

## CHAPTER 96

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**TRANSPORTATION**

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**HOUSE BILL 02-1350**

BY REPRESENTATIVE(S) Young, Kester, Miller, Decker, Hoppe, Romanoff, Spradley, and Tapia;  
also SENATOR(S) Taylor, Andrews, Chlouber, Entz, Hillman, Isgar, Matsunaka, Musgrave, and Teck.

**AN ACT****CONCERNING THE TERMS OF THE LEASE AGREEMENT FOR THE TOWNER RAILROAD LINE.**

*Be it enacted by the General Assembly of the State of Colorado:*

**SECTION 1.** 43-1-1305 (4) (e), Colorado Revised Statutes, is amended to read:

**43-1-1305. Acquisition for state rail bank - acquisition of the Towner line - repeal.** (4) (e) (I) ~~If the department is unable to sell or lease the Towner railroad line to a financially responsible railroad operator by December 31, 2001, the department shall take the steps necessary to complete the abandonment of the Towner railroad line, subject to any contractual right of first refusal, and salvage the railroad tracks.~~ BY JULY 1, 2003, THE DEPARTMENT SHALL OFFER TO RENEW THE TOWNER RAILROAD LEASE, SO LONG AS SUCH LESSEE IS FINANCIALLY SOLVENT AND RESPONSIBLE.

(II) The term of any lease shall not exceed ~~five~~ TEN years AND SUCH LEASE SHALL BE FOR AS LONG A TERM AS IS REASONABLY POSSIBLE. THE LEASE AGREEMENT SHALL CONTAIN AN OPTION FOR THE LESSEE TO PURCHASE THE TOWNER RAILROAD LINE.

(III) UPON FINDING THAT A LESSEE IS FINANCIALLY SOLVENT AND RESPONSIBLE AFTER OPERATING THE LEASE FOR ONE YEAR, THE DEPARTMENT MAY WAIVE ANY BOND REQUIREMENTS IN THE LEASE AGREEMENT, SO LONG AS LESSEE DEMONSTRATES TO THE DEPARTMENT SUCH SOLVENCY ON AN ANNUAL BASIS.

(IV) THE DEPARTMENT MAY SUSPEND ANY RENT THAT IS BASED UPON THE VOLUME OF RAIL LINE USE, INCLUDING ANY PER CAR RENT CHARGE, SO LONG AS SUCH RENT IS PLACED INTO AN ESCROW ACCOUNT AND USED FOR INFRASTRUCTURE DEVELOPMENTS THAT ARE APPROVED BY THE DEPARTMENT.

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*Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.*

**SECTION 2. Effective date.** This act shall take effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly that is allowed for submitting a referendum petition pursuant to article V, section 1 (3) of the state constitution; except that, if a referendum petition is filed against this act or an item, section, or part of this act within such period, then the act, item, section, or part, if approved by the people, shall take effect on the date of the official declaration of the vote thereon by proclamation of the governor.

Approved: April 12, 2002