

CHAPTER 222

RAILWAYS, UTILITIES; GENERAL PROVISIONS

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222.49 RAIL SERVICE IMPROVEMENT ACCOUNT.

The rail service improvement account is created in the special revenue fund in the state treasury. The commissioner shall deposit in this account all money appropriated to or received by the department for the purpose of rail service improvement, including bond proceeds as authorized by article XI, section 5, clause (i) of the Minnesota Constitution. All money so deposited is appropriated to the department for expenditure for rail service improvement in accordance with applicable state and federal law. This appropriation shall not lapse but shall be available until the purpose for which it was appropriated has been accomplished. No money appropriated to the department for the purposes of administering the rail service improvement program shall be deposited in the rail service improvement account nor shall such administrative costs be paid from the account.

History: 1989 c 299 s 5

222.50 RAIL SERVICE IMPROVEMENT PROGRAM.

[For text of subds 1 to 3, see M.S.1988]

Subd. 4. The commissioner may negotiate and enter into contracts for the purpose of rail service improvement and may incorporate funds available from the federal rail service continuation program. The participants in these contracts shall be railroads, rail users and the department, and may be political subdivisions of the state and the federal government. In such contracts, participation by all parties shall be voluntary. The commissioner may provide a portion of the money required to carry out the terms of any such contract by expenditure from the rail service improvement account.

Subd. 5. In making any contract pursuant to subdivision 4 the commissioner may:

(a) Stipulate minimum operating standards for rail lines designed to achieve reasonable transportation service for shippers and to achieve best use of funds invested in rail line rehabilitation;

(b) Require a portion of the total assistance for improving a rail line to be loaned to the railroad by rail users and require the railroad to reimburse rail users for any loan on the basis of use of the line and the revenues produced when the line has been improved;

(c) Determine the terms and conditions under which all or any portion of state funds allocated shall be repaid to the department by the railroads. Reimbursement may be made as a portion of the increased revenue derived from the improved rail line. Any reimbursement received by the department pursuant to this clause shall be deposited in the rail service improvement account and shall be appropriated exclusively for rehabilitating other rail lines in the state pursuant to subdivision 4; and

(d) To the extent not prohibited by federal law or regulation, require that when the railroad elects to contract for portions of the rehabilitation work or rail service improvement, the railroad must select a contractor who is experienced in rail rehabilitation work, and must require the contractor to:

(1) recruit any new workers from the area where the work is to be done; and

(2) pay workers under the contract wages that are equal to or greater than the wages the railroad pays its own workers for similar work, but not less than twice the

state minimum wage that state-covered employers are required to pay under section 177.24, subdivision 1, paragraph (b).

[For text of subd 6, see M.S.1988]

Subd. 7. The commissioner may expend money from the rail service improvement account for the following purposes:

(a) To pay interest adjustments on loans guaranteed under the state rail user loan guarantee program;

(b) To pay a portion of the costs of capital improvement projects designed to improve rail service including construction or improvement of short segments of rail line such as side track, team track and connections between existing lines, and construction and improvement of loading, unloading, storage and transfer facilities of a rail user;

(c) To acquire, maintain, manage and dispose of railroad right-of-way pursuant to the state rail bank program;

(d) To provide for aerial photography survey of proposed and abandoned railroad tracks for the purpose of recording and reestablishing by analytical triangulation the existing alignment of the in-place track; or

(e) To pay a portion of the costs of acquiring a rail line by a regional railroad authority established pursuant to chapter 398A.

All money derived by the commissioner from the disposition of railroad right-of-way or of any other property acquired pursuant to sections 222.46 to 222.62 shall be deposited in the rail service improvement account.

Subd. 8. [Repealed, 1989 c 299 s 11]

History: 1989 c 218 s 1; 1989 c 299 s 6-8

222.63 ABANDONED RIGHT-OF-WAY; STATE RAIL BANK.

[For text of subds 1 to 7, see M.S.1988]

Subd. 8. **Rail bank maintenance and improvement accounts.** A special account shall be maintained in the state treasury, designated as the rail bank maintenance account, to record the receipts and expenditures of the commissioner of transportation for the maintenance of rail bank property. Funds received by the commissioner of transportation from rentals, fees, or charges for the use of rail bank property shall be credited to the maintenance account and used for the maintenance of that property and held as a reserve for maintenance expenses in an amount determined by the commissioner, and amounts received in the maintenance account in excess of the reserve requirements shall be transferred to the rail service improvement account. All proceeds of the sale of abandoned rail lines shall be deposited in the rail service improvement account. All money to be deposited in this rail service improvement account as provided in this subdivision is appropriated to the commissioner of transportation for the purposes of this section. The appropriations shall not lapse but shall be available until the purposes for which the funds are appropriated are accomplished.

History: 1989 c 299 s 9

222.631 DEFINITIONS.

[For text of subds 1 to 5, see M.S.1988]

Subd. 6. **Nonrailroad lessor.** "Nonrailroad lessor" means one who has granted to a lessee an interest in property within a right-of-way and who is neither (1) an operator of a railroad on the right-of-way, nor (2) an owner of a controlling interest in or under common control with a railroad that operates on the right-of-way.

History: 1989 c 212 s 1

222.632 RIGHT OF FIRST REFUSAL.

A railroad interest that is in bankruptcy proceedings may not sell or offer for sale an interest in real property that is within the right-of-way, a railroad interest that is abandoning a railroad line may not sell or offer for sale an interest in real property within the right-of-way to be abandoned, and a nonrailroad lessor may not sell or offer for sale an interest in real property within the right-of-way with respect to which it is a nonrailroad lessor, unless it first extends a written offer to sell that interest at a fair market value price to each person who is a leaseholder with respect to the property. Leaseholders must respond to the offer within 60 days of receipt of the notice and the railroad interest must negotiate in good faith with an interested leaseholder for a period of 90 days following the leaseholder's response. After the 90-day negotiation period, either party may file a notice of dispute with the board under section 222.633. The property may not be sold to a party other than the leaseholder during the response and negotiation periods or while a dispute is pending before the board. This section does not apply to a sale of an entire operating railroad line by one operating railroad to another for the purpose of operating a railroad.

History: 1989 c 212 s 2

222.633 TRANSPORTATION REGULATION BOARD TO RESOLVE DISPUTES.

(a) A railroad interest or leaseholder may apply to the transportation regulation board to resolve a dispute concerning fair market value or other terms arising from negotiations under section 222.632. The board must adopt guidelines without regard to chapter 14 to implement section 222.632 and this section. The guidelines must define the terms "leaseholders," "nonrailroad lessor," and "railroad interest," establish a procedure to resolve disputes, and provide for the use of independent appraisers. Final rules must be adopted no later than 360 days from March 22, 1986.

(b) The board's decision is final for purposes of judicial review and may be reviewed in the district court for the jurisdiction where the property is located. The scope of judicial review is limited to a determination whether substantial evidence exists to support the board's decision.

History: 1989 c 212 s 3