

SENATE FLOOR VERSION
February 17, 2025
AS AMENDED

SENATE BILL NO. 341 By: Frix

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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;

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

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

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

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

22 5. To acquire and hold real or personal property in the
23 exercise of its powers for the performance of its duties as
24

1 authorized by ~~this act~~ Section 302.1 et seq. of this title. Surplus
2 property may be disposed of by the Department;

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

11 7. To make and enter into all contracts and agreements
12 necessary or incidental to the performance of its duties and the
13 execution of its powers under the Railroad Revitalization Act, and
14 to employ rail planning and management consultants, consulting
15 engineers, attorneys, accountants, construction and financial
16 consultants, superintendents, managers, and such other employees and
17 agents as may be necessary in its judgment, and to fix their
18 compensation; provided, that all such expenses shall be payable
19 solely from funds made available under and pursuant to the
20 provisions of the Railroad Revitalization Act or from revenues;
21 provided, further, no attorney employed by the Department, nor any
22 member of any law firm of which the member may be connected, shall
23 ever be paid any fee or compensation for any special or
24 extraordinary services;

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

16 9. To adopt such rules and to do any and all things necessary
17 to comply with rules, regulations, or requirements of the United
18 States Department of Transportation, any successor thereof, the
19 Surface Transportation Board or any federal agency administering any
20 law enacted by the United States Congress ~~of the United States~~ or
21 having funds available for the purpose of the Department that are
22 not inconsistent with or contrary to the prohibitions and
23 restrictions of Oklahoma law or public interest;

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

12 11. To expend income and funds from the Oklahoma Railroad
13 Maintenance Revolving Fund in the exercise of any or all of the
14 foregoing powers; and

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

18 B. It shall be unlawful for any member, officer, or employee of
19 the Department to transact with the Department, either directly or
20 indirectly, any business for profit of such member, officer, or
21 employee; and any person, firm, or corporation knowingly
22 participating therein shall be equally liable for a violation of
23 this provision.

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

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

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

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

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

18 COMMITTEE REPORT BY: COMMITTEE ON AERONAUTICS AND TRANSPORTATION
February 17, 2025 - DO PASS AS AMENDED