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FILED MAR 18 1983

SENATE FILE 499

BY COMMITTEE ON TRANSPORTATION
Approved 2/15/83 (p. 853)

Passed Senate, Date 3-29-83 (p. 1003) Passed House, Date 4-14-83 (P. 1293)
Vote: Ayes 46 Nays 1 Vote: Ayes 86 Nays 3
Approved March 12, 1983

A BILL FOR

1 An Act providing for the preservation of rail corridors for
2 future rail use upon abandonment of the rail corridors.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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S.F. 499

1 Section 1. Section 307B.7, Code 1983, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 25. Acquire property interests in
4 essential rail corridors to ensure continued rail use and
5 preserve abandoned rail corridors for future railroad use.

6 Sec. 2. NEW SECTION. 307B.24 ACQUISITION OF ABANDONED
7 RIGHT-OF-WAY. A railway corporation which has received
8 authorization to abandon a rail corridor deemed essential
9 by the department must offer the corridor to the authority
10 for sale prior to removing the track materials. The
11 corporation shall state a price for the corporation's right,
12 title, and interest in the right-of-way, track materials,
13 and rail facilities and an exclusive, transferable, five-year
14 option to purchase all the corporation's right, title, and
15 interest in the right-of-way, track materials, and rail
16 facilities.

17 The authority may waive the requirements of this section.

18 The authority shall have thirty days in which to accept
19 or decline the corporation's offer for all or any part of
20 the rail corridor. If the authority fails to accept the offer
21 within thirty days of the offer, the corporation may dispose
22 of the property.

23 If the authority accepts all or any part of the offer,
24 the corporation shall execute the proper documents upon
25 delivery of the purchase price, but not later than ninety
26 days from the date of the offer.

27 Sec. 3. Section 327G.76, Code 1983, is amended by striking
28 the section and inserting in lieu thereof the following:

29 327G.76 TIME OF ABANDONMENT. Railroad property rights
30 which are extinguished upon abandonment by the railroad divest
31 when the railroad, having obtained authority to abandon the
32 rail corridor, removes the improvements to the right-of-way.

33 Sec. 4. Section 327G.77, Code 1983, is amended by striking
34 the section and inserting in lieu thereof the following:

35 327G.77 REVERSION OF RAILROAD RIGHT-OF-WAY.

1 1. If a railroad easement is extinguished under section
2 327G.76, the property shall pass to the owners of the adjacent
3 property at the time of abandonment. This subsection applies
4 even if the description of the adjoining property excludes
5 a description of the railroad right-of-way. If there are
6 different owners on either side, each owner will take to the
7 center of the right-of-way. Section 614.24 which requires
8 the filing of a verified claim does not apply to rights granted
9 under this subsection.

10 2. An adjoining property owner may perfect title under
11 subsection 1 by filing an affidavit of ownership with the
12 county recorder. The affidavit shall include the name of
13 the adjoining property owner, a description of the property,
14 the present name of the railroad, the jurisdiction, docket
15 number, and date of order authorizing the railroad to terminate
16 service, and the approximate date the improvements on the
17 right-of-way were removed. A copy of the affidavit must be
18 mailed by the landowner by certified mail to the railroad.
19 The landowner shall pay taxes on the right-of-way from the
20 date the affidavit is filed.

21 Sec. 5. Section 327G.78, unnumbered paragraph 1, Code
22 1983, is amended to read as follows:

23 Subject to sections 327G.77, and 471.16, ~~and 471.17~~, when
24 a railroad corporation, its trustee, or successor in interest
25 have interests in real property adjacent to a railroad right-
26 of-way that are abandoned by order of the interstate commerce
27 commission, reorganization court, bankruptcy court, or the
28 authority ~~or are otherwise abandoned as defined by section~~
29 ~~471.15~~, or when a railroad corporation, trustee, or successor
30 in interest seeks to sell its interests in that property under
31 any other circumstance, the railroad corporation or trustee
32 shall extend a written offer to sell at a fair market value
33 price to the persons holding leases, licenses, or permits
34 upon those properties, allowing sixty days from the time of
35 receipt for a written response. If a disagreement arises

1 between the parties concerning the price or other terms of
2 the sale transaction, either or both parties may make written
3 application to the authority to resolve the disagreement.
4 The application shall be made within sixty days from the time
5 an initial written response is served upon the railroad
6 corporation, trustee, or successor in interest by the person
7 wishing to purchase the property. The authority shall hear
8 the controversy and make a final determination of the fair
9 market value of the property and the other terms of the
10 transaction which were in dispute within ninety days after
11 the application is filed. All correspondence shall be by
12 certified mail.

13 Sec. 6. Section 427.1, Code 1983, is amended by adding
14 the following new subsection:

15 NEW SUBSECTION. 39. Railroad right-of-way and improvements
16 on the right-of-way only during that period of time that the
17 Iowa railway finance authority holds an option to purchase
18 the right-of-way under section 307B.24.

19 Sec. 7. Section 471.6, Code 1983, is amended to read as
20 follows:

21 471.6 RAILWAYS. The state Iowa railway finance authority
22 or any railway corporation, may acquire by condemnation
23 property as ~~may-be~~ necessary for the location, construction,
24 and convenient use of a railway. The railway corporation
25 or the Iowa railway finance authority may acquire fee title
26 or a lesser property interest. The acquisition shall carry
27 the right to use for the construction and repair of the railway
28 and its appurtenances any earth, gravel, stone, timber, or
29 other material, on or from the land taken.

30 Sec. 8. Section 471.9, unnumbered paragraph 1, Code 1983,
31 is amended to read as follows:

32 The state Iowa railway finance authority or a railway
33 corporation may, by condemnation or otherwise, acquire lands
34 for the following additional purposes:

35 Sec. 9. Section 471.10, Code 1983, is amended by striking

1 the section and inserting in lieu thereof the following:

2 471.10 INITIATING RAILROAD CONDEMNATION.

3 1. The railway corporation shall apply to the
4 transportation regulation authority for permission to condemn.
5 The authority may, after hearing, report to the district court
6 clerk of the county in which the land is situated the
7 description of the land sought to be condemned. The
8 corporation may begin condemnation procedures in district
9 court for the land described by the authority.

10 2. The railway finance authority may begin condemnation
11 proceedings in district court.

12 Sec. 10. Section 471.11, Code 1983, is amended to read
13 as follows:

14 471.11 LANDS FOR WATER STATIONS--HOW SET ASIDE. Lands
15 which are sought to be condemned for water stations, dams,
16 or reservoirs, including all the overflowed lands, if any,
17 shall, if requested by the owner, be set aside in a square
18 or rectangular shape by the transportation regulation authority
19 or district court.

20 Sec. 11. Section 471.16, Code 1983, is amended by striking
21 the section and inserting in lieu thereof the following:

22 471.16 RIGHT TO CONDEMN ABANDONED RIGHT-OF-WAY. Railroad
23 right-of-way which has been abandoned by order of the proper
24 authority, may be condemned by a railway corporation or the
25 Iowa railway finance authority before or after the track
26 materials have been removed. The procedure to condemn
27 abandoned right-of-way shall be the same as for an original
28 condemnation.

29 Sec. 12. Section 471.18, Code 1983, is amended to read
30 as follows:

31 471.18 ~~PARTIES~~ PERSONS NOT ENTITLED TO DAMAGES. ~~Parties~~
32 Persons who have previously received compensation in any form
33 for the abandoned right of way ~~on-the-line-of-such-abandoned~~
34 ~~railway,--which-has-not-been-refunded-by-them,~~ shall not be
35 permitted to recover the a second time. ~~The-value-of-such~~

~~1 roadbed-and-right-of-way,-excluding-the-work-done-thereon,
2 when-taken-for-a-new-company,-shall-be-assessed-in-the
3 condemnation-proceedings-for-the-benefit-of-the-former-company
4 or-its-legal-representative-~~

5 Sec. 13. Section 471.15 and 471.17, Code 1983, are
6 repealed.

7 EXPLANATION

8 The bill permits the Iowa railway finance authority to
9 acquire railroad right-of-way for preservation for future
10 use. The authority is also provided with the first right
11 of refusal to purchase rail corridors prior to removal of
12 the track. The bill provides that reversionary rights of
13 adjoining property owners vest only after removal of the track
14 from the right-of-way. The bill also provides a mechanism
15 for adjoining property owners to perfect title in abandoned
16 right-of-way without obtaining a deed from the railroad.
17 The Iowa railway finance authority may condemn a fee title
18 in abandoned right-of-way and a property tax exemption is
19 allowed for property held by the authority. The bill takes
20 effect July 1 following enactment.

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SENATE FILE 499

6-3386

- 1 Amend Senate File 499 as follows:
- 2 1. Page 1, line 3, by inserting after the word
3 "interests" the words "subject to the limitations
4 on purchases provided in section 307B.7, subsection
5 5,".
- 6 2. Page 1, line 4, by striking the words "essential
7 rail corridors" and inserting in lieu thereof the
8 words "rail lines".
- 9 3. Page 1, line 5, by striking the word "corridors"
10 and inserting in lieu thereof the word "lines".
- 11 4. Page 1, lines 8 and 9, by striking the words
12 "corridor deemed essential by the department" and
13 inserting in lieu thereof the word "line".
- 14 5. Page 1, line 9, by striking the word "corridor"
15 and inserting in lieu thereof the word "line".
- 16 6. Page 1, by striking lines 10 through 16 and
17 inserting in lieu thereof the following: "for sale
18 prior to removing the track materials. The corporation
19 shall state a reasonable price for:
- 20 1. The corporation's right, title, and interest
21 in the right-of-way, track materials, and rail
22 facilities.
- 23 2. An exclusive, transferable, five-year option
24 to purchase all of the corporation's right, title,
25 and interest in the right-of-way, track materials,
26 and rail facilities."
- 27 7. Page 1, line 20, by striking the word "corridor"
28 and inserting in lieu thereof the word "line".
- 29 8. Page 1, line 25, by striking the words ", but
30 not" and inserting in lieu thereof the words "which
31 shall not be".
- 32 9. Page 1, by inserting after line 26 the following
33 sections:
- 34 "Sec. ____ . Section 327D.1, Code 1983, is amended
35 by striking the section and inserting in lieu thereof
36 the following:
- 37 327D.1 APPLICABILITY OF CHAPTER. This chapter
38 shall apply to intrastate transportation by for hire
39 common carriers of persons and property.
- 40 Sec. ____ . Chapter 327D, Code 1983, is amended
41 by adding the following new sections:
- 42 NEW SECTION. 327D.200 INCONSISTENCY WITH FEDERAL
43 LAW--RAILROADS. If any provision of this chapter
44 is inconsistent or conflicts with federal laws, rules
45 or regulations applicable to railway corporations
46 subject to the jurisdiction of the federal interstate
47 commerce commission, the authority shall suspend the
48 provision, but only to the extent necessary to
49 eliminate the inconsistency of conflict.
- 50 NEW SECTION. 327D.201 RAILROAD INTRASTATE RATES-

S-3386
PAGE 2

1 -RULES. The authority may issue rules relating to
2 the regulation of railroad intrastate rates,
3 classifications, rules and practices in accordance
4 with the standards and procedures of the federal
5 interstate commerce commission applicable to rail
6 carriers."

7 10. Page 1, line 29, by striking the word
8 "ABANDONMENT" and inserting in lieu thereof the word
9 "REVERSION".

10 11. Page 1, line 30, by striking the word
11 "abandonment" and inserting in lieu thereof the words
12 "cessation of service".

13 12. Page 1, line 31, by inserting after the words
14 "when the" the words "railway finance authority or
15 the".

16 13. Page 1, line 32, by striking the word
17 "corridor" and inserting in lieu thereof the word
18 "line".

19 14. Page 1, line 32, by striking the word
20 "improvements" and inserting in lieu thereof the words
21 "track materials".

22 15. Page 1, line 32, by inserting after the period
23 the words "If the railway finance authority does not
24 acquire the line and the railway company does not
25 remove the track materials, the property rights which
26 are extinguished upon cessation of service by the
27 railroad divest one year after the railway obtains
28 the final authorization necessary from the proper
29 authority to remove the track materials."

30 16. Page 2, lines 3 through 5, by striking the
31 words "This subsection applies even if the description
32 of the adjoining property excludes a description of
33 the railroad right-of-way."

34 17. Page 2, line 16, by striking the word
35 "improvements" and inserting in lieu thereof the words
36 "track materials".

37 18. Page 2, by inserting after line 20, the fol-
38 lowing:

39 "3. Utility facilities located on abandoned
40 railroad right-of-way shall remain on the right of
41 way subject to payment by the utility of the fair
42 market value of an easement for the facilities. The
43 utility shall, within sixty days from the time the
44 property is transferred from the railroad, extend
45 a written offer to the landowner to purchase the ease-
46 ment at fair market value. The landowner shall accept
47 or reject the utility's offer within sixty days from
48 the time of receipt. If a disagreement arises between
49 the parties concerning the price or other terms of
50 the transaction, either party may make written

1 application to a compensation commission as established
2 pursuant to chapter 472 to resolve the disagreement.
3 This application shall be made within sixty days from
4 the time the landowner's response is served upon the
5 utility. The compensation commission shall hear the
6 controversy and make a final determination of the
7 fair market value of the easement and the other terms
8 of the transaction which were in dispute within ninety
9 days after the application is filed. All corres-
10 pondence shall be by certified mail."

11 19. Page 3, by inserting after line 12 the
12 following:

13 "This section shall not apply when a rail line
14 is being sold for continued railroad use."

15 20. Page 3, lines 24 and 25, by striking the words
16 "railway corporation or the".

17 21. Page 3, line 26, by inserting after the word
18 "interest." the words "The authority shall offer to
19 sell its interest in the property at fair market value
20 to the adjoining property owners upon abandonment."

21 22. By striking page 4, line 29 through page 5,
22 line 4, and inserting in lieu thereof the following
23 section:

24 "Sec. ____ . Section 471.18, Code 1983, is amended
25 by striking the section and inserting in lieu thereof
26 the following:

27 471.18 NO DOUBLE DAMAGES. Owners of abandoned
28 right-of-way which was originally condemned for rail
29 purposes shall not receive additional compensation
30 unless the track materials were removed prior to the
31 second condemnation."

32 23. Renumber sections and correct internal
33 references as are necessary in accordance with this
34 amendment.

S-3386 FILED & ADOPTED
MARCH 29, 1983 (p.1003)

BY C. JOSEPH COLEMAN
RICHARD F. DRAKE
BERL PRIEBE

Transportation: Cochran, Chair; Harbor and Lloyd-Jones.

Do Pass 4/7/83

SENATE FILE 499

BY COMMITTEE ON TRANSPORTATION

(AS AMENDED AND PASSED BY THE SENATE MARCH 29, 1983)

Passed Senate, Date 3-29-83 (p.1003) Passed House, Date 4-14-83 (p.1293)

Vote: Ayes 46 Nays 1 Vote: Ayes 86 Nays 3

Approved May 12, 1983 (p.1720)

A BILL FOR

1 An Act providing for the preservation of rail corridors for
2 future rail use upon abandonment of the rail corridors.

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

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————— = New Language
by the Senate

* = Language Stricken
by the Senate

1 Section 1. Section 307B.7, Code 1983, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 25. Acquire property interests subject
4 to the limitations on purchases provided in section 307B.7,
5 subsection 5, in rail lines to ensure continued rail use and
6 preserve abandoned rail lines for future railroad use.

7 Sec. 2. NEW SECTION. 307B.24 ACQUISITION OF ABANDONED
8 RIGHT-OF-WAY. A railway corporation which has received
9 authorization to abandon a rail line must offer the line to
10 the authority for sale prior to removing the track materials.
11 The corporation shall state a reasonable price for:

12 1. The corporation's right, title, and interest in the
13 right-of-way, track materials, and rail facilities.

14 2. An exclusive, transferable, five-year option to purchase
15 all of the corporation's right, title, and interest in the
16 right-of-way, track materials, and rail facilities.

17 The authority may waive the requirements of this section.

18 The authority shall have thirty days in which to accept
19 or decline the corporation's offer for all or any part of
20 the rail line. If the authority fails to accept the offer
21 within thirty days of the offer, the corporation may dispose
22 of the property.

23 If the authority accepts all or any part of the offer,
24 the corporation shall execute the proper documents upon
25 delivery of the purchase price which shall not be later than
26 ninety days from the date of the offer.

27 Sec. 3. Section 327D.1, Code 1983, is amended by striking
28 the section and inserting in lieu thereof the following:

29 327D.1 APPLICABILITY OF CHAPTER. This chapter shall apply
30 to intrastate transportation by for hire common carriers of
31 persons and property.

32 Sec. 4. Chapter 327D, Code 1983, is amended by adding
33 the following new sections:

34 NEW SECTION. 327D.200 INCONSISTENCY WITH FEDERAL LAW-
35 -RAILROADS. If any provision of this chapter is inconsistent

1 or conflicts with federal laws, rules or regulations applicable
2 to railway corporations subject to the jurisdiction of the
3 federal interstate commerce commission, the authority shall
4 suspend the provision, but only to the extent necessary to
5 eliminate the inconsistency or conflict.

6 NEW SECTION. 327D.201 RAILROAD INTRASTATE RATES--RULES.
7 The authority may issue rules relating to the regulation of
8 railroad intrastate rates, classifications, rules and practices
9 in accordance with the standards and procedures of the federal
10 interstate commerce commission applicable to rail carriers.

11 Sec. 5. Section 327G.76, Code 1983, is amended by striking
12 the section and inserting in lieu thereof the following:

13 327G.76 TIME OF REVERSION. Railroad property rights which
14 are extinguished upon cessation of service by the railroad
15 divest when the railway finance authority or the railroad,
16 having obtained authority to abandon the rail line, removes
17 the track materials to the right-of-way. If the railway
18 finance authority does not acquire the line and the railway
19 company does not remove the track materials, the property
20 rights which are extinguished upon cessation of service by
21 the railroad divest one year after the railway obtains the
22 final authorization necessary from the proper authority to
23 remove the track materials.

24 Sec. 6. Section 327G.77, Code 1983, is amended by striking
25 the section and inserting in lieu thereof the following:

26 327G.77 REVERSION OF RAILROAD RIGHT-OF-WAY.

27 1. If a railroad easement is extinguished under section
28 327G.76, the property shall pass to the owners of the adjacent
*29 property at the time of abandonment. If there are different
30 owners on either side, each owner will take to the center
31 of the right-of-way. Section 614.24 which requires the filing
32 of a verified claim does not apply to rights granted under
33 this subsection.

34 2. An adjoining property owner may perfect title under
35 subsection 1 by filing an affidavit of ownership with the

1 county recorder. The affidavit shall include the name of
2 the adjoining property owner, a description of the property,
3 the present name of the railroad, the jurisdiction, docket
4 number, and date of order authorizing the railroad to terminate
5 service, and the approximate date the track materials on the
6 right-of-way were removed. A copy of the affidavit must be
7 mailed by the landowner by certified mail to the railroad.
8 The landowner shall pay taxes on the right-of-way from the
9 date the affidavit is filed.

10 3. Utility facilities located on abandoned railroad right-
11 of-way shall remain on the right-of-way subject to payment
12 by the utility of the fair market value of an easement for
13 the facilities. The utility shall, within sixty days from
14 the time the property is transferred from the railroad, extend
15 a written offer to the landowner to purchase the easement
16 at fair market value. The landowner shall accept or reject
17 the utility's offer within sixty days from the time of receipt.
18 If a disagreement arises between the parties concerning the
19 price or other terms of the transaction, either party may
20 make written application to a compensation commission as
21 established pursuant to chapter 472 to resolve the
22 disagreement. This application shall be made within sixty
23 days from the time the landowner's response is served upon
24 the utility. The compensation commission shall hear the
25 controversy and make a final determination of the fair market
26 value of the easement and the other terms of the transaction
27 which were in dispute within ninety days after the application
28 is filed. All correspondence shall be by certified mail.

29 Sec. 7. Section 327G.78, unnumbered paragraph 1, Code
30 1983, is amended to read as follows:

31 Subject to sections 327G.77, and 471.167-and-471.17, when
32 a railroad corporation, its trustee, or successor in interest
33 have interests in real property adjacent to a railroad right-
34 of-way that are abandoned by order of the interstate commerce
35 commission, reorganization court, bankruptcy court, or the

1 authority ~~or-are-otherwise-abandoned-as-defined-by-section~~
2 471.15, or when a railroad corporation, trustee, or successor
3 in interest seeks to sell its interests in that property under
4 any other circumstance, the railroad corporation or trustee
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6 price to the persons holding leases, licenses, or permits
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18 transaction which were in dispute within ninety days after
19 the application is filed. All correspondence shall be by
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21 This section shall not apply when a rail line is being
22 sold for continued railroad use.

23 Sec. 8. Section 427.1, Code 1983, is amended by adding
24 the following new subsection:

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26 on the right-of-way only during that period of time that the
27 Iowa railway finance authority holds an option to purchase
28 the right-of-way under section 307E.24.

29 Sec. 9. Section 471.6, Code 1983, is amended to read as
30 follows:

31 471.6 RAILWAYS. The ~~state~~ Iowa railway finance authority
32 or any railway corporation, may acquire by condemnation
33 property as ~~may-be~~ necessary for the location, construction,
* 34 and convenient use of a railway. The Iowa railway finance
35 authority may acquire fee title or a lesser property interest.

1 The authority shall offer to sell its interest in the property
2 at fair market value to the adjoining property owners upon
3 abandonment. The acquisition shall carry the right to use
4 for the construction and repair of the railway and its
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6 material, on or from the land taken.

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16 transportation regulation authority for permission to condemn.
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25 as follows:

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27 which are sought to be condemned for water stations, dams,
28 or reservoirs, including all the overflowed lands, if any,
29 shall, if requested by the owner, be set aside in a square
30 or rectangular shape by the transportation regulation authority
31 or district court.

32 Sec. 13. Section 471.16, Code 1983, is amended by striking
33 the section and inserting in lieu thereof the following:

34 471.16 RIGHT TO CONDEMN ABANDONED RIGHT-OF-WAY. Railroad
35 right-of-way which has been abandoned by order of the proper

1 authority, may be condemned by a railway corporation or the
2 Iowa railway finance authority before or after the track
3 materials have been removed. The procedure to condemn
4 abandoned right-of-way shall be the same as for an original
5 condemnation.

6 Sec. 14. Section 471.18, Code 1983, is amended by striking
7 the section and inserting in lieu thereof the following:

8 471.18 NO DOUBLE DAMAGES. Owners of abandoned right-of-
9 way which was originally condemned for rail purposes shall
10 not receive additional compensation unless the track materials
11 were removed prior to the second condemnation.

12 Sec. 15. Section 471.15 and 471.17, Code 1983, are
13 repealed.

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SENATE FILE 499

AN ACT

PROVIDING FOR THE PRESERVATION OF RAIL CORRIDORS FOR FUTURE
RAIL USE UPON ABANDONMENT OF THE RAIL CORRIDORS.

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

Section 1. Section 307B.7, Code 1983, is amended by adding
the following new subsection:

NEW SUBSECTION. 25. Acquire property interests subject
to the limitations on purchases provided in section 307B.7,
subsection 5, in rail lines to ensure continued rail use and
preserve abandoned rail lines for future railroad use.

Sec. 2. NEW SECTION. 307B.24 ACQUISITION OF ABANDONED
RIGHT-OF-WAY. A railway corporation which has received
authorization to abandon a rail line must offer the line to
the authority for sale prior to removing the track materials.
The corporation shall state a reasonable price for:

1. The corporation's right, title, and interest in the
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The authority may waive the requirements of this section.

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the rail line. If the authority fails to accept the offer
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of the property.

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delivery of the purchase price which shall not be later than
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The authority may issue rules relating to the regulation of
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in accordance with the standards and procedures of the federal
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Sec. 5. Section 327C.76, Code 1983, is amended by striking
the section and inserting in lieu thereof the following:

327G.76 TIME OF REVERSION. Railroad property rights which are extinguished upon cessation of service by the railroad divest when the railway finance authority 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 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. 6. Section 327G.77, Code 1983, is amended by striking the section and inserting in lieu thereof the following:

327G.77 REVERSION OF RAILROAD RIGHT-OF-WAY.

1. If a railroad easement is extinguished under section 327G.76, the property shall pass to the owners of the adjacent property at the time of abandonment. If there are different owners on either side, each owner will take to the center of the right-of-way. Section 614.24 which requires the filing of a verified claim does not apply to rights granted under this subsection.

2. An adjoining property owner may perfect title under subsection 1 by filing an affidavit of ownership with the county recorder. The affidavit shall include the name of the adjoining property owner, a description of the property, the present name of the railroad, the jurisdiction, docket number, and date of order authorizing the railroad to terminate service, and the approximate date the track materials on the right-of-way were removed. A copy of the affidavit must be mailed by the landowner by certified mail to the railroad. The landowner shall pay taxes on the right-of-way from the date the affidavit is filed.

3. Utility facilities located on abandoned railroad right-of-way shall remain on the right-of-way subject to payment by the utility of the fair market value of an easement for

the facilities. The utility shall, within sixty days from the time the property is transferred from the railroad, extend a written offer to the landowner to purchase the easement at fair market value. The landowner shall accept or reject the utility's offer within sixty days from the time of receipt. If a disagreement arises between the parties concerning the price or other terms of the transaction, either party may make written application to a compensation commission as established pursuant to chapter 472 to resolve the disagreement. This application shall be made within sixty days from the time the landowner's response is served upon the utility. The compensation commission shall hear the controversy and make a final determination of the fair market value of the easement and the other terms of the transaction which were in dispute within ninety days after the application is filed. All correspondence shall be by certified mail.

Sec. 7. Section 327G.78, unnumbered paragraph 1, Code 1983, is amended to read as follows:

Subject to sections 327G.77~~7~~ and 471.16~~7~~~~and 471.17~~7~~~~, when a railroad corporation, its trustee, or successor in interest have interests in real property adjacent to a railroad right-of-way that are abandoned by order of the interstate commerce commission, reorganization court, bankruptcy court, or the authority ~~or are otherwise abandoned as defined by section 471.15~~, or when a railroad corporation, trustee, or successor in interest seeks to sell its interests in that property under any other circumstance, the railroad corporation or trustee shall extend a written offer to sell at a fair market value price to the persons holding leases, licenses, or permits upon those properties, allowing sixty days from the time of receipt for a written response. If a disagreement arises between the parties concerning the price or other terms of the sale transaction, either or both parties may make written application to the authority to resolve the disagreement. The application shall be made within sixty days from the time

an initial written response is served upon the railroad corporation, trustee, or successor in interest by the person wishing to purchase the property. The authority shall hear the controversy and make a final determination of the fair market value of the property and the other terms of the transaction which were in dispute within ninety days after the application is filed. All correspondence shall be by certified mail.

This section shall not apply when a rail line is being sold for continued railroad use.

Sec. 8. Section 427.1, Code 1983, is amended by adding the following new subsection:

NEW SUBSECTION. 39. Railroad right-of-way and improvements on the right-of-way only during that period of time that the Iowa railway finance authority holds an option to purchase the right-of-way under section 307B.24.

Sec. 9. Section 471.6, Code 1983, is amended to read as follows:

471.6 RAILWAYS. The state Iowa railway finance authority or any railway corporation, may acquire by condemnation property as may-be 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. 10. Section 471.9, unnumbered paragraph 1, Code 1983, is amended to read as follows:

The state Iowa railway finance authority or a railway corporation may, by condemnation or otherwise, acquire lands for the following additional purposes:

Sec. 11. Section 471.10, Code 1983, is amended by striking the section and inserting in lieu thereof the following:

471.10 INITIATING RAILROAD CONDEMNATION.

1. The railway corporation shall apply to the transportation regulation authority for permission to condemn. The authority may, after hearing, report to the district court clerk 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 authority.

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

Sec. 12. Section 471.11, Code 1983, is amended to read as follows:

471.11 LANDS FOR WATER STATIONS--HOW SET ASIDE. Lands which are sought to be condemned for water stations, dams, or reservoirs, including all the overflowed lands, if any, shall, if requested by the owner, be set aside in a square or rectangular shape by the transportation regulation authority or district court.

Sec. 13. Section 471.16, Code 1983, is amended by striking the section and inserting in lieu thereof the following:

471.16 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 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. 14. Section 471.18, Code 1983, is amended by striking the section and inserting in lieu thereof the following:

471.18 NO DOUBLE DAMAGES. Owners of abandoned right-of-way which was originally condemned for rail purposes shall not receive additional compensation unless the track materials were removed prior to the second condemnation.

Sec. 15. Sections 471.15 and 471.17, Code 1983, are repealed.

ROBERT T. ANDERSON
President of the Senate

DONALD D. AVENSON
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 499, Seventieth General Assembly.

K. MARIE THAYER
Secretary of the Senate

Approved May 12, 1983

TERRY E. BRANSTAD
Governor