
SENATE BILL 5851

State of Washington

60th Legislature

2007 Regular Session

By Senators Jacobsen, Benton, Zarelli, Prentice, Honeyford and Rasmussen

Read first time 02/05/2007. Referred to Committee on Transportation.

1 AN ACT Relating to rail preservation; reenacting and amending RCW
2 43.79A.040; adding new sections to chapter 47.01 RCW; creating a new
3 section; and providing an expiration date.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** The legislature finds that there are
6 insufficient resources for public or privately owned rail systems to
7 adequately address rail infrastructure needs. Rail material that can
8 be used for priority rail projects either sits idle, is sold for scrap,
9 or is shipped out of state.

10 The legislature also finds that where rail-related operations or
11 facilities benefit or have benefited from public investment through
12 grants, loans, tax relief, or partnerships with local, state, or
13 federal governments or port districts, there is a public interest in
14 ensuring that available rail and crossing materials be retained and
15 reused to modify or improve existing rail facilities.

16 It is the intent of the legislature to retain and reuse rail
17 material that becomes available within the state to restore, preserve,
18 and enhance rail facilities in order to preserve the use of railroads
19 for freight, passengers, and economic development.

1 NEW SECTION. **Sec. 2.** A new section is added to chapter 47.01 RCW
2 to read as follows:

3 (1) The rail preservation pilot project is established within the
4 department of transportation to make rail and crossing materials
5 available to in-state rail operators or owners of public or privately
6 owned short line or mainline rail facilities.

7 (2) The department of transportation shall establish eligibility
8 criteria to award in-state rail operators or owners of public or
9 privately owned short line or mainline rail facilities rail and
10 crossing materials. The criteria must include, but is not limited to:

11 (a) Receipt of competitive state or federal grants or loans;

12 (b) Approval by credible expert analysis;

13 (c) Impending new opportunities for rail use and expansion;

14 (d) Receipt of prior public investment;

15 (e) Safety record; and

16 (f) In-kind or cash investments or local matching funds.

17 (3) The department shall consider the in-state value of rail and
18 crossing material available when investing in rail improvement projects
19 and seek methods to make reusable rail and crossing material available
20 to preserve and improve in-state rail facilities.

21 (4) Where public funds are used to improve, replace, or enhance a
22 rail facility, the department must offer any rail and crossing material
23 removed from the facility to other rail improvement projects within
24 Washington state before the sale or removal of the rail material
25 outside of the state.

26 NEW SECTION. **Sec. 3.** A new section is added to chapter 47.01 RCW
27 to read as follows:

28 (1) The department shall establish the rail material reuse grant
29 program. Through this program the department shall provide grants and
30 technical assistance to in-state rail operators or owners of public or
31 privately owned rail facilities. The grants are to be used for the
32 acquisition, removal, and transport of reusable and salvageable rail
33 and crossing material by the in-state rail operators or owners. The
34 technical assistance is to help the in-state rail operators or owners
35 apply for grants and carry out the program. To be eligible for grants
36 under this program, the recipient in-state rail operator or owner must

1 be involved in a rail improvement project listed and evaluated by the
2 public transportation and rail division of the department.

3 (2) The recipient in-state rail operator or owner must place the
4 grants and matching funds in a revolving loan fund and deposit them in
5 a bank or savings institution in an account that is separate from all
6 other funds of the recipient. The funds and interest earned on these
7 funds must be utilized only to acquire, remove, and transport reusable
8 and salvageable rail and crossing material.

9 NEW SECTION. **Sec. 4.** A new section is added to chapter 47.01 RCW
10 to read as follows:

11 The rail preservation fund is created in the custody of the state
12 treasurer. All receipts from federal or state grants and loans
13 received by the department of transportation for rail improvement
14 project purposes must be deposited into the fund. Expenditures from
15 the fund may be used only to supply in-state rail operators or owners
16 of public and privately owned short line and mainline rail facilities
17 with rail and crossing materials. Only the secretary of transportation
18 or the secretary's designee may authorize expenditures from the fund.
19 The fund is subject to allotment procedures under chapter 43.88 RCW,
20 but an appropriation is not required for expenditures.

21 **Sec. 5.** RCW 43.79A.040 and 2006 c 311 s 21 and 2006 c 120 s 2 are
22 each reenacted and amended to read as follows:

23 (1) Money in the treasurer's trust fund may be deposited, invested,
24 and reinvested by the state treasurer in accordance with RCW 43.84.080
25 in the same manner and to the same extent as if the money were in the
26 state treasury.

27 (2) All income received from investment of the treasurer's trust
28 fund shall be set aside in an account in the treasury trust fund to be
29 known as the investment income account.

30 (3) The investment income account may be utilized for the payment
31 of purchased banking services on behalf of treasurer's trust funds
32 including, but not limited to, depository, safekeeping, and
33 disbursement functions for the state treasurer or affected state
34 agencies. The investment income account is subject in all respects to
35 chapter 43.88 RCW, but no appropriation is required for payments to

1 financial institutions. Payments shall occur prior to distribution of
2 earnings set forth in subsection (4) of this section.

3 (4)(a) Monthly, the state treasurer shall distribute the earnings
4 credited to the investment income account to the state general fund
5 except under (b) and (c) of this subsection.

6 (b) The following accounts and funds shall receive their
7 proportionate share of earnings based upon each account's or fund's
8 average daily balance for the period: The Washington promise
9 scholarship account, the college savings program account, the
10 Washington advanced college tuition payment program account, the
11 agricultural local fund, the American Indian scholarship endowment
12 fund, the foster care scholarship endowment fund, the foster care
13 endowed scholarship trust fund, the students with dependents grant
14 account, the basic health plan self-insurance reserve account, the
15 contract harvesting revolving account, the Washington state combined
16 fund drive account, the commemorative works account, the Washington
17 international exchange scholarship endowment fund, the developmental
18 disabilities endowment trust fund, the energy account, the fair fund,
19 the fruit and vegetable inspection account, the future teachers
20 conditional scholarship account, the game farm alternative account, the
21 grain inspection revolving fund, the juvenile accountability incentive
22 account, the law enforcement officers' and fire fighters' plan 2
23 expense fund, the local tourism promotion account, the produce railcar
24 pool account, the regional transportation investment district account,
25 the rural rehabilitation account, the stadium and exhibition center
26 account, the youth athletic facility account, the self-insurance
27 revolving fund, the sulfur dioxide abatement account, the children's
28 trust fund, the Washington horse racing commission Washington bred
29 owners' bonus fund account, the Washington horse racing commission
30 class C purse fund account, the individual development account program
31 account, the Washington horse racing commission operating account
32 (earnings from the Washington horse racing commission operating account
33 must be credited to the Washington horse racing commission class C
34 purse fund account), the life sciences discovery fund, (~~and~~) the
35 reading achievement account, and the rail preservation fund. However,
36 the earnings to be distributed shall first be reduced by the allocation
37 to the state treasurer's service fund pursuant to RCW 43.08.190.

1 (c) The following accounts and funds shall receive eighty percent
2 of their proportionate share of earnings based upon each account's or
3 fund's average daily balance for the period: The advanced right of way
4 revolving fund, the advanced environmental mitigation revolving
5 account, the city and county advance right-of-way revolving fund, the
6 federal narcotics asset forfeitures account, the high occupancy vehicle
7 account, the local rail service assistance account, and the
8 miscellaneous transportation programs account.

9 (5) In conformance with Article II, section 37 of the state
10 Constitution, no trust accounts or funds shall be allocated earnings
11 without the specific affirmative directive of this section.

12 NEW SECTION. **Sec. 6.** This act expires six years after the
13 effective date of this act.

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