



**House
Legislative
Analysis
Section**

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SELL STATE-OWNED RR PROPERTY

House Bill 5598

Sponsor: Rep. John Gernaat

Committee: Transportation

Complete to 8-29-96

A SUMMARY OF HOUSE BILL 5598 AS INTRODUCED 2-15-96

The State Transportation Preservation Act, Public Act 295 of 1976, provides for the acquisition and management of abandoned railroad property by the Department of Transportation. Among other things, the act permits the department to convey or lease acquired rail property to certain specified entities for appropriate reimbursement.

The bill specifies that, within 90 days of its effective date, the department would have to offer for sale to each current contract operator that segment of state-owned rail property he or she currently operated. Specific terms of any resulting sales would be as determined by the department to accommodate the best interests of all the state's citizens. A party that entered into an agreement to purchase a segment would have to agree to provide to shippers service that met certain conditions, and for a specified period of time, as determined by the department.

If the current contract operator of a section of state-owned rail property was unwilling or unable to purchase that particular segment under the terms determined by the department, the segment would then have to be offered for sale, under the same terms, to the following parties in descending order:

- * current shippers;
- * governmental entities; or
- * other railroad companies.

MCL 474.53 and 474.60

Analyst: T. Iversen

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