

## HOUSE BILL NO. 26

INTRODUCED BY T. MCGILLVRAY

BY REQUEST OF THE ECONOMIC AFFAIRS INTERIM COMMITTEE

A BILL FOR AN ACT ENTITLED: "AN ACT TRANSFERRING THE RAIL SERVICE COMPETITION COUNCIL FROM THE OFFICE OF THE GOVERNOR TO THE DEPARTMENT OF TRANSPORTATION FOR ADMINISTRATIVE PURPOSES; ~~INCREASING~~ DECREASING, MODIFYING, AND STAGGERING THE MEMBERSHIP OF THE COUNCIL; EXPANDING THE DUTIES OF THE COUNCIL TO INCLUDE PROMOTING THE EXPANSION OF EXISTING RAIL LINES AND THE CONSTRUCTION OF NEW RAIL LINES IN MONTANA; PROVIDING AN APPROPRIATION; AND AMENDING SECTION 2-15-246, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**Section 1.** Section 2-15-246, MCA, is amended to read:

**"2-15-246. Rail service competition council.** (1) There is a rail service competition council consisting of the following members:

(a) the director of the department of agriculture provided for in 2-15-3001;

(b) the director of the department of transportation provided for in 2-15-2501;

~~(c) the director of the department of revenue provided for in 2-15-1301;~~

~~—— (d) the chief business development officer of the office of economic development provided for in 2-15-218;~~

(C) THE DIRECTOR OF THE DEPARTMENT OF REVENUE PROVIDED FOR IN 2-15-1301;

(D) THE CHIEF BUSINESS DEVELOPMENT OFFICER OF THE OFFICE OF ECONOMIC DEVELOPMENT PROVIDED FOR IN 2-15-218;

~~(e)(C)(E) six ~~eight~~ SEVEN people,~~ appointed by the governor, who shall serve STAGGERED 4-year terms commencing January 1 following their appointment, with the following qualifications:

(i) one person with substantial knowledge and experience related to Class I railroads;

(ii) one person with substantial knowledge and experience related to Class II railroads;

~~—— (iii) one person employed as a railroad employee of a railroad engaged in interstate commerce in the state;~~

~~(iii)(iv)(III)~~ one person who is a farm commodity producer in the state of Montana and who has substantial knowledge and experience related to transportation of farm commodities;

~~(iv)(v)(IV)~~ one person with substantial knowledge and experience in the trucking industry in the state of Montana;

~~(v)(vi)(V)~~ one person with substantial knowledge and experience related to transportation for the mineral industry in the state of Montana; and

~~(vi)(vii)(VI)~~ one person with substantial knowledge and experience related to transportation for the coal industry in the state; and

~~(vii)(viii)(VII)~~ one person with substantial knowledge and experience related to transportation for the wood products industry in the state of Montana; and

~~(f)(E)(F)~~ two members, one from each political party and one from each house of the legislature, from the economic affairs interim committee established in 5-5-223, selected by the presiding officer of the economic affairs interim committee with the concurrence of the vice presiding officer at the first interim committee meeting at the beginning of each interim.

(2) The rail service competition council shall perform the following duties:

(a) promote rail service competition in the state of Montana that results in reliable and adequate service at reasonable rates;

(b) develop a comprehensive and coordinated plan to increase rail service competition in the state of Montana;

(c) reevaluate the state's railroad taxation practices to ensure reasonable competition while minimizing any transfer of tax burden. The reevaluation of the state's railroad taxation practices should include but is not limited to a reevaluation of property taxes, taxes that minimize highway damage, special fuel taxes, and corporate tax rates.

(d) develop various means to assist Montanans impacted by high rates and poor rail service;

(e) analyze the feasibility of developing legal structures to facilitate growth of producer transportation investment cooperatives and rural transportation infrastructure authorities;

(f) provide advice and recommendations to the department of transportation on the department's activities under 60-11-113 through 60-11-116;

(g) coordinate efforts and develop cooperative partnerships with other states and federal agencies to promote rail service competition; and

- (h) act as the state's liaison in working with Class I railroads to promote rail service competition; and  
 (i) promote the expansion of existing rail lines and the construction of new rail lines in the state.

(3) (A) The council shall cooperate with and report to any standing or interim legislative committee that is assigned to study or has oversight duties for rail service competition issues.

(B) THE COUNCIL SHALL REPORT TO THE 2009 LEGISLATURE ON ITS ACTIVITIES AND ITS PROGRESS IN PERFORMING THE DUTIES REQUIRED IN SUBSECTION (2).

(4) The council must be compensated, reimbursed, and otherwise governed by the provisions of 2-15-122.

(5) The council is attached for administrative purposes only to the ~~governor's office~~ department of transportation, which may assist the council by providing staff and budgetary, administrative, and clerical services that the council or its presiding officer requests.

(6) Staffing and other resources may be provided to the council only from state and nonstate resources donated to the council and from direct appropriations by each legislature."

NEW SECTION. SECTION 2. APPROPRIATION. THERE IS APPROPRIATED FROM THE GENERAL FUND TO THE DEPARTMENT OF TRANSPORTATION THE FOLLOWING AMOUNTS TO SUPPORT THE RAIL SERVICE COMPETITION COUNCIL AND ITS WORK:

<u>FISCAL YEAR 2008</u>	<u><del>\$75,000</del> \$50,000</u>
<u>FISCAL YEAR 2009</u>	<u><del>75,000</del> 50,000</u>

NEW SECTION. Section 3. Directions to code commissioner. Section 2-15-246, MCA, is intended to be renumbered and codified as an integral part of Title 2, chapter 15, part 25.

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