC HIGHWAYS;

(2) INADEQUATE PUBLIC HIGHWAYS OBSTRUCT THE FREE FLOW  
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ECONOMIC PROGRESS AND INTERSTATE COMMERCE;

(3) ABSENT ADDITIONAL HIGHWAY FUNDS, RAILROAD  
ABANDONMENT WILL LEAD TO UNSAFE AND INADEQUATE HIGHWAYS IN  
THOSE AREAS IMPACTED BY SUCH ABANDONMENT;

(4) THE ADDITIONAL COSTS OF IMPROVING, MAINTAINING,  
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NOT INCLUDED IN THE PRIVATE COST-BENEFIT CALCULATIONS OF A  
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(5) A PORTION OF THE ADDITIONAL HIGHWAY COSTS SHOULD  
BE BORNE BY THE RAILROAD COMPANY RESPONSIBLE FOR PRODUCING  
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SECTION 2. LEGISLATIVE POLICY AND INTENT. CONSISTENT  
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4 (3) TO ESTABLISH A FAIR AND REASONABLE METHOD FOR  
 5 CALCULATING THE AMOUNT OF THE ADDITIONAL HIGHWAY COSTS TO BE  
 6 BORNE BY THE RAILROAD COMPANY, PAYMENT OF WHICH IS NOT  
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 8 ACTIVITY AND IS NOT BASED ON AN ASSESSMENT ON REAL PROPERTY,  
 9 A LEVY ON THE VALUATION OF PERSONAL PROPERTY, OR TAXATION  
 10 AGAINST A PERCENTAGE OF THE ASSETS OR INCOME OF THE RAILROAD  
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12 (4) TO IMPOSE UPON A RAILROAD COMPANY ONLY THAT  
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16 SECTION 3. DEFINITIONS. AS USED IN [THIS ACT], UNLESS  
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 18 APPLY:

19 (1) "ABANDONMENT" MEANS CESSATION OF THE USE OF ANY  
 20 PART OF A RAILROAD LINE OR THE ACTIVITY THEREON WITH NO  
 21 INTENTION TO USE THE RAILROAD AGAIN OR TO RESUME THE  
 22 ACTIVITY, WHICH ABANDONMENT IS APPROVED PURSUANT TO THE  
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24 (2) "MONTANA RAIL PLAN" MEANS THE REPORT DEVELOPED BY  
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1 ACTIVITIES REQUIRED BY 60-11-101 AND THE APPLICABLE  
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4 (3) "RAIL ABANDONMENT HIGHWAY IMPACT ANALYSIS" MEANS  
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10 (4) "RAILROAD" MEANS ANY CORPORATION, PERSON,  
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20 Section 5. Abandonment impact payments -- expenditures  
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 24 the criteria in [section 3 6] shall pay each year, FOR A  
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