

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 1st Session of the 60th Legislature (2025)

4 ENGROSSED SENATE
5 BILL NO. 341

6 By: Frix of the Senate

7 and

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10 Kerbs and Luttrell of the
11 House

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An Act relating to the Railroad Revitalization Act; amending 66 O.S. 2021, Section 304, which relates to the powers and duties of the Department of Transportation; providing process for sale of certain lease-purchase properties; modifying process for sale of certain properties; updating statutory language; updating statutory references; providing an effective date; and declaring an emergency.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 66 O.S. 2021, Section 304, is

amended to read as follows:

Section 304. A. The Department of Transportation is hereby authorized and empowered:

1. To acquire, construct, reconstruct, repair, replace, operate, and maintain railroad rights-of-way and trackage projects at such locations and on such routes as it shall determine to be feasible and economically sound;

1 2. To enter into agreements with the owners of operating
2 railroads for the acquisition ~~and/or~~ or use of railroad rights-of-
3 way and trackage on such terms, conditions, rates,_ or rentals as the
4 Department may consider to be in the best interests of the state;

5 3. To enter directly into agreements with owners of operating
6 railroads or persons intending to operate as common carriers by rail
7 to sell, lease, or sell by lease-purchase agreement any state-owned
8 railroad property on such terms, conditions,_ or amounts as the
9 Department may consider to be in the best interests of the state and
10 to promote the purposes of the Railroad Revitalization Act. If the
11 operator under a lease-purchase agreement exercises the purchase
12 option, the purchase shall be subject to the approval of the
13 Transportation Commission;

14 4. Prior to the sale of any railroad asset owned by ~~the State~~
15 ~~of Oklahoma~~ this state or the Department of Transportation, a
16 process of request for proposal shall be initiated by the Department
17 of Transportation ~~with consultation by the Office of Management and~~
18 ~~Enterprise Services.~~ Upon the issue date of a request for proposal
19 regarding the sale of any railroad asset owned by ~~the State of~~
20 ~~Oklahoma~~ this state or the Department of Transportation, interested
21 parties will have no less than ~~ninety (90)~~ one hundred twenty (120)
22 days to provide a response. Following the close of the ~~ninety-day~~
23 one-hundred-twenty-day response period, the Department of
24 Transportation will conduct an evaluation of all submitted

1 proposals, utilizing all available resources, and the Department of
2 Commerce shall may conduct an economic impact and/or or activity
3 study of all proposals. The Secretary Director of the Department of
4 Transportation, Secretary of Finance, Secretary of Commerce,
5 Secretary of Agriculture, and Secretary of Energy shall be
6 responsible for preparing a recommendation to the Transportation
7 Commission, based on its evaluation of all submitted proposals
8 including, if available, the results of the an economic impact
9 and/or or activity study, provided the recommendation meets all
10 other statutory requirements needed for action by the Commission.
11 The Secretary of Transportation, Secretary of Finance, Secretary of
12 Commerce, Secretary of Agriculture, and Secretary of Energy will
13 Director shall have up to ninety (90) days, upon the closing date of
14 the request for proposal, to present its his or her recommendation
15 to the Transportation Commission. The Transportation Commission
16 will be responsible for determining if the sale of railroad assets
17 within its jurisdiction is in the best interests of the State of
18 Oklahoma this state and for authorizing the sale of such assets. If
19 a determination is rendered by the Transportation Commission that
20 the sale of any railroad asset within its jurisdiction is
21 appropriate, notification must be made to the Speaker of the House
22 of Representatives and the President Pro Tempore of the Senate in
23 writing prior to the Commission meeting where final action will take
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1 | place. All proceeds from the sale shall be deposited into the
2 | Oklahoma Railroad Maintenance Revolving Fund;

3 | 5. To acquire and hold real or personal property in the
4 | exercise of its powers for the performance of its duties as
5 | authorized by ~~this act~~ Section 302.1 et seq. of this title. Surplus
6 | property may be disposed of by the Department;

7 | 6. To acquire in the name of the Department, by purchase or
8 | otherwise on such terms and conditions and in such manner as it may
9 | deem proper, or by exercise of the right of condemnation, such
10 | public or private lands and personality, including public parks,
11 | playgrounds, or reservations, or parts thereof or rights therein,
12 | rights-of-way, trackage, property, rights, easements, and interests,
13 | as it may deem necessary for carrying out the provisions of the
14 | Railroad Revitalization Act;

15 | 7. To make and enter into all contracts and agreements
16 | necessary or incidental to the performance of its duties and the
17 | execution of its powers under the Railroad Revitalization Act, and
18 | to employ rail planning and management consultants, consulting
19 | engineers, attorneys, accountants, construction and financial
20 | consultants, superintendents, managers, and such other employees and
21 | agents as may be necessary in its judgment, and to fix their
22 | compensation; provided, that all such expenses shall be payable
23 | solely from funds made available under and pursuant to the
24 | provisions of the Railroad Revitalization Act or from revenues;

1 provided, further, no attorney employed by the Department, nor any
2 member of any law firm of which the member may be connected, shall
3 ever be paid any fee or compensation for any special or
4 extraordinary services;

5 8. To receive, accept, and expend funds from the state, any
6 federal agency, or from private sources, for rail planning and for
7 administration of railroad assistance projects, and for or in aid of
8 the acquisition, construction, reconstruction, replacement, repair,
9 maintenance, and operation of railroad rights-of-way and trackage
10 and for rail service continuation payments to railroad companies for
11 operating losses sustained by reasons of continuing service on a
12 line which may otherwise be abandoned or which may experience a
13 reduced level of service not in the public interest, where such
14 continuation of service is carried out under a written agreement
15 with the Department establishing the terms and conditions for such
16 payments, and to receive and accept funds, aid or contributions from
17 any source of either money, property, labor, or other things of
18 value, to be held, used, and applied only for the purposes for which
19 such funds, aid, or contributions may be made;

20 9. To adopt such rules and to do any and all things necessary
21 to comply with rules, regulations, or requirements of the United
22 States Department of Transportation, any successor thereof, the
23 Surface Transportation Board or any federal agency administering any
24 law enacted by the United States Congress of the ~~United States~~ or

1 having funds available for the purpose of the Department that are
2 not inconsistent with or contrary to the prohibitions and
3 restrictions of Oklahoma law or public interest;

4 10. To expend, not to exceed twenty percent (20%) of the funds
5 available in the Oklahoma Railroad Maintenance Revolving Fund during
6 any one (1) year, at locations approved by the ~~Oklahoma~~ Corporation
7 Commission, such Oklahoma Railroad Maintenance Revolving Fund monies
8 as may be budgeted by the Department of Transportation for the
9 purposes of installing signal lights, gate arms, or other active
10 warning devices where any public road, street, or highway crosses a
11 railroad right-of-way; provided, however, nothing in ~~this act~~ the
12 Railroad Revitalization Act shall negate, change, or otherwise
13 modify any existing statutory or common law duty of a railroad
14 company;

15 11. To expend income and funds from the Oklahoma Railroad
16 Maintenance Revolving Fund in the exercise of any or all of the
17 foregoing powers; and

18 12. To do all things necessary or convenient to carry out the
19 powers expressly granted in ~~this act~~ Section 302.1 et seq. of this
20 title.

21 B. It shall be unlawful for any member, officer, or employee of
22 the Department to transact with the Department, either directly or
23 indirectly, any business for profit of such member, officer, or
24 employee; and any person, firm, or corporation knowingly

1 | participating therein shall be equally liable for a violation of
2 | this provision.

3 | The term "business for profit" shall include, but not be limited
4 | to, the acceptance or payment of any fee, commission, gift, or
5 | consideration to such member, officer,, or employee.

6 | Violation of this provision shall constitute a felony and upon
7 | conviction shall be punishable by incarceration in the Oklahoma
8 | State Penitentiary for a term not to exceed five (5) years or by a
9 | fine ~~of~~ not less than Five Hundred Dollars (\$500.00) and not more
10 | than Five Thousand Dollars (\$5,000.00), or by both such imprisonment
11 | and fine.

12 | C. All meetings of the Department shall be open public
13 | meetings, and all records shall be public records, except when
14 | considering personnel.

15 | SECTION 2. This act shall become effective July 1, 2025.

16 | SECTION 3. It being immediately necessary for the preservation
17 | of the public peace, health or safety, an emergency is hereby
18 | declared to exist, by reason whereof this act shall take effect and
19 | be in full force from and after its passage and approval.

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21 | COMMITTEE REPORT BY: COMMITTEE ON COMMERCE AND ECONOMIC DEVELOPMENT
22 | OVERSIGHT, dated 04/17/2025 - DO PASS.
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