Overview

This bill requires railroads, and others that lease out railroad right-of-way, who are seeking to sell an interest in railroad real property to give a right of first refusal to buy or lease the property to persons who own other facilities (such as elevators) located on that property.

Section

1 Definitions. Amends the definition of "fair market value" to require that it consider the type of title being transferred.

2 Right of first refusal. Regulates sale and lease of railroad property that contains other facilities.

Subd. 1. Offers to sell or lease. Amends the existing law that requires a railroad that is in bankruptcy or is abandoning a rail line, and other

Amends the definition of "leaseholder" to limit it only to persons who own leasehold improvements worth $7,500 or more on the railroad right-of-way. Under present law the term includes anyone who has erected such improvements.

Amends the definition of "railroad interest" to include any person who owns or controls real property prior to its transfer to a leaseholder.

Amends the definition of "nonrailroad lessor" to change "lessee" to "leaseholder."
non-railroad entities that have leased out railroad real property, who are seeking to sell the right-of-way or other property interest, to first offer the property or interest at fair market value to lessees who have made improvements to the property.

Under this change the law would apply to railroads without regard to whether they are in bankruptcy proceedings or are abandoning a line. It would continue to apply to nonrailroad lessors.

Subd. 2. Responses to offer. Requires leaseholders to respond to such offers within 60 days. Provides for settlement by the commissioner of transportation of disputes over value of the property. (No change in existing law.)

Subd. 3. Notice. Requires a notice of an offer to sell to a leaseholder to include a summary of the state law that governs the sale.

Subd. 4. Nonapplicability. Exempts from the law the sale of an entire line from one railroad to another. (No change in existing law.)