

An Act

ENROLLED SENATE
BILL NO. 341

By: Frix of the Senate

and

Kerbs and Luttrell of the
House

An Act relating to the Railroad Revitalization Act; amending 66 O.S. 2021, Section 304, which relates to the powers and duties of the Department of Transportation; providing process for sale of certain lease-purchase properties; modifying process for sale of certain properties; updating statutory language; updating statutory references; providing an effective date; and declaring an emergency.

SUBJECT: Railroad properties

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 66 O.S. 2021, Section 304, is amended to read as follows:

Section 304. A. The Department of Transportation is hereby authorized and empowered:

1. To acquire, construct, reconstruct, repair, replace, operate, and maintain railroad rights-of-way and trackage projects at such locations and on such routes as it shall determine to be feasible and economically sound;

2. To enter into agreements with the owners of operating railroads for the acquisition ~~and/or~~ or use of railroad rights-of-way and trackage on such terms, conditions, rates, or rentals as the Department may consider to be in the best interests of the state;

3. To enter directly into agreements with owners of operating railroads or persons intending to operate as common carriers by rail to sell, lease, or sell by lease-purchase agreement any state-owned railroad property on such terms, conditions, or amounts as the Department may consider to be in the best interests of the state and to promote the purposes of the Railroad Revitalization Act. If the operator under a lease-purchase agreement exercises the purchase option, the purchase shall be subject to the approval of the Transportation Commission;

4. Prior to the sale of any railroad asset owned by ~~the State of Oklahoma~~ this state or the Department of Transportation, a process of request for proposal shall be initiated by the Department of Transportation ~~with consultation by the Office of Management and Enterprise Services.~~ Upon the issue date of a request for proposal regarding the sale of any railroad asset owned by ~~the State of Oklahoma~~ this state or the Department of Transportation, interested parties will have no less than ~~ninety (90)~~ one hundred twenty (120) days to provide a response. Following the close of the ~~ninety-day~~ one-hundred-twenty-day response period, the Department of Transportation will conduct an evaluation of all submitted proposals, ~~utilizing all available resources,~~ and the Department of ~~Commerce shall~~ may conduct an economic impact ~~and/or~~ or activity study of all proposals. The ~~Secretary~~ Director of the Department of Transportation, ~~Secretary of Finance, Secretary of Commerce, Secretary of Agriculture, and Secretary of Energy~~ shall be responsible for preparing a recommendation to the Transportation Commission, based on its evaluation of all submitted proposals including, if available, the results of ~~the~~ an economic impact ~~and/or~~ or activity study, provided the recommendation meets all other statutory requirements needed for action by the Commission. The ~~Secretary of Transportation, Secretary of Finance, Secretary of Commerce, Secretary of Agriculture, and Secretary of Energy~~ will Director shall have up to ninety (90) days, upon the closing date of the request for proposal, to present ~~its~~ his or her recommendation to the Transportation Commission. The Transportation Commission will be responsible for determining if the sale of railroad assets within its jurisdiction is in the best interests of ~~the State of Oklahoma~~ this state and for authorizing the sale of such assets. ~~If a determination is rendered by the Transportation Commission that the sale of any railroad asset within its jurisdiction is~~

~~appropriate, notification must be made to the Speaker of the House of Representatives and the President Pro Tempore of the Senate in writing prior to the Commission meeting where final action will take place.~~ All proceeds from the sale shall be deposited into the Oklahoma Railroad Maintenance Revolving Fund;

5. To acquire and hold real or personal property in the exercise of its powers for the performance of its duties as authorized by ~~this act~~ Section 302.1 et seq. of this title. Surplus property may be disposed of by the Department;

6. To acquire in the name of the Department, by purchase or otherwise on such terms and conditions and in such manner as it may deem proper, or by exercise of the right of condemnation, such public or private lands and personalty, including public parks, playgrounds, or reservations, or parts thereof or rights therein, rights-of-way, trackage, property, rights, easements, and interests, as it may deem necessary for carrying out the provisions of the Railroad Revitalization Act;

7. To make and enter into all contracts and agreements necessary or incidental to the performance of its duties and the execution of its powers under the Railroad Revitalization Act, and to employ rail planning and management consultants, consulting engineers, attorneys, accountants, construction and financial consultants, superintendents, managers, and such other employees and agents as may be necessary in its judgment, and to fix their compensation; provided, that all such expenses shall be payable solely from funds made available under and pursuant to the provisions of the Railroad Revitalization Act or from revenues; provided, further, no attorney employed by the Department, nor any member of any law firm of which the member may be connected, shall ever be paid any fee or compensation for any special or extraordinary services;

8. To receive, accept, and expend funds from the state, any federal agency, or from private sources, for rail planning and for administration of railroad assistance projects, and for or in aid of the acquisition, construction, reconstruction, replacement, repair, maintenance, and operation of railroad rights-of-way and trackage and for rail service continuation payments to railroad companies for operating losses sustained by reasons of continuing service on a

line which may otherwise be abandoned or which may experience a reduced level of service not in the public interest, where such continuation of service is carried out under a written agreement with the Department establishing the terms and conditions for such payments, and to receive and accept funds, aid or contributions from any source of either money, property, labor, or other things of value, to be held, used, and applied only for the purposes for which such funds, aid, or contributions may be made;

9. To adopt such rules and to do any and all things necessary to comply with rules, regulations, or requirements of the United States Department of Transportation, any successor thereof, the Surface Transportation Board or any federal agency administering any law enacted by the United States Congress ~~of the United States~~ or having funds available for the purpose of the Department that are not inconsistent with or contrary to the prohibitions and restrictions of Oklahoma law or public interest;

10. To expend, not to exceed twenty percent (20%) of the funds available in the Oklahoma Railroad Maintenance Revolving Fund during any one (1) year, at locations approved by the ~~Oklahoma~~ Corporation Commission, such Oklahoma Railroad Maintenance Revolving Fund monies as may be budgeted by the Department of Transportation for the purposes of installing signal lights, gate arms, or other active warning devices where any public road, street, or highway crosses a railroad right-of-way; provided, however, nothing in ~~this act~~ the Railroad Revitalization Act shall negate, change, or otherwise modify any existing statutory or common law duty of a railroad company;

11. To expend income and funds from the Oklahoma Railroad Maintenance Revolving Fund in the exercise of any or all of the foregoing powers; and

12. To do all things necessary or convenient to carry out the powers expressly granted in ~~this act~~ Section 302.1 et seq. of this title.

B. It shall be unlawful for any member, officer, or employee of the Department to transact with the Department, either directly or indirectly, any business for profit of such member, officer, or employee; and any person, firm, or corporation knowingly

participating therein shall be equally liable for a violation of this provision.

The term "business for profit" shall include, but not be limited to, the acceptance or payment of any fee, commission, gift, or consideration to such member, officer, or employee.

Violation of this provision shall constitute a felony and upon conviction shall be punishable by incarceration in the Oklahoma State Penitentiary for a term not to exceed five (5) years or by a fine ~~of~~ not less than Five Hundred Dollars (\$500.00) and not more than Five Thousand Dollars (\$5,000.00), or by both such imprisonment and fine.

C. All meetings of the Department shall be open public meetings, and all records shall be public records, except when considering personnel.

SECTION 2. This act shall become effective July 1, 2025.

SECTION 3. It being immediately necessary for the preservation of the public peace, health or safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

Passed the Senate the 25th day of February, 2025.

Presiding Officer of the Senate

Passed the House of Representatives the 28th day of April, 2025.

Presiding Officer of the House
of Representatives

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this _____

day of _____, 20_____, at _____ o'clock _____ M.

By: _____

Approved by the Governor of the State of Oklahoma this _____

day of _____, 20_____, at _____ o'clock _____ M.

Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this _____

day of _____, 20_____, at _____ o'clock _____ M.

By: _____