
HOUSE BILL 1623

State of Washington

64th Legislature

2015 Regular Session

By Representatives Manweller, Moscoso, Hayes, Blake, Zeiger, Kirby, Vick, Sells, Buys, Fagan, Haler, Tarleton, and Tharinger

Read first time 01/23/15. Referred to Committee on Transportation.

1 AN ACT Relating to railroad funding; and amending RCW 47.76.250.

2 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

3 **Sec. 1.** RCW 47.76.250 and 2009 c 160 s 1 are each amended to
4 read as follows:

5 (1) The essential rail assistance account is created in the state
6 treasury. Moneys in the account may be appropriated only for the
7 purposes specified in this section.

8 (2) Moneys appropriated from the account to the department of
9 transportation may be used by the department or distributed by the
10 department to cities, county rail districts, counties, economic
11 development councils, port districts, and privately or publicly owned
12 railroads for the purpose of:

13 (a) Acquiring, rebuilding, rehabilitating, or improving rail
14 lines;

15 (b) Purchasing or rehabilitating railroad equipment necessary to
16 maintain essential rail service;

17 (c) Constructing railroad improvements to mitigate port access or
18 mainline congestion;

19 (d) Construction of loading facilities to increase business on
20 light density lines or to mitigate the impacts of abandonment;

1 (e) Preservation, including operation, of light density lines, as
2 identified by the Washington state department of transportation, in
3 compliance with this chapter; or

4 (f) Preserving rail corridors for future rail purposes by
5 purchase of rights-of-way. The department shall first pursue
6 transportation enhancement program funds, available under the federal
7 surface transportation program, to the greatest extent practicable to
8 preserve rail corridors. Purchase of rights-of-way may include track,
9 bridges, and associated elements, and must meet the following
10 criteria:

11 (i) The right-of-way has been identified and evaluated in the
12 state rail plan prepared under this chapter;

13 (ii) The right-of-way may be or has been abandoned; and

14 (iii) The right-of-way has potential for future rail service.

15 (3) The department or the participating local jurisdiction is
16 responsible for maintaining any right-of-way acquired under this
17 chapter, including provisions for drainage management, fire and weed
18 control, and liability associated with ownership.

19 (4) Nothing in this section impairs the reversionary rights of
20 abutting landowners, if any, without just compensation.

21 (5) The department, cities, county rail districts, counties, and
22 port districts may grant franchises to private railroads for the
23 right to operate on lines acquired under this chapter.

24 (6) The department, cities, county rail districts, counties, and
25 port districts may grant trackage rights over rail lines acquired
26 under this chapter.

27 (7) If rail lines or rail rights-of-way are used by county rail
28 districts, port districts, state agencies, or other public agencies
29 for the purposes of rail operations and are later abandoned, the rail
30 lines or rail rights-of-way cannot be used for any other purposes
31 without the consent of the underlying fee title holder or
32 reversionary rights holder, or until compensation has been made to
33 the underlying fee title holder or reversionary rights holder.

34 (8) The department of transportation shall develop criteria for
35 prioritizing freight rail projects that meet the minimum eligibility
36 requirements for state assistance under RCW 47.76.240. The department
37 shall develop criteria in consultation with the Washington state
38 freight rail policy advisory committee. Project criteria should
39 consider the level of local financial commitment to the project as
40 well as cost/benefit ratio. Counties, local communities, railroads,

1 shippers, and others who benefit from the project should participate
2 financially to the greatest extent practicable.

3 (9) Moneys received by the department from franchise fees,
4 trackage rights fees, and loan payments shall be redeposited in the
5 essential rail assistance account. Repayment of loans made under this
6 section shall occur within a period not longer than fifteen years, as
7 set by the department. The repayment schedule and rate of interest,
8 if any, shall be determined before the distribution of the moneys.

9 (10) The state shall maintain a contingent interest in any
10 equipment, property, rail line, or facility that has outstanding
11 grants or loans. The owner may not use the line as collateral, remove
12 track, bridges, or associated elements for salvage, or use it in any
13 other manner subordinating the state's interest without permission
14 from the department.

15 (11) Moneys may be granted for improvements to privately owned
16 railroads, railroad property, or other private property under this
17 chapter for freight rail projects that meet the minimum eligibility
18 criteria for state assistance under RCW 47.76.240, and which are
19 supported by contractual consideration. At a minimum, such
20 contractual consideration shall consist of defined benefits to the
21 public with a value equal to or greater than the grant amount, and
22 where the grant recipient provides the state a contingent interest
23 adequate to ensure that such public benefits are realized.

24 (12)(a) Beginning June 2016, by the last day of each fiscal year,
25 the state treasurer shall transfer from the multimodal transportation
26 account to the essential rail assistance account such amounts as
27 reflect the excess fund balance of the multimodal transportation
28 account not to exceed ten million dollars.

29 (b) A minimum of fifty percent of the moneys deposited in the
30 account pursuant to (a) of this subsection must be expended by the
31 department for the maintenance and improvement of state-owned
32 railroads.

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