



CHESTER J. CULVER  
GOVERNOR

**OFFICE OF THE GOVERNOR**

PATTY JUDGE  
LT. GOVERNOR

May 4, 2009

The Honorable Michael Mauro  
Secretary of State  
State Capitol Building  
LOCAL

Dear Mr. Secretary:

I hereby transmit:

**Senate File 151**, an Act relating to railway assistance and passenger rail service, including provisions for the administration of the railway revolving loan and grant fund, the elimination of the railway finance authority, and the administration of the passenger rail service revolving fund.

The above Senate File is hereby approved this date.

Sincerely,

A handwritten signature in black ink, appearing to read "Chester Culver".

Chester J. Culver  
Governor

CJC:bdj

cc: Secretary of the Senate  
Chief Clerk of the House





SENATE FILE 151

AN ACT

RELATING TO RAILWAY ASSISTANCE AND PASSENGER RAIL SERVICE,  
INCLUDING PROVISIONS FOR THE ADMINISTRATION OF THE RAILWAY  
REVOLVING LOAN AND GRANT FUND, THE ELIMINATION OF THE RAILWAY  
FINANCE AUTHORITY, AND THE ADMINISTRATION OF THE PASSENGER  
RAIL SERVICE REVOLVING FUND.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

DIVISION I

RAILWAY ASSISTANCE

Section 1. Section 6A.6, Code 2009, is amended to read as follows:

6A.6 RAILWAYS.

~~The Iowa railway finance authority or any~~ A railway corporation, may acquire by condemnation property as necessary for the location, construction, and convenient use of a railway. ~~The Iowa railway finance authority may acquire fee title or a lesser property interest. The authority shall offer to sell its interest in the property at fair market value to the adjoining property owners upon abandonment.~~ The acquisition shall carry the right to use for the construction and repair of the railway and its appurtenances any earth, gravel, stone, timber, or other material, on or from the land taken.

Sec. 2. Section 6A.9, unnumbered paragraph 1, Code 2009, is amended to read as follows:

~~The Iowa railway finance authority~~ department of transportation or a railway corporation may, by condemnation

or otherwise, acquire lands for the following additional purposes:

Sec. 3. Section 6A.10, Code 2009, is amended to read as follows:

6A.10 INITIATING RAILROAD CONDEMNATION BY RAILWAY CORPORATION.

~~1.---The~~ A railway corporation shall apply to the department of transportation for permission to condemn. The railway corporation shall serve notice of the application and hearing and provide a copy of the legal description of the property to be condemned to the owner and any recordholders of liens and encumbrances on any land described in the application. The department may, after hearing, report to the clerk of the district court of the county in which the land is situated the description of the land sought to be condemned. The corporation may begin condemnation procedures in district court for the land described by the department.

~~2.---The-railway-finance-authority-may-begin-condemnation proceedings-in-district-court-~~

Sec. 4. Section 6A.16, Code 2009, is amended to read as follows:

6A.16 RIGHT TO CONDEMN ABANDONED RIGHT-OF-WAY.

Railroad right-of-way which has been abandoned by order of the proper authority, may be condemned by a railway corporation or the  ~~Iowa-railway-finance-authority~~ department of transportation before or after the track materials have been removed. The procedure to condemn abandoned right-of-way shall be the same as for an original condemnation.

Sec. 5. Section 7E.7, subsection 2, Code 2009, is amended by striking the subsection.

Sec. 6. Section 12.28, subsection 1, paragraph b, Code 2009, is amended to read as follows:

b. "State agency" means a board, commission, bureau, division, office, department, or branch of state government. However, state agency does not mean the state board of regents, institutions governed by the board of regents, or authorities created under chapter 16, 175, 257C, or 261A, ~~or~~ 327F.

Sec. 7. Section 12.30, subsection 1, paragraph a, Code 2009, is amended to read as follows:



a. "Authority" means a department, or public or quasi-public instrumentality of the state including but not limited to the authority created under chapter 12E, 16, 175, 257C, 261A, ~~327F~~, or 463C, which has the power to issue obligations, except that "authority" does not include the state board of regents or the Iowa finance authority to the extent it acts pursuant to chapter 260C. "Authority" also includes a port authority created under chapter 28J.

Sec. 8. Section 307.24, Code 2009, is amended to read as follows:

307.24 ADMINISTRATION OF HIGHWAYS.

The department's administrator of highways is responsible for the planning, design, construction, and maintenance of the state primary highways and shall administer chapters 306 to 320 ~~and-327F~~ and perform other duties as assigned by the director. The administration of highways shall be organized to provide administration for urban systems, for secondary roads, and other categories of administration as necessary.

Sec. 9. Section 321.145, subsection 2, paragraph b, subparagraph (4), Code 2009, is amended by striking the subparagraph.

Sec. 10. Section 327G.76, Code 2009, is amended to read as follows:

327G.76 TIME OF REVERSION.

Railroad property rights which are extinguished upon cessation of service by the railroad divest when the ~~railway finance-authority~~ department of transportation or the railroad, having obtained authority to abandon the rail line, removes the track materials to the right-of-way. If the ~~railway-finance-authority~~ department of transportation does not acquire the line and the railway company does not remove the track materials, the property rights which are extinguished upon cessation of service by the railroad divest one year after the railway obtains the final authorization necessary from the proper authority to remove the track materials.

Sec. 11. Section 327H.20A, Code 2009, is amended to read as follows:

327H.20A RAILROAD REVOLVING LOAN AND GRANT FUND.

1. A railroad revolving loan and grant fund is established in the office of the treasurer of state under the control of the authority department. Moneys in the fund shall be expended for the following purposes:

a. Grants or loans to provide assistance for the restoration, conservation, improvement, and construction of railroad main lines, branch lines, switching yards, sidings, rail connections, intermodal yards, highway grade separations, and other railroad-related improvements.

b. Grants or loans for rail economic development projects that improve rail facilities, including the construction of branch lines, sidings, rail connections, intermodal yards, and other rail-related improvements that spur economic development and job growth.

2. The authority department shall administer a program for the granting and administration of loans and grants under this section. ~~No more than fifty percent of the total moneys available in the fund in any year shall be awarded in the form of grants.~~ The authority department may establish a limit on the amount that may be awarded as a grant for any given project in order to maximize the use of the moneys in the fund. The authority department may enter into agreements with railroad corporations, the United States government, cities, counties, and other persons for carrying out the purposes of this section.

3. Notwithstanding any other provision to the contrary, on or after July 1, 2006, moneys received as repayments for loans made pursuant to this chapter or chapter 327I, Code 2009, before, on, or after July 1, 2005, other than repayments of federal moneys subject to section 327H.21, shall be credited to the railroad revolving loan and grant fund. Notwithstanding section 8.33, moneys in the railroad revolving loan and grant fund shall not revert to the general fund of the state but shall remain available indefinitely for expenditure under this section.

Sec. 12. Section 327H.26, Code 2009, is amended to read as follows:

327H.26 ~~DEFINITIONS~~ DEFINITION.

As used in this chapter, unless the context otherwise requires:



~~1.---"Authority"--means-the-railway-finance-authority-created in-chapter-327I-~~

2.---"Department", "department" means the state department of transportation.

Sec. 13. Section 427.1, subsection 25, Code 2009, is amended by striking the subsection.

Sec. 14. Chapter 327I, Code 2009, is repealed.

Sec. 15. CONTINUATION OF PRIOR AGREEMENTS. It is the intent of the general assembly that the enactment of this Act shall not affect the terms or duration of railroad assistance agreements entered into under chapter 327H or 327I prior to the effective date of this Act. The department of transportation is the successor to the rights and obligations of any agreements entered into by the Iowa railway finance authority.

#### DIVISION II

#### PASSENGER RAIL SERVICE

Sec. 16. Section 327J.1, Code 2009, is amended by adding the following new subsection:

NEW SUBSECTION. 6. "Passenger rail service" means long-distance, intercity, and commuter passenger transportation, including the midwest regional rail system, which is provided on railroad tracks.

Sec. 17. Section 327J.2, subsections 1 and 2, Code 2009, are amended to read as follows:

1. FUND CREATED. The passenger rail service revolving fund is established as a separate fund in the state treasury under the control of the department. Moneys deposited in the fund shall be administered by the director and shall be used to pay the costs associated with the initiation, operation, and maintenance of ~~raii~~ passenger rail service.

2. FUNDING. To achieve the purposes of this chapter, moneys shall be credited to the passenger rail service revolving fund by the treasurer of state from the following sources:

a. Appropriations made by the general assembly.

~~a-~~ b. Private grants and gifts intended for these purposes.

~~b-~~ c. Federal, state, and local grants and loans intended for these purposes.

Sec. 18. Section 327J.3, Code 2009, is amended to read as follows:

327J.3 ADMINISTRATION.

1. The director may expend moneys from the fund to pay the costs associated with the initiation, operation, and maintenance of ~~rail~~ passenger rail service. The director shall report by February 1 of each year to the legislative services agency concerning the status of the fund including anticipated expenditures for the following fiscal year.

2. The director may enter into agreements with AMTRAK, other rail operators, local jurisdictions, and other states ~~associated-with-the-midwest-regional-rail-system~~ for the purpose of developing a ~~rail~~ passenger system rail service serving ~~the-midwest,-including-service-from-Chicago,-Illinois,-to-Omaha,-Nebraska,-through~~ Iowa. The agreements may include any of the following:

a. Cost-sharing agreements associated with initiating service, capital costs, operating subsidies, and other costs necessary to develop and maintain service.

b. Joint powers agreements and other institutional arrangements associated with the administration, management, and operation of a ~~midwest-regional-rail-system~~ passenger rail service.

3. The director shall enter into discussions with members of Iowa's congressional delegation to foster ~~rail~~ passenger rail service in this state and the midwest and to maximize the level of federal funding for the service, ~~-including-funding-for-the-midwest-regional-rail-system.~~

4. The director may provide assistance and enter into agreements with ~~cities~~ local jurisdictions along the proposed route of the midwest regional rail system or other passenger rail system service operations serving ~~the-Midwest~~ Iowa to ensure that rail stations and terminals are designed and developed in accordance with the following objectives:

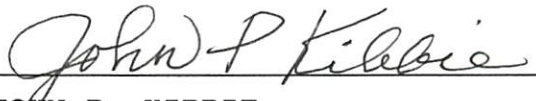
a. To meet safety and efficiency requirements outlined by AMTRAK and the federal railroad administration.

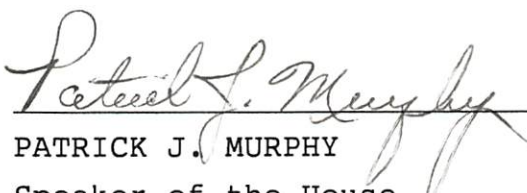
b. To aid intermodal transportation.

c. To encourage economic development.


5. The director shall report annually to the general assembly concerning the development and operation of the

midwest regional rail system and the state's passenger rail service.

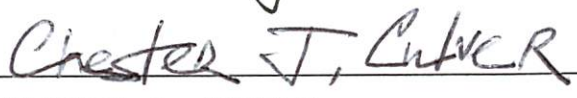
  
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JOHN P. KIBBIE  
President of the Senate

  
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PATRICK J. MURPHY  
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 151, Eighty-third General Assembly.

  
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MICHAEL E. MARSHALL  
Secretary of the Senate

Approved May 4<sup>th</sup>, 2009

  
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CHESTER J. CULVER  
Governor