

SUBJECT: Purchase of railroad right-of-way following abandonment

COMMITTEE: Land and Resource Management — favorable, with amendment

VOTE: 7 ayes — Walker, Crabb, Bosse, F. Brown, Hardcastle, Mowery, B. Turner
1 nay — Howard
1 absent — Krusee

WITNESSES: For — None
Against — Ron M. Olson, Union Pacific Railroad

DIGEST: HB 3117 would require a railroad company that had applied to a federal agency to abandon a railroad line to give certain persons right of first refusal to buy its right-of-way and adjoining property at fair-market value. Those persons would include anyone who had constructed a building or other structure, installed equipment, or made any other type of leasehold improvement on the company's right-of-way or adjoining property.

The land subject to purchase would be land necessary for unrestricted use of the structure, equipment, or other improvement. Upon purchase, ownership of the structure, equipment, or other leasehold would be transferred at no cost to the buyer.

The bill would take effect September 1, 1999.

SUPPORTERS SAY: HB 3117 would put a stop to private companies buying up abandoned railroad lines and then reselling the land at unfair prices or charging high access rates to those who use the surrounding land. This bill would give neighboring property owners or lessees their deserved right of first refusal to buy abandoned railroad land at a fair price set by an independent appraiser. As a common courtesy, railroads should offer to sell the abandoned property to long-time leaseholders. This bill simply would ensure that the railroad would do what is right.

This bill would not prevent the entire right-of-way from being purchased, because the railroad could sell the right-of-way before it abandoned the line.

OPPONENTS
SAY:

HB 3117 would tell railroads to whom they must offer to sell their land first. Like any other private property owner, a railroad should have the right to sell its property as it sees fit. Abandoned railroad lines are private property and should be sold as private property to the highest bidder, not to certain groups of buyers.

With this bill in place, it would be difficult to sell the entire right-of-way to a buyer after abandonment had been filed. For example, under federal law, after abandonment has been certified, the Rails to Trails nonprofit organization has the opportunity to buy the entire right-of-way for community walking and biking trails. This bill would conflict with federal law in this instance.

Federal requirements say that after application for and certification of abandonment, only if there is intent to sell could the abandoned line be purchased, first by Rails to Trails and then by other buyers. This bill would supersede all of these steps and require the railroad to offer the right of first refusal when the railroad had only *applied* for abandonment. At that point, the railroad might not intend to sell but only to cease operation of the line.

NOTES:

The committee amendment would make a nonsubstantive correction to the original bill.

A similar bill, HB 1886 by B. Turner, was reported favorably as substituted by the House Land and Resource Management Committee on April 21.