

64 North, Range 16 West; 65 North, Range 16 West; 66 North, Range 16 West; and 67 North, Range 16 West.

Sec. 10. Laws 1988, chapter 645, section 1, is amended by adding a subdivision to read:

Subd. 5. PRIOR REFERENDUM. A referendum held under Minnesota Statutes, section 447.31, subdivision 3, is valid notwithstanding a subsequent amendment to Laws 1988, chapter 645.

Sec. 11. Laws 1988, chapter 645, section 4, is amended to read:

Sec. 4. TRANSFER OF FACILITIES OF CITY OF COOK.

The city of Cook may transfer title and interest in its hospital and nursing home, including the real estate, building, and equipment, to the hospital district created under this act for no consideration. All bonded obligations incurred prior to the transfer in connection with the construction or operation of the hospital and nursing home shall remain as the exclusive obligation of the city of Cook.

Sec. 12. **EFFECTIVE DATE.**

Pursuant to Minnesota Statutes, section 645.023, subdivision 1, clause (a), this act takes effect the day after final enactment.

Presented to the governor May 19, 1989

Signed by the governor May 19, 1989, 11:25 p.m.

CHAPTER 212—H.F.No. 1432

An act relating to transportation; requiring nonrailroad lessors to comply with certain procedures before sale of property interests; amending Minnesota Statutes 1988, sections 222.631, by adding a subdivision; 222.632; and 222.633.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 1988, section 222.631, is amended by adding a subdivision to read:

Subd. 6. NONRAILROAD LESSOR. "Nonrailroad lessor" means one who has granted to a lessee an interest in property within a right-of-way and who is neither (1) an operator of a railroad on the right-of-way, nor (2) an owner of a controlling interest in or under common control with a railroad that operates on the right-of-way.

Sec. 2. Minnesota Statutes 1988, section 222.632, is amended to read:

New language is indicated by underline, deletions by ~~strikeout~~.

222.632 RIGHT OF FIRST REFUSAL.

A railroad interest that is in bankruptcy proceedings may not sell or offer for sale an interest in real property that is within the right-of-way, ~~and~~ a railroad interest that is abandoning a railroad line may not sell or offer for sale an interest in real property within the right-of-way to be abandoned, and a nonrailroad lessor may not sell or offer for sale an interest in real property within the right-of-way with respect to which it is a nonrailroad lessor, unless it first extends a written offer to sell that interest at a fair market value price to each person who is a leaseholder with respect to the property. Leaseholders must respond to the offer within 60 days of receipt of the notice and the railroad interest must negotiate in good faith with an interested leaseholder for a period of 90 days following the leaseholder's response. After the 90-day negotiation period, either party may file a notice of dispute with the board under section 222.633. The property may not be sold to a party other than the leaseholder during the response and negotiation periods or while a dispute is pending before the board. This section does not apply to a sale of an entire operating railroad line by one operating railroad to another for the purpose of operating a railroad.

Sec. 3. Minnesota Statutes 1988, section 222.633, is amended to read:

222.633 TRANSPORTATION REGULATION BOARD TO RESOLVE DISPUTES.

(a) A railroad interest or leaseholder may apply to the transportation regulation board to resolve a dispute concerning fair market value or other terms arising from negotiations under section 222.632. The board must adopt guidelines without regard to chapter 14 to implement section 222.632 and this section. The guidelines must define the terms "leaseholders," "nonrailroad lessor," and "railroad interest," establish a procedure to resolve disputes, and provide for the use of independent appraisers. Final rules must be adopted no later than 360 days from March 22, 1986.

(b) The board's decision is final for purposes of judicial review and may be reviewed in the district court for the jurisdiction where the property is located. The scope of judicial review is limited to a determination whether substantial evidence exists to support the board's decision.

Sec. 4. EFFECTIVE DATE.

Sections 1 to 3 are effective the day following final enactment.

Presented to the governor May 19, 1989

Signed by the governor May 23, 1989, 5:50 p.m.

New language is indicated by underline, deletions by ~~strikeout~~.