

MAINE STATE LEGISLATURE

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1 SECOND SPECIAL SESSION
2

3 ONE HUNDRED AND TWELFTH LEGISLATURE
4

5 Legislative Document

No. 2421

6
7 H.P. 1729

House of Representatives, May 27, 1986

8 Approved for introduction by a majority of the Legislative Council
pursuant to Joint Rule 26.

9 Received by the Clerk of the House on May 23, 1986. Referred to the
10 Committee on Appropriations and Financial Affairs, and ordered printed
pursuant to Joint Rule 14.

Presented by Representative Carter of Winslow. EDWIN H. PERT, Clerk

11 Cosponsored by Representative Joseph of Waterville, Representative
Duffy of Bangor and Representative Telow of Lewiston.

12 STATE OF MAINE
13

14 IN THE YEAR OF OUR LORD
15 NINETEEN HUNDRED AND EIGHTY-SIX
16

17 AN ACT to Establish a Legislative Task Force
18 on Railroads to Study Tax Exemptions
19 and Economic Subsidies to Railroads
20 and the Future of Rail Transportation
21 in Maine and its Effect on the
22 Economic Viability and Stability of
23 the State.
24

25 Be it enacted by the People of the State of Maine as
26 follows:

27 Sec. 1. Legislative Task Force on Railroads.

28 1. Task force created; membership; compensation;
29 meetings. There is established a Legislative Task
30 Force on Railroads to be composed of 3 Senators to be
31 appointed by the President of the Senate and 10 mem-
32 bers of the House of Representatives to be appointed
33 by the Speaker of the House. Membership on the task
34 force shall include, at a minimum, representatives
35 from the joint standing committees of the Legislature
36 having jurisdiction over taxation, transportation,

1 appropriations and financial affairs and labor. Mem-
2 bers of the task force shall not receive any per diem
3 compensation, but shall be compensated for their ex-
4 penses. The task force shall meet no more than 6
5 times.

6 2. Scope of study; powers. The purpose of the
7 study is to identify the most efficient role to be
8 played by the State in retaining and enhancing rail
9 transportation in this State by focusing on the prac-
10 tices of the railroad industry and the industry's re-
11 lationship to the State. The task force shall review
12 all economic incentives established by law applying
13 to railroads in Maine and examine possible additional
14 subsidies, or tax exemptions, determine how the money
15 saved through these incentives is currently being
16 used, determine whether these incentives are being
17 abused, determine whether special accounting proce-
18 dures are necessary to fairly calculate these incen-
19 tives, determine whether certain restrictions or con-
20 ditions are necessary for these or future incentives,
21 study the subsidization policies of other states, ex-
22 amine the status of short-line operators in the
23 State, determine whether industry practices are con-
24 tributing to the drop in tonnage on certain rail
25 lines, examine the problems surrounding the State's
26 attempt to purchase certain rail lines with funds
27 from the bond issue approved by referendum, examine
28 how the ongoing labor dispute at Maine Central Rail-
29 road has affected Maine businesses and examine all
30 real estate holdings of Maine railroads and the valu-
31 ation of those holdings.

32 The committee may hold hearings in the course of
33 its study and, in connection with those hearings, ad-
34 minister oaths and receive evidence. The committee
35 may require by subpoena the attendance and the testi-
36 mony of witnesses and the production of papers,
37 records or other documentary evidence.

38 3. Report. The task force shall submit its re-
39 port, together with any necessary legislation, to the
40 Legislature prior to January 1, 1987.

41 **Sec. 2. Withholding of certain payments or bene-**
42 **fits.** Notwithstanding the Maine Revised Statutes,
43 Title 23, section 2930, and Title 36, section 1760,

1 subsection 52, all proceeds or benefits accruing or
2 intended to accrue to Guilford Industries, Inc., un-
3 der those sections shall be paid to the Commissioner
4 of Transportation and be placed by the commissioner
5 in an escrow account until such time as the State and
6 Guildford Industries, Inc., successfully resolve the
7 acquisition of rail lines as authorized by Private
8 and Special Law 1985, chapter 75, or until the First
9 Regular Session of the 113th Legislature enacts leg-
10 islation pursuant to the study set out in this Act,
11 whichever is sooner. At that time, the money in that
12 account shall be paid to Guilford Industries, Inc.

13

STATEMENT OF FACT

14 The purpose of this bill is to establish a Legis-
15 lative Task Force on Railroads to study the present
16 railroad practices and conditions in the State. The
17 bill also suspends payment of money to Guilford In-
18 dustries, Inc., under certain special statutory pro-
19 visions for railroads, pending the successful acqui-
20 sition of rail lines pursuant to Private and Special
21 Law 1985, chapter 75.

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