

# MAINE STATE LEGISLATURE

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1 (EMERGENCY)  
2 (New Draft of H.P. 1729, L.D. 2421)  
3 SECOND SPECIAL SESSION  
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5 ONE HUNDRED AND TWELFTH LEGISLATURE  
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7 Legislative Document

No. 2437

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9 H.P. 1754

House of Representatives, May 29, 1986

10 Reported by the Majority from the Committee on Appropriations and  
11 Financial Affairs and printed under Joint Rule 2. Original bill sponsored by  
12 Representative Carter of Winslow. Cosponsored by Representative Joseph of  
Waterville, Representative Duffy of Bangor and Representative Telow of  
Lewiston.

EDWIN H. PERT, Clerk

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13  
14 STATE OF MAINE  
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16 IN THE YEAR OF OUR LORD  
17 NINETEEN HUNDRED AND EIGHTY-SIX  
18

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19 AN ACT to Establish a Legislative Task Force  
20 on Railroads to Study Tax Exemptions  
21 and Economic Subsidies to Railroads  
22 and the Future of Rail Transportation  
23 in Maine and its Effect on the  
24 Economic Viability and Stability of  
25 the State.  
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27 Emergency preamble. Whereas, Acts of the Legis-  
28 lature do not become effective until 90 days after  
29 adjournment unless enacted as emergencies; and

30 Whereas, it is vitally necessary to initiate a  
31 study of the role of Maine's railroads and their re-  
32 lationship to the State's economy; and

33 Whereas, this is a critical period for the rail-  
34 road industry in the State of Maine; and

1           Whereas, in the judgment of the Legislature,  
2 these facts create an emergency within the meaning of  
3 the Constitution of Maine and require the following  
4 legislation as immediately necessary for the preser-  
5 vation of the public peace, health and safety; now,  
6 therefore,

7 Be it enacted by the People of the State of Maine as  
8 follows:

9           Sec. 1. 23 MRSA §2930, as enacted by PL 1985, c.  
10 442, §1, is amended by adding at the end a new para-  
11 graph to read:

12           For any railroad line or right-of-way which has  
13 been abandoned, or for which proceedings to authorize  
14 abandonment are pending, and which the Department of  
15 Transportation has indicated that it desires to pur-  
16 chase or lease pursuant to section 4207 or any other  
17 law, the commissioner shall cause an allocable share  
18 of funds otherwise payable to the abandoning railroad  
19 corporation under this section to be deposited in an  
20 escrow account, to be used to defray the purchase or  
21 lease of the abandoned line or right-of-way.

22           Sec. 2. Legislative Task Force on Railroads.

23           1. Task force created; membership; compensation;  
24 meetings. There is established a Legislative Task  
25 Force on Railroads to be composed of 3 Senators to be  
26 appointed by the President of the Senate and 10 mem-  
27 bers of the House of Representatives to be appointed  
28 by the Speaker of the House. Membership on the task  
29 force shall include, at a minimum, representatives  
30 from the joint standing committees of the Legislature  
31 having jurisdiction over taxation, transportation,  
32 appropriations and financial affairs and labor. Ap-  
33 pointments to the task force shall be made using the  
34 same procedures currently utilized to appoint members  
35 to joint standing committees of the Legislature. The  
36 task force shall select a chairman from among its  
37 members. The chairman of the Legislative Council  
38 shall convene the first meeting. Members of the task  
39 force shall not receive any per diem compensation,  
40 but shall be compensated for their expenses. The  
41 task force shall meet no more than 6 times. Staff

1 assistance shall be requested from the Legislative  
2 Council.

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

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

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

38       Sec. 3. Appropriation. The following funds are  
39 appropriated from the General Fund to carry out the  
40 purposes of this Act.

41

1986-87

1     LEGISLATURE

2           Legislative Task Force on Railroads  
3           All Other                                     \$10,000  
4           Provides funds for  
5           the meeting, print-  
6           ing and miscella-  
7           neous expenses of  
8           the task force.

9           Emergency clause. In view of the emergency cited  
10          in the preamble, this Act shall take effect when ap-  
11          proved.

12                                     STATEMENT OF FACT

13          The purpose of the new draft is to make sure that  
14          the State does not pay twice when it acquires or  
15          leases abandoned railroad lines. Under existing law,  
16          the State would be subsidizing the improvement of  
17          railroad facilities that it intends to acquire,  
18          thereby raising the value and thus ultimate purchase  
19          price for the State. This amendment would preclude  
20          this double subsidy by directing the commissioner to  
21          use funds otherwise authorized for payment under this  
22          section against the ultimate purchase or lease of an  
23          abandoned line.

24          This new draft also adds an appropriation section  
25          and clarifies how the task force shall be estab-  
26          lished.

27   6408052986