



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536



Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

House Bill 4004 (Substitute H-3 as reported without amendment)

Sponsor: Representative Kenneth Kurtz

House Committee: Transportation

Senate Committee: Transportation

CONTENT

The bill would amend the State Transportation Preservation Act to exclude a rail line segment located in Jonesville from a provision that prohibits the Michigan Department of Transportation (MDOT) from partitioning certain rail lines before selling or leasing them.

The Act prescribes procedures by which the State may acquire abandoned rail lines. The Act also authorizes MDOT to engage in divestiture or offer 10-year leases to the current operators of specific properties. The Department must accomplish divestiture or create leases without partitioning a segment or a portion of a segment. The properties include the Hillsdale County system, which means the rail lines owned by the State between Litchfield and the Indiana state line and between Jonesville and Quincy. The bill would exclude the portion of the segment located in Jonesville from Beck Street to the St. Joseph River.

MCL 474.60

Legislative Analyst: Julie Cassidy

FISCAL IMPACT

Revenue from the sale of the spur segment from Beck Street to the St. Joseph River in the village of Jonesville would be deposited in the Rail Freight Fund for support of rail freight and marine freight transportation, pursuant to Section 17 of the State Transportation Preservation Act. The Department of Transportation estimates the sale price at \$400,000 to \$500,000.

Date Completed: 4-12-11

Fiscal Analyst: Bill Bowerman