

AMENDED IN SENATE MARCH 21, 2011

SENATE BILL

No. 325

Introduced by Senator Rubio

February 14, 2011

An act to add Title 12.5 (commencing with Section 93300) to the Government Code, relating to railroads.

LEGISLATIVE COUNSEL'S DIGEST

SB 325, as amended, Rubio. Central California Railroad Authority.

Existing law authorizes the creation of railroad authorities in various parts of the state.

~~This bill would state the intent of the Legislature relative to the creation of~~ *enact the Central California Railroad Authority Act to create the Central California Railroad Authority as an alternative for ensuring continuation of short-line railroad operations service in the Counties of Kern, Kings, Tulare, and Fresno. The bill would require the authority to be governed by a board of directors who would be required to be appointed by the regional transportation planning agencies of the Counties of Kern, Kings, Tulare, and Fresno, thereby imposing a state-mandated local program. The bill would require the authority to conduct its first meeting not later than 120 days after abandonment or discontinuance of service on, or the bankruptcy or sale of, the San Joaquin Valley Railroad line. The bill would authorize the authority to acquire and operate railroads or select a franchisee to operate a rail transportation system, to prepare a plan for acquisition and operation of specified railroad lines, and establish criteria for the award of a franchise for the acquisition, financing, and operation of the railroad system. The bill would further authorize the authority to issue revenue bonds pursuant to the Revenue Bond Law of 1941. The bill would*

provide that the state is not liable for any contract, debt, or obligation of the authority. The bill would also state the intent of the Legislature in enacting the authority.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~-yes.
State-mandated local program: ~~no~~-yes.

The people of the State of California do enact as follows:

1 SECTION 1. Title 12.5 (commencing with Section 93300) is
2 added to the Government Code, to read:

3
4 TITLE 12.5. CENTRAL CALIFORNIA RAILROAD
5 AUTHORITY

6
7 CHAPTER 1. GENERAL PROVISIONS

8
9 93300. This title shall be known, and may be cited, as the
10 Central California Railroad Authority Act.

11 93301. The Legislature finds and declares all of the following:

12 (a) It is the intent of the Legislature, in enacting this title, to
13 provide an alternative for ensuring ~~continuation of~~ railroad service
14 if the Surface Transportation Board authorizes *the* abandonment
15 or discontinuance of service on, or in the event of bankruptcy *or*
16 ~~sale of, or sale of, the existing short-line railroad operations~~ *the*
17 *San Joaquin Valley Railroad line* in the Counties of Kern, Kings,
18 Tulare, and Fresno.

19 (b) It is ~~further~~ the intent of the Legislature to provide a means
20 to consider and, if justified, to pursue economic development
21 opportunities and projects related to rail service ~~on the affected~~
22 ~~short lines described in subdivision (a) along railroad lines in~~
23 *participating counties.*

24 (c) It is ~~further~~ the intent of the Legislature that enactment of
25 this title not provide a justification for the Surface Transportation

1 Board to grant a petition for abandonment or discontinuance of
2 service on the affected short lines.

3 (d) It is ~~further~~ the intent of the Legislature that the ~~coverage~~
4 ~~of this title~~ *authority* be expanded to include ~~short-line railroad~~
5 ~~operations in~~ the Counties of Madera, Merced, Stanislaus, and San
6 Joaquin if ~~that becomes feasible~~ *those counties request to be*
7 *included* at a future date.

8 (e) *It is the intent of the Legislature that the authority be*
9 *administered through a joint powers agreement among the regional*
10 *transportation planning agencies in each of the named counties.*

11 93302. The Legislature finds and declares that ~~creation of the~~
12 ~~Central California Railroad Authority and the retention of~~
13 ~~maintaining a~~ *railroad service through central California* will
14 provide economic and other related benefits, as follows:

15 (a) ~~Continuation of short-line railroad service in affected~~
16 ~~counties.~~

17 (b) ~~The opportunity to explore expanded freight service~~
18 ~~operations between the Port of Oakland and the affected counties.~~

19 (c) ~~The reduced reliance on motor vehicles and the benefits that~~
20 ~~result from use of alternative transportation means.~~

21 (d) ~~Reduced traffic congestion on and deterioration of State~~
22 ~~Highway Routes 5 and 99.~~

23 (e) ~~The provision of convenient and attractive alternative~~
24 ~~transportation options for shippers in central California and~~
25 ~~elsewhere.~~

26 93303. ~~It is the intent of the Legislature to enact legislation that~~
27 ~~would create the Central California Railroad Authority. It is also~~
28 ~~the intent of the Legislature that the authority, when created, shall~~
29 ~~be a local agency for purposes of the Disaster Assistance Act~~
30 ~~(Chapter 7.5 (commencing with Section 8680) of Division 1 of~~
31 ~~Title 2).~~ *benefits and do all of the following:*

32 (a) *Ensure continuing short-line freight railroad service between*
33 *Kern County and Fresno County.*

34 (b) *Enable opportunities for the improvement of short-line rail*
35 *service, including passenger service connecting to high-speed rail*
36 *stations, extending from Kern County to the Port of Oakland.*

37 (c) *Reduce reliance on motor vehicles and encourage the use*
38 *of rail service as an alternative transportation means.*

39 (d) *Reduce traffic congestion on and deterioration of State*
40 *Highway Routes 5 and 99.*

1 (e) Provide convenient and attractive short-line transportation
 2 service for shippers through central California.

3 93303. As used in this title, “authority” means the Central
 4 California Railroad Authority.

5 93304. The authority is a local agency for purposes of the
 6 Disaster Assistance Act (Chapter 7.5 (commencing with Section
 7 8680) of Division 1 of Title 2).

8
 9 CHAPTER 2. CREATION OF THE CENTRAL CALIFORNIA RAILROAD
 10 AUTHORITY

11
 12 93307. (a) The Central California Railroad Authority is hereby
 13 created, having a service area comprised of the Counties of Kern,
 14 Kings, Tulare, and Fresno, to provide rail passenger and freight
 15 service within those counties.

16 (b) The Counties of Madera, Merced, Stanislaus, and San
 17 Joaquin may elect to join the authority and, if that election is made,
 18 the authority is expanded to include those counties.

19 93308. (a) The authority shall be governed by a board of
 20 directors, composed of two persons appointed by each of the
 21 regional transportation planning agencies of the Counties of Kern,
 22 Kings, Tulare, and Fresno. If the Counties of Madera, Merced,
 23 Stanislaus, or San Joaquin elect to join the authority, the regional
 24 transportation planning agencies of the counties so joining shall
 25 appoint two persons to the board of directors.

26 (b) All directors, except the ex officio director, shall serve for
 27 terms of two years and until their successors have qualified.

28 (c) Notwithstanding any other provision of law that precludes
 29 the simultaneous holding of incompatible offices, a local
 30 government officer may be appointed and may serve as a member
 31 of the authority’s board of directors if the person also meets the
 32 other applicable qualifications of this title.

33 93309. The authority shall conduct its first meeting no later
 34 than 120 days after abandonment or discontinuance of service on
 35 any railroad line specified in Section 93301.

36
 37 CHAPTER 3. POWERS AND DUTIES OF THE AUTHORITY

38
 39 93312. The authority has all of the following powers:

1 (a) To acquire, own, operate, and lease real and personal
2 property reasonably related to the operation and maintenance of
3 railroads.

4 (b) To issue revenue bonds pursuant to Section 93316 for any
5 purpose of the authority.

6 (c) To acquire property by purchase, lease, gift, or through
7 exercise of the power of eminent domain.

8 (d) To operate railroads, including those outside its boundaries
9 in order to connect its lines with the lines of another railroad
10 corporation.

11 (e) To accept grants or loans from state or federal agencies.

12 (f) To select a franchisee, which may be a public or private
13 entity, to acquire or operate a rail transportation system within
14 the area of the authority's jurisdiction.

15 93313. The authority may acquire, own, lease, and operate
16 railroad lines and equipment, including, but not limited to, real
17 and personal property, tracks, rights-of-way, equipment, and
18 facilities.

19 93314. The authority may prepare a plan for the acquisition
20 and operation of any railroad line specified in Section 93301, at
21 no expense to the state, to achieve the purposes set forth in Section
22 93302.

23 93315. After preparation of a plan pursuant to Section 93314,
24 the authority may do any of the following:

25 (a) Conduct engineering and other studies related to the
26 acquisition of any railroad line.

27 (b) Evaluate alternative plans from the private sector to acquire,
28 finance, and operate a railroad system in a manner which achieves
29 the purposes specified in Section 93302.

30 (c) Establish criteria for the award of a franchise.

31 (d) Select a franchisee to acquire, finance, and operate the
32 railroad system.

33 (e) Accept grants, gifts, fees, or allocations from other entities,
34 including private and public sources.

35 (f) Employ an executive officer, other staff, and consultants
36 deemed appropriate for support of the activities of the authority.

37 93316. (a) The authority may issue bonds, payable from
38 revenues of any facility or enterprise to be acquired or constructed
39 by the authority, in the manner provided by the Revenue Bond Law

1 of 1941 (Chapter 6 (commencing with Section 54300) of Part 1 of
2 Division 2 of Title 5).

3 However, an election is not required in the case of revenue bonds
4 authorized by the board of directors for railroad facilities, and
5 any addition, extension, and improvement thereto, and all other
6 facilities authorized to be acquired, constructed, or completed by
7 the authority under this title.

8 (b) The authority is a local agency within the meaning of the
9 Revenue Bond Law of 1941. The term “enterprise,” as used in
10 that law, includes railroad facilities, and any addition, extension,
11 and improvement thereto, and all other facilities authorized to be
12 acquired, constructed, or completed by the authority under this
13 title.

14 93317. The state is not liable for any contracts, debts, or other
15 obligations of the authority.

16 SEC. 2. No reimbursement is required by this act pursuant to
17 Section 6 of Article XIII B of the California Constitution because
18 the only costs that may be incurred by a local agency or school
19 district are the result of a program for which legislative authority
20 was requested by that local agency or school district, within the
21 meaning of Section 17556 of the Government Code and Section 6
22 of Article XIII B of the California Constitution.