RAILROAD PROPERTY ACQUISITION, USE, TAXATION AND ABANDONMENT

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INTRODUCTION

This report is a summary of findings concerning railroad property acquisition and use, taxation, and abandonment in Texas and is one of a series of reports that has results from the Texas Rail Evaluation Study.

The four major sources of data upon which these findings are based are the (1) Texas Railroad Commission's annual reports, (2) State Comptroller's annual reports, (3) History of Texas Railroads, by Reed, and (4) the railroads.

With the problems experienced by railroads, particularly, those in the northeast, in recent years, an evaluation of the status of railroad industry serving Texas is both timely and needed. However, time and funds did not permit an exhaustive study, but enough data are presented to indicate the present status of railroads operating in Texas with respect to rail property acquisition and use, taxation and abandonment.

An overall report of findings based on this and other reports will be prepared at the end of the Texas Rail Evaluation Study.

For analysis purposes, the railroad companies have been aggregated into eight basic railroad systems, with each composed of one or more railroad companies (Table 1). In addition, the 14 unaffiliated shortline companies and 10 switching and terminal companies operating in Texas have been combined into their respective groups (Table 1).

Table 1

Railroad Systems, Unaffiliated Companies, and Switch and Terminal Companies Operating in Texas in 1976

Name of System and Individual Companies[a]
1. BURLINGTON SYSTEM
Fort Worth and Denver
2. FRISCO SYSTEM
St. Louis and San Francisco
Quanah, Acme and Pacific
3. KANSAS CITY SOUTHERN SYSTEM
Kansas City Southern
4. KATY SYSTEM
Missouri-Kansas-Texas
5. MISSOURI PACIFIC SYSTEM
Missouri Pacific
Texas and Pacific System (Affiliate)
Texas and Pacific
Abilene and Southern
Texas-New Mexico
Weatherford, Mineral Wells and Northwestern
6. ROCK ISLAND SYSTEM
Chicago, Rock Island and Pacific
7. SANTA FE SYSTEM
Atchison, Topeka and Santa Fe
Gulf and Interstate of Texas
Rio Grande, El Paso and Santa Fe
8. SOUTHERN PACIFIC SYSTEM
Southern Pacific Transportation
Cotton Belt System (Affiliate)
St. Louis Southern
St. Louis Southwestern of Texas

Table 1 continued

Name of System and Individual Companies[a]	
9. UNAFFILIATED COMPANIES	
Angelina and Neches River	Rockdale, Sandow and Southern
Belton	Roscoe, Snyder and Pacific
Galveston, Houston and Henderson	Sabine River, Northern
Georgetown	Texas Central
Moscow Camden and San Augustine	Texas Mexican
Pecos Valley Southern	Texas and Northern
Point Comfort and Northern	Texas Southeastern
10. SWITCHING AND TERMINAL COMPANIES	
Dallas Terminal and Union Depot	Houston Belt and Terminal
Fort Worth Belt	San Antonio Belt and Terminal
Galveston Terminal	Texas City Terminal
Galveston Wharves	Texas Transportation
Great Southwest	Union Terminal

[a]The companies listed under each of the eight systems are under common ownership of a railroad subsidiary of a parent holding company.

PROPERTY ACQUISITION AND USE

Beginning with the first charter granted in 1836 to construct a railroad in Texas while a Republic and with the enactment of the land grant program in 1850 soon after Texas joined the United States, the railroad industry has grown to become one of the largest and most vital industries of the State. The railroad companies operating in Texas have diversified their operations to such an extent that they transport goods by modes other than railroads through their subsidiary companies and own or control other companies that are involved in real estate development, mineral and lumber production, and other activities. In turn, most of the railroad companies operating in Texas are now owned wholly or in part by parent holding corporations and thus have become only one of several subsidiaries (see the number and types in Table 2).

Data presented in this section give the reader some idea of the type, location, and extent of operation of the railroad companies and their parent holding companies within the State. But first, the Texas Land Grant Program is reviewed to indicate its impact on the recipient railroads and the people of Texas.

Land Grants to Railroads

As a Republic, Texas had 172,687,000 acres of public lands to which it retained title when it joined the Union. To encourage the construction of railroads within the State, Texas enacted a law in 1850 establishing the Land Grant Program which remained active, except for a few lapses, until April 22, 1882.

The original charter, approved when Texas was a Republic, granted the first railroad company rights-of-way over public lands and the right of

Table 2

Number of Subsidiaries and Types of Operation of Railroad Holding Companies Operating in Texas, 1975

Railroad Holding Company	Subsidiaries	
	Number[a]	Type of Operation[b]
Burlington Northern Inc.	19	Timberland & natural resource development, lumber & fiber glass mfg., real estate development, air and motor freight transport, and aircraft parts, storage, and maintenance
St. Louis & San Francisco Railway Co.	6	Motor freight transport, natural resource development, and real estate development
Kansas City Southern Industries	5	Television stations, communications products mfg., motor freight transport, and storage facilities
Missouri-Kansas-Texas Railroad Co.	7	Motor freight transport and storage & port terminal facilities
Missouri Pacific Railroad Co.	8	Motor, air, & ocean freight transport, refrigerator car service, storage & port terminal facilities, and real estate development
Chicago, Rock Island & Pacific Railway Co.	5	Motor freight transport, railroad equipment mfg., terminal facilities, and real estate development
Santa Fe Industries, Inc.	17	Timberland & natural resource development, lumber & plywood mfg., pipeline & motor freight transport, storage and terminal facilities, real estate development, and general contracting
Southern Pacific Co.	12	Timberland & natural resource development, motor freight and pipeline transport, storage and terminal facilities, and real estate development

[a]Number of subsidiaries of parent company, including railroad affiliate.

[b]All have railroad transportation.

Source: Moody's Transportation Manual, 1974 and 1975 Editions (1).

eminent domain to purchase rights-of-way crossing private lands (2). The Charter also granted the company the option to buy any public lands one-half mile on each side of the railroad rights-of-way at a minimum price of 50 cents per acre. As it turned out, the first chartered railroad was never built. Under the Land Grant Program, the railroads chartered to operate in the State were offered eight sections of land for each mile of track actually constructed. Two years later, the amount was increased to sixteen sections per mile to encourage even more railroad construction in the State. This policy continued until all available public lands were exhausted in 1882. Actually, the available public lands were exhausted before the program was terminated.

Amount and Disposition of Land Grants

From 1850 to 1882, 43 railroads received land grants from the State to build railroads (2). The State issued these railroads 60,524 certificates, each representing 640 acres, authorizing them to obtain 38,735,360 acres of land. If the railroads complied with the requirements of the Land Grant Progra to survey alternate sections for the State and to construct the prescribed miles of track, the State issued patents for the odd numbered sections. Patents were granted on 35,777,038 acres.

According to Reed (2), in his excellent book entitled, A History of the Texas Railroads, the railroads ended up losing 3, 623,160 acres of the original patented 35, 777,038 acres. These losses were attributed to conflicts with older valid surveys, international boundary disputes, lack of available land, changes in state law, court decisions, and other locational problems.

Table 3 shows the total acreage granted to the 43 railroads by their present system names (2). As Footnote a in Table 3 indicates, the amounts of land received by the railroads are based on a 1916 report prepared by the General Land Office of Texas. Table 3 shows that what is now the Missouri Pacific and Southern Pacific Systems received about 66 percent of all lands granted to the railroads operating in Texas.

State alienation laws required that the railroads sell all lands granted them within a specified time period. All general laws enacted during the 1852-1882 period had the alienation provision. The last general land law gave the railroads a maximum of 12 years in which to sell all lands granted to them. Specifically, Article 6342 of Vernon's Annotated Revised Civil Statutes reads as follows:

> All lands acquired by railroad companies under provisions of this chapter, or any general laws, shall be alienated by said companies, one-half in six years and one-half in twelve years, from the issuance of patents to the same, and all lands so acquired by railroad companies, and not alienated as herein required, shall be forfeited to the State and become a part of the public domain and liable to location and survey as other unappropriated lands. All lands purchased or donated to a railroad corporation, except such as are used for depot purposes, reservation for the establishment of machine shops, turnouts, and switches, shall be alienated and disposed of by said company in the manner and time as is required when lands have been received from the State (3).

Table 3 shows that 27,926,183 acres were sold by the railroads, based on a 1913 Interstate Commerce Commission study of state, county, and city records in existence at that time. This study accounted for 78 percent of the original 35,777,038 acres given up by the railroads. Deducting the 3,623,160 acres given up by the railroads, there remains 4,227,695 acres, of which public records fail to indicate a resale. However, with the alienation laws in effect, it is reasonable to assume that all of the public lands granted to railroads were sold prior to 1916. In fact, a close review

Table 3

Total Acres of Land Grants Received and Sold and Total Dollars Received from Land Grant Sales by Railroads, According to Name of Current System

Name of Current System	Acres of Land Grants		Dollars Received	
	Received[a]	Sold[b]	Gross	Net
Missouri Pacific	12,377,439	11,155,434	21,130,595	20,085,841
Southern Pacific	11,205,679	9,308,986	19,886,022	15,731,226
Katy	4,387,840	2,625,920	350,000	176,603
Santa Fe	3,856,640	3,554,560	246,677	211,168
Cotton Belt	1,768,960	458,240	350,000	350,000
Texas-Mexican	1,412,480	212,883	474,720	474,720
Galveston-Houston-Henderson[c]	610,560	610,560	87,316	87,316
Abandoned	157,440	unknown	unknown	unknown
Totals	35,777,038	27,926,183	42,374,870	37,116,874

[a]Of the 35,777,038 acres of land grants received by railroads, as shown in a 1916 report of the General Land Office, 3,623,160 acres were lost for various reasons, as stated by Reed (2).

[b]Based on an Interstate Commerce Commission study of 1913, state, county, and city records showed that 27,926,183 acres of the 32,153,878 acres of land grants retained by the railroads were sold. The disposal of the remaining 4,227,695 acres was not determined.

[c]Jointly owned by the Missouri Pacific and Katy systems.

Source: Reed (2)

of the History of Katy Railroads, as presented by Reed and others (4), indicates that parent Katy or its predecessors sold 3,937,920 acres instead of 2,625,920 acres, as is shown in Table 2. This accounts for an additional 1,312,000 acres.

Benefits of Land Grants to Railroads

As has been pointed out, the original purpose of granting land to the railroad companies was to bring about the construction of railroads in the State and thereby encourage settlement and economic development. The Texas Land Grant Program met with only limited success. According to Reed, the 43 railroads received land grants for 2,928 miles of track, but they actually built 4,813 miles before the program ended on April 22, 1882. Eventually, 14,150 miles of track were constructed without the aid of land grants. Also, 90 percent of railroad mileage built under land grants were built in East Texas; whereas, 84 percent of all the lands granted the railroads were located in West Texas. (These figures are based on the dividing line between East and West Texas being located at Brady.) Consequently, the railroads had difficulty selling their lands within the legal time limits. Large blocks of land were sold while some of the railroads were in receivership, and much of the land was turned back to the railroads by the purchaser. In such cases, the railroads were out additional expenses in disposing of the land.

As shown in Table 3, the railroads grossed $42,374,870 from the sale of 27,926,183 acres. This amounted to $1.52 per acre. After deducting legitimate expenses, the railroads received a net of $1.33 per acre. The proceeds were used, for the most part, to help finance the construction of additional railroads in the State and to pay off existing debts. If the railroads could

have located more of the lands granted to them near their tracks, they might have received much larger sums of money from the sale of these lands. As was pointed out by Henry in his paper entitled "The Railroad Land Grant Legend in American History Texts (5), the real contribution of the land grants to railroads was not the cash received from the grants, but the fact that the grants furnished a basis of credit which got railroad construction started and made it possible to get it completed.

Benefits to State and Nation

The railroad companies which received land grants have reimbursed the State in several ways. First, they surveyed alternate sections of public lands which required considerable time and money. Therefore, over 30 million acres of public land were located and measured (given metes and bounds descriptions) (2). This was necessary before such land could be offered for sale to the general public. In all, the railroad companies surveyed over 60 million acres of public land which eventually became private property.

Second, in return for land granted under the Federal Land Grants Program (1850-1871), most of the railroads operating in Texas and recipients of land under the Texas Land Grants Program complied with Federal laws which required them to haul mail and government freight and passengers toll free or at less than their regular charges over the land grant lines (5). An Act of Congress in 1876 set the compensation for handling mail on land grant lines at 80 percent of the rate applying on other railroads (6). After the United States Supreme Court ruled in 1877 that the land grant railroads could not be required to provide and operate without charge the engines, cars, and other equipment needed for transportation over the railroads, a formula was worked out in 1879 by the Court of Claims which established a 50 percent

reduction from regular charges for the transportation of government freight and passengers (1, 8). Later Acts of Congress and equalization agreements (1914) extended the reduced rates provisions to the other railroads not affected by the previous Federal Acts and court decisions (9).

Then, in effect, all of the railroads (not just the land grant roads) hauled mail and government freight and passengers on all of their lines, including the 14,411 miles built as a result of land grants at reduced rates for many years. In 1943, the total railroad mileage in the United States had reached 227,999 miles (9). In 1940, Congress eliminated the reduced rate provisions that applied to mail and the Federal Government's civilian passenger and freight traffic (11). In 1945, Congress passed legislation, effective October 1, 1946, which eliminated the reduced rates that applied to the Federal Government's military passenger and freight traffic (12).

The Committee on Interstate and Foreign Commerce reported in 1945 that "it is probable that railroads have contributed over $900,000,000 in payment of the lands which were transferred to them under the Land Grant Acts" (13). Mr. Henry indicates that the above figure is double the amount received for the lands sold by the railroads plus the estimated value of such lands still under railroad ownership (5). He says that the former ICC Commissioner J.B. Eastman estimated that the total value of the lands at the time they were granted was not more than $126,000,000.

Third, private development was speeded up by the land grant program. As a result, the State was able to obtain more revenues through taxation of private property. The railroads even paid taxes on the land given to them by the State before they could dispose of it as required by the alienation laws. According to Reed, public land was available to settlers in 1853 (near the beginning of the Texas Land Grant Program) for prices as low as 50 cents

per acre. That same year, the assessed value of land in private hands (mostly settled) was set at $1.00 per acre. By 1860, such land was assessed at $2.74 per acre. In 1900, the average assessed value of all privately owned property had reached $3.02 per acre.

Transportation Property Uses

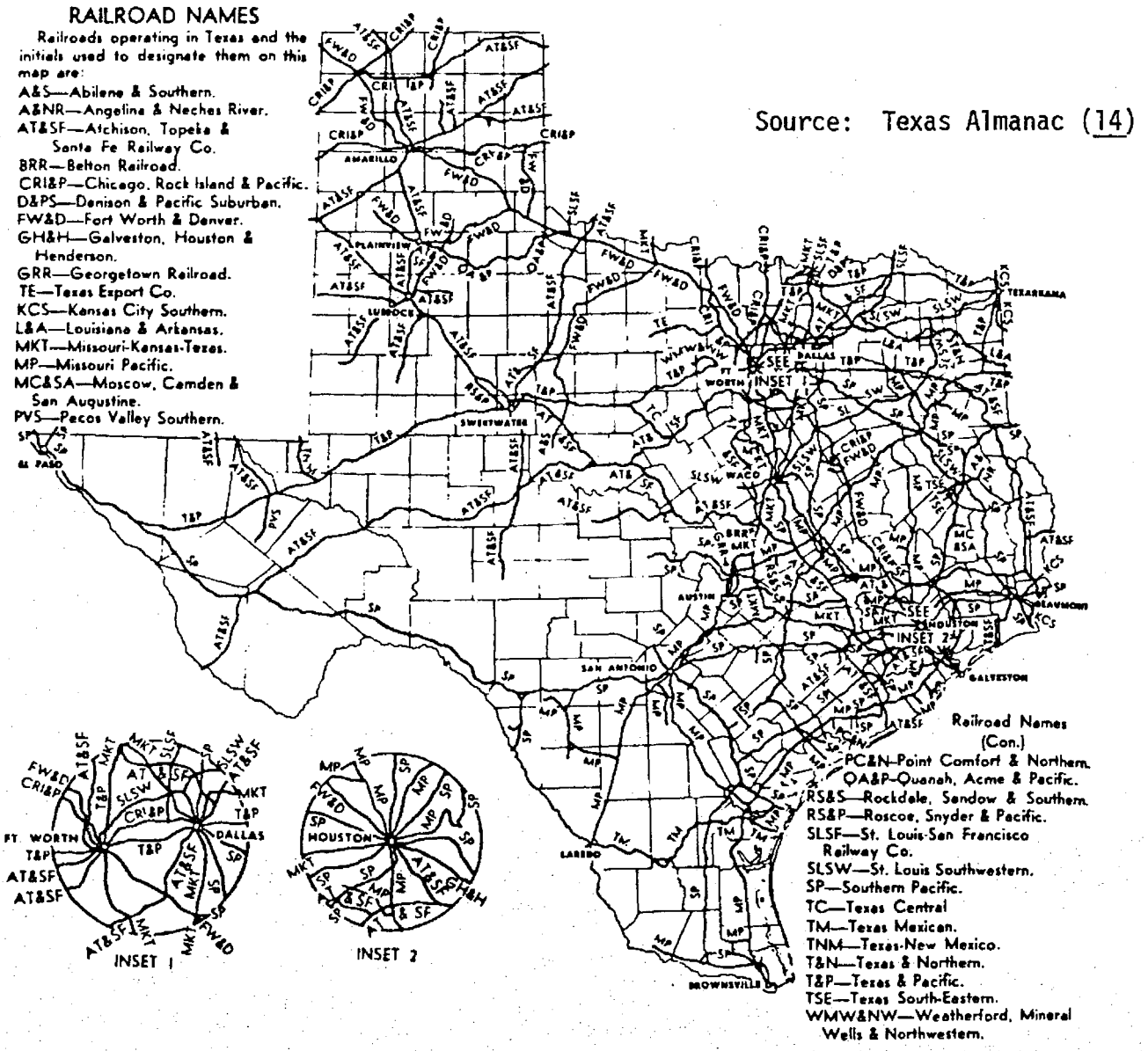
As has been pointed out before, all of the major railroad holding companies operating in Texas own and operate transportation properties of more than one mode. Of course, most of their transportation properties are in railroad use. Their motor, air, and ocean freight and pipeline operations are closly tied to and compliment their railroad operations.

Railroad Transportation

The railroad transportation properties owned and operated in Texas are located in 228 of the 256 counties within Texas. Figure 1 shows the location of all of the railroad property within Texas. Table 4 shows the types and amounts of railroad property by railroad system. The vast majority of these properties are owned and operated by three railroads, namely, Missouri Pacific, Southern Pacific, and Santa Fe. For example, the Santa Fe System serves all sections of the State, except South Texas (Figure 2). The Missouri Pacific and Southern Pacific Systems serve the southern and eastern Sections of the State (Figure 1).

Other Transportation

All of the major railroad holding companies operating within the State have motor freight operations. Their motor freight operations are designed to supplement the railroad operations in the form of delivery services and



Source: Texas Almanac (14)

Figure 1. Texas Railroad Map, 1975.

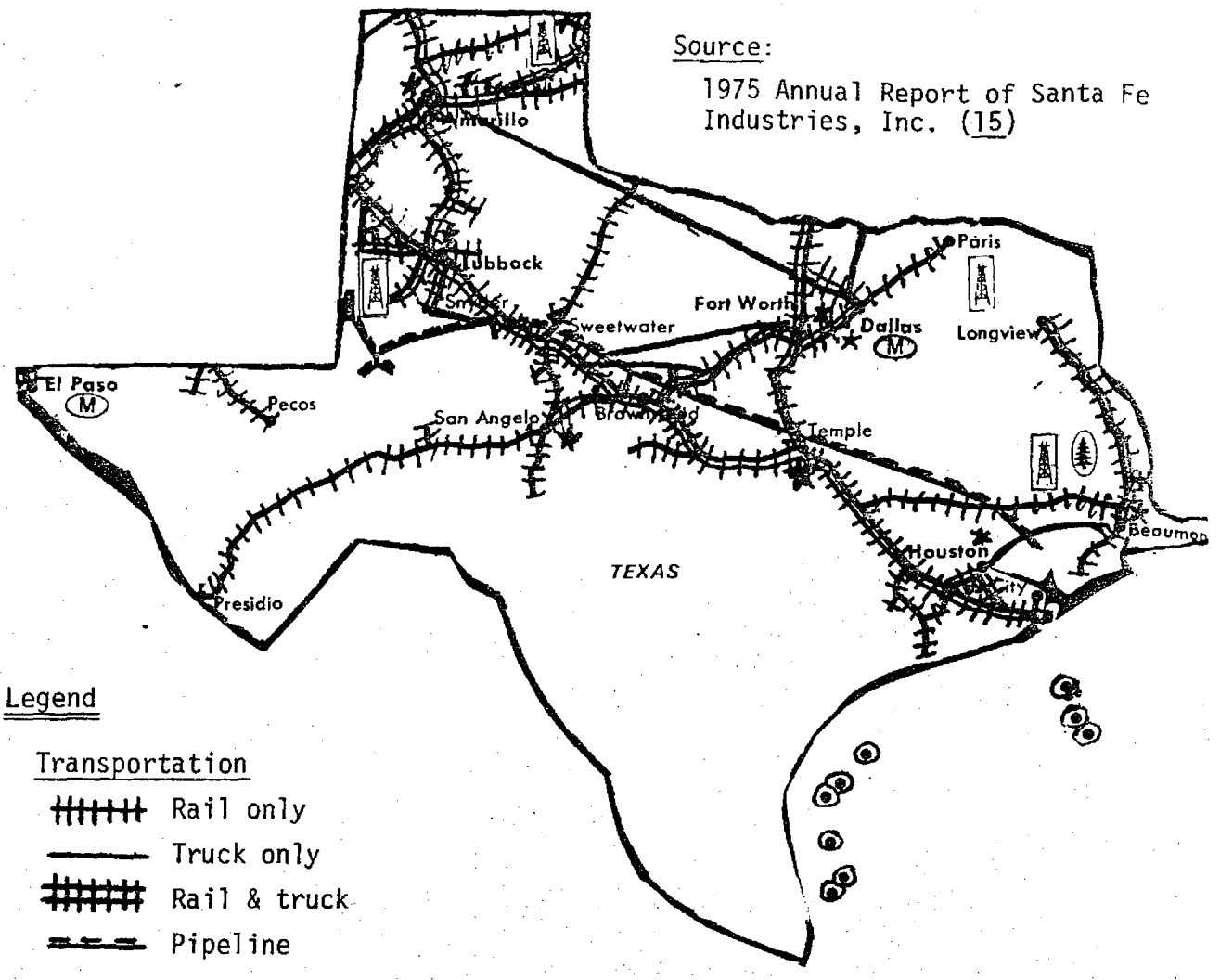


Figure 2. Location of Transportation and Non-Transportation Operations of the Santa Fe Industries and Subsidiaries in Texas.

Table 4

Amount of Railroad Property Owned and Operated Within Texas in 1973, by Railroad System

Railroad Property	Railroad System								
	Burlington Northern	St. Louis and San Francisco	Kansas City Southern	Katy	Missouri Pacific	Chicago Rock Island	Santa Fe	Southern Pacific	Unaffiliated
Tracks Owned (Miles)									
Main Track	1,002	201	256	736	2,984	626	3,576	3,642	460
Passing, Crossover, Turnout	84	21	32	88	379	63	458	262	22
Switching	234	80	79	293	913	193	976	1,034	151
Land Owned (Acres)									
Rights-of-Way[a]	14,561	2,970	3,821	10,806	44,627	8,098	53,377	52,492	6,468
Switching Yard[b]	278	132	118	552	1,342	300	1,380	1,457	254
Locomotives (Number)	20	9	33	49	268	40	381	510	58
Freight Cars (Number)	1,470	390	1,013	727	13,920	1,688	15,876	16,100	1,571
Company Cars (Number)	97	10	13	30	355	53	295	290	18

[a]Includes mainline passing, crossover, turnout, switching rights-of-way. Assumes 13 acres per mile for mainline rights of way; 9.7 acres per mile for passing, crossover, and turnout rights-of-way; and 6.1 acres per mile for the switching rights-of-way.

[b]Assumes 2.4 acres per mile.

Source: Texas Railroad Commission. (19)

piggy-back operations. It also, makes it possible for the railroad companies to compete with other motor freight companies. For instance, the Santa Fe System provides shippers with joint rail-truck service over most of its rail routes (Figure 2). As can be seen, it also has several motor freight operations where it has no railroad operations. The longest of these motor freight operations extends from Dallas to Amarillo (Figure 2).

At least two railroad holding companies operate pipelines in Texas, namely, Santa Fe Industries and Southern Pacific Transportation Company. As is shown in Figure 2, Santa Fe's natural gas pipeline stretches over 700 miles east and west across most of the State.

Nontransportation Property Uses

The parent railroad holding companies own and operate varied types of nontransportation properties (Table 2). Many of these properties are located in Texas. In most cases these properties are located close to a particular parent company's transportation system. As is seen in Figure 2, Santa Fe Industries has warehouse, plant site, logging and lumber, oil and gas properties near its transportation network. Some of these properties are extensive in size. For instance, Santa Fe Industries owns over one million acres of timberland in Texas and Louisiana used to produce lumber and plywood.

The real estate or industrial development operations of most of the railroad holding companies reach beyond locating industries along their railroad operations. Santa Fe Industries has four subsidiaries which have real estate or industrial development operations (1), (15). One of these subsidiaries is operated by the Atchison, Topeka and Santa Fe Railway Company. All of the other railroad holding companies that operate railroads in Texas also have real estate or industrial development operations within the State.

PROPERTY TAXATION

Types of Property Taxation

The Texas Constitution, ratified in 1876, authorizes the taxation of railroad property, by state, county, and municipal governments, as set out in Article VIII, Sections 5 and 8. Consequently, the Texas Legislature has passed various laws providing for the taxation of all types of railroad properties, including real estate, rolling stock, personal property, and intangible assests (16).

Each railroad must render its property in every county and town through which it runs. Its property must be listed and specified according to the following types:

1. All land (acreage of lots) not appropriated for railroad use. The whole number of acres and valuation of such property must be provided to the appropriate taxing authorities.
2. All real property appropriated for railroad use. This property includes the rights-of-way, roadbed, superstructures, stations and grounds, and shops used in operating the railroad. The railroad company must provide the whole length of the railroad and the value per mile to the taxing authority. Each taxing authority is allowed to determine the assessed value of such property within its jurisdiction.
3. All personal property, except rolling stock. The railroad company must list and value its personal property. Each taxing authority can determine the assessed value of such property housed within its jurisdiction.

4. All rolling stock owned, leased or hired. The railroad company must furnish the total value of such rolling stock it operates within Texas and a list of counties through which it operates to the county tax assessor of the county where its principal office is located. The home county tax assessor is to prorate the value of the rolling stock due each county on a mileage basis. The law prohibits cities and districts (school, water, etc.) from taxing the rolling stock of railroads.

In addition to the above named properties, state law provides for the taxation of what it calls intangible property (17). Such property is defined as the value of the assets of a railroad, over and above the value of its physical property. Such an evaluation is made by the State Tax Board which is composed of the Comptroller of Public Accounts, Secretary of State and State Treasurer (18).

Railroads are also required to pay other state and local taxes, such as the state franchise tax and miscellaneous taxes. In addition to state and local taxes, they must pay federal taxes such as income and excess profits taxes, railroad retirement and unemployment taxes, and miscellaneous federal taxes.

Effects of Taxation on Railroads

Railroads pay taxes to federal, state, county, city and town, school and special district taxing authorities. A study of the amount of 1974 taxes levied on railroad properties reveals significant effects of taxation on railroads.

Table 5 shows the amount of taxes levied on railroads by type of tax and by taxing authority levying the tax (19). It also shows the percentage

Table 5

Taxes Levied Against Railroads Within Texas in 1974, by Taxing Authority and Type of Tax

Taxing Authority and Type of Tax	Taxes Levied	Percent of Total Taxes Levied
	In (000) Dollars	--Percent--
Federal		
Income and Excess Profits	21,813	22.11
Railroad Retirement and Unemployment	62,539	63.37
Other	43	0.04
State		
Ad valorem	392	0.40
Franchise	218	0.22
Other State and Local	1,137	1.15
County		
Ad valorem	2,299	2.33
City and Towns		
Ad valorem	3,127	3.17
Districts		
School Ad valorem	6,561	6.65
Public Improvement Ad valorem	548	0.56
Total Taxes, All Sources	98,677	100.00

Source: Texas Railroad Commission, 1974 Annual Report (19).

of total taxes levied represented by each type of tax. As is seen from Table 5, federal taxes represent over 85 percent of the total taxes paid by railroads. Of course, 63 percent goes into the Railroad Retirement and Unemployment Fund. State Taxes represent less than two percent. County taxes represent a little over two percent, and city and town taxes represent slightly over three percent. School and public involvement district taxes represent over seven percent.

Table 6 shows the amount of state and local taxes levied on railroad properties in Texas in 1974 by railroad system. As can be seen, school districts collected almost half of all state and local taxes.

The railroads paid all of the state and local taxes levied on them, regardless of their financial condition or ability to pay. Table 7 shows the relationship of each railroad system's net operating income to the total state and local taxes levied on them in 1973. Notice that three railroads had deficits in that year. For one railroad, the amount of state and local taxes collected is larger than the deficit. In other words, this tax burden, was enough to cause this particular railroad to be in a deficit position in 1973. Table 7 shows that railroad taxes as a percent of railroad income varies widely from system to system.

Table 8 shows the trend in state and local railroad property taxation over the past 25 years. It shows that these taxes have about doubled in dollars per mile of track. Figure 3 shows the trend in railroad property taxation by type of taxing authority. As can be seen, state taxes have declined, and county taxes have increased slightly. On the other hand, the railroad taxes levied by cities and towns have about doubled, and those levied by school districts have more than doubled. (See Appendix Tables 1 and 2 for the annual trends in taxes in dollars per mile for each taxing authority.)

Table 6

State and Local Taxes Levied Against Railroads Within Texas in 1974 by Railroad System

Railroad System	State and Local Taxes Levied Against Railroads							
	State	County	City & Town	School District	Other District	State Franchise	Other State and Local	Total
	In (000) Dollars							
Burlington	18	105	93	313	32	14	12	587
Frisco	5	41	57	107	nil	2	5	217
Kansas City Southern	7	40	72	145	26	4	6	300
Katy	18	82	234	401	56	9	27	827
Missouri Pacific	83	337	723	1,587	204	22	45	3,001
Rock Island	11	59	93	249	20	5	nil	437
Santa Fe	72	432	464	1,253	71	49	371	2,712
Southern Pacific	138	1,000	1,000	2,160	111	69	631	5,109
Unaffiliated	17	120	84	211	27	23	17	499
Terminal	23	83	307	135	1	21	23	593
Total - All Systems	392	2,299	3,127	6,561	548	218	1,137	14,282

Source: Texas Railroad Commission, 1974 Annual Report (19).

Table 7

Relationship of Net Operating Income
to Total State and Local Taxes Levied in 1973,
by Railroad System

Railroad System	Net Operating Income[a]	State & Local Taxes Levied	Taxes as Percent of Income
	- - - - In (000) Dollars - - -		Percent
Burlington	(231)	570	N/A
Frisco	17,859	224	1.25
Kansas City Southern	4,845	276	5.70
Katy	(2,015)	782	N/A
Misouri Pacific	51,399	2,890	5,62
Rock Island	(18,186)	447	N/A
Santa Fe	81,408	2,592	3.18
Southern Pacific	77,805	4,574	5.88
Combined Systems	212,884	12,649	5.94

[a]Amount in parentheses represents a loss.

Source: Texas Railroad Commission, 1973 Annual Report (19).

Table 8

Property Taxes Levied by State and Local Taxing Authorities on Railroads in Texas, 1955-1974

Year[a]	Miles of Track	Taxes Levied on Railroads	
		Total Dollars	$/Mile
1955	15,379	9,020,697	587
1956	15,249	9,216,634	604
1957	15,148	9,638,307	636
1958	15,023	9,783,087	651
1959	14,694	9,883,924	673
1960	14,678	10,157,071	692
1961	14,606	9,808,734	672
1962	14,579	9,919,592	680
1963	14,498	10,109,967	697
1964	14,445	10,151,629	703
1965	14,308	10,274,107	718
1966	14,288	10,983,684	769
1967	14,014	11,104,886	792
1968	13,890	11,296,110	813
1969	13,825	11,523,211	851
1970	13,545	13,179,225	973
1971	13,485	12,518,487	928
1972	13,301	13,316,282	1,001
1973	13,301	13,425,529	1,009
1974	13,301	14,281,653	1,074

[a]Beginning in 1966, switching and terminal companies were included in the totals.

Source: Texas Railroad Commission Annual Reports (19).

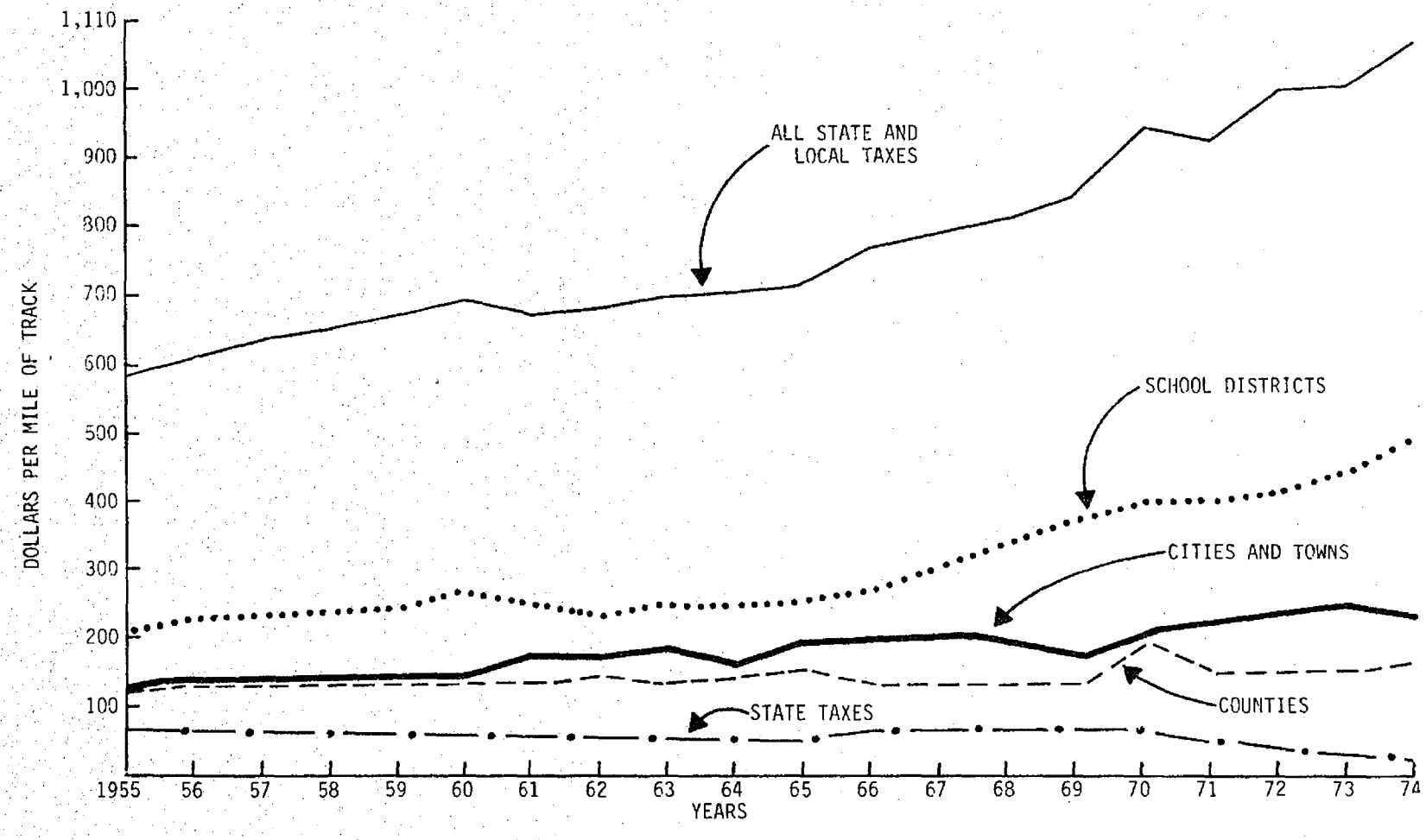


Figure 3. State and Local Taxes Levied Against Railroads by Various Taxing Authorities in Texas During the Last 20 Years (19).

In the last two years, school district taxes per mile of track have taken a significant upward swing.

The amount of state and local taxes levied per mile of track varies considerably by railroad system, as can be seen in Table 9. Southern Pacific has the highest levy per mile and Burlington has the lowest. One reason for this variation is due to differing portions of rural and urban track among the railroads. The value of urban real estate is much higher than the value of rural real estate.

Table 10 shows how Texas ranks with other states in state and local taxation of railroads on a mileage basis (20). The states are ranked in the table in the order of magnitude of taxes levied. Texas ranks 41st of 49 states. In fact, Texas ranks well below the national average, $967 per mile versus $2,176 per mile.

The tax burden of railroads varies according to the type of property owned and used by them, as is seen in Table 11. The roadbed (including the rights-of-way) and appurtenances make up about 62 percent of the total assessed valuations of all county taxing authorities in the State. It should be noted that the data on assessed valuations and taxes levied as presented in this section represent only the properties of the railroad subsidiaries of the parent railroad holding companies. Rolling stock and intangible railroad property also make up the bulk of the remaining assessed valuations by counties. Table 12 shows the assessed valuations of each type of railroad property by railroad system. The percentage of roadbed and appurtenance valuations to total valuations varies considerably (from 48 to 80 percent) among the top eight railroad systems listed, as can be seen in Table 13.

Table 9

State and Local Taxes Levied Against Railroads Per Mile of Mainline Track Owned in Texas in 1974, by Railroad System

Railroad System	Amount of Track Owned[a]	State and Local Taxes Levied	
		Total	Per Mile
	---Miles---	Dollars	Dollars/Mile
Burlington	997	586,680	588
Frisco	201	217,314	1,081
Kansas City Southern	256	300,000	1,172
Katy	736	826,619	1,123
Missouri Pacific	2,946	3,000,513	1,019
Rock Island	624	437,264	701
Santa Fe	3,495	2,712,000	776
Southern Pacific	3,586	5,108,876	1,425
Unaffiliated	460	499,282	1,085
Terminal	-	593,104	-
Total, All Systems	13,301	14,281,653	1,074

[a]Miles of track used in 1973.

Source: Texas Railroad Commission, 1974 Annual Report (19).

Table 10

State and Local Taxes Levied Against Railroads Per Mile of Mainline Track Owned in 1973, Ranked by State

Name of State	State and Local Taxes Levied	
	Rank	Per Mile[a]
		Dollars/Mile
Rhode Island	1	5,496
California	2	5,132
Arizona	3	5,072
Maryland	4	4,906
New Jersey	5	4,685
Virginia	6	4,370
New York	7	3,670
Ohio	8	3,610
Illinois	9	3,586
Pennsylvania	10	3,311
Utah	11	3,018
Massachusetts	12	2,806
Tennessee	13	2,792
Minnesota	14	2,729
Wyoming	15	2,612
West Virginia	16	2,523
Missouri	17	2,313
Colorado	18	2,299
Indiana	19	2,241
Oregon	20	2,188
Kentucky	21	1,975
Idaho	22	1,968
Michigan	23	1,884
Florida	24	1,803
Louisiana	25	1,724
Arkansas	26	1,625
Washington	27	1,600
North Carolina	28	1,584

Table 10 continued

Name of State	State and Local Taxes Levied Rank	Per Mile[a]
		Dollars/Mile
Kansas	29	1,580
South Carolina	30	1,502
Delaware	31	1,478
Alabama	32	1,470
Montana	33	1,470
Georgia	34	1,467
Nevada	35	1,352
Mississippi	36	1,307
Oklahoma	37	1,266
Nebraska	38	1,239
New Mexico	39	1,225
Wisconsin	40	1,065
Texas	41	967
Iowa	42	952
Maine	43	735
North Dakota	44	709
Vermont	45	449
New Hampshire	46	394
Connecticut	47	201
South Dakota	48	195
Alaska	49	134
Hawaii	b	b
All States	-	2,176

[a]Miles of mainline track in 1973.

[b]Not available.

Source: American Association of Railroads, Year Book of Facts (20).

Table 11

Assessed Valuations of Railroad Property for County Taxes, by Type of Property on the 1974 Tax Rolls

Type of Property	Assessed Valuation	Percentage of Total Valuation
	In (000) Dollars	----Percent----
Real Estate	5,386	2.52
Road Bed and Appurtenances	132,502	62.04
Rolling Stock	45,842	21.47
Intangible	25,875	12.12
Personal Property	3,955	1.85
Total Valuation	213,560	100.00

Source: Annual Report of the Comptroller of Public Accounts, Part II, State of Texas, 1974 (21).

Table 12

Assessed Valuations of Railroad Property on County Tax Rolls in 1974, by Railroad System

Railroad System	Assessed Valuations of Railroad Property					
	Real Estate	Roadbed and Appurtenances	Rolling Stock	Intangible Assets	Personal Property	Total
	In (000) Dollars					
Burlington	152	7,241	1,081	969	13	9,456
Frisco	227	1,662	204	400	83	2,576
Kansas City Southern	146	2,029	389	1,253	447	4,254
Katy	94	8,633	2,080	190	55	11,052
Missouri Pacific	501	30,460	7,744	6,005	218	44,928
Rock Island	350	5,554	826	213	24	6,967
Santa Fe	704	28,903	7,794	4,506	201	42,108
Southern Pacific	2,267	41,396	20,308	8,601	2,639	75,211
Unaffiliated	43	4,464	1,739	3,737	42	10,025
Terminal	657	2,162	462	-	161	3,442
Other[a]	245	-	3,215	-	71	3,531
Total All Systems	5,386	132,504	45,842	25,874	3,954	213,560

[a]Includes National Railroad Passenger Corp., National Railways of Mexico, El Paso Union Passenger Depot, and Bartlett Western Railroad Company.

Source: Annual Report of the Comptroller of Public Accounts, Part II, State of Texas, 1974 (21).

Table 13

Roadbed and Appurtenance Valuations as a Percentage of Total County Assessed Valuations in 1974, by Railroad System

Railroad System	Rank	Roadbed and Appurtenances Valuation as Percent of Total Valuation
Rock Island	1	80
Katy	2	78
Burlington	3	77
Santa Fe	4	69
Missouri Pacific	5	68
Frisco	6	65
Terminal	7	63
Southern Pacific	8	55
Kansas Southern	9	48
Unaffiliated	10	45

In conclusion, the above data reveals that railroads pay a significant amount of state and local taxes. This tax burden varies considerably by railroad system depending on the location and types of property taxed.

Effects of Railroad Taxation on Taxing Authorities

The effects of railroad taxation on individual taxing authorities can be determined through a study of assessed valuations and/or taxes levied on railroad properties and all other properties within the boundaries of each taxing authority. The railroad tax data were obtained from the State Comptroller of Public Accounts (21). The city and town and school district railroad tax data were obtained from the eight largest railroads, the Governor's Office, and the Texas Almanac.

Since the State Government receives an insignificant amount of revenues from railroad property taxation, the analysis of effects of railroad taxation on taxing authorities is limited to counties, cities and towns, and school districts. The data presented in the tables are based on those taxing authorities that are served by at least one railroad.

Table 14 shows the relationship of railroad assessed valuations to total county valuations in Texas in 1974. As can be seen, 44 percent of the counties served by railroads fall into the less than one percent category, meaning that railroad taxes represent an insignificant portion of the total taxes collected by those counties. However, there are a few counties where the railroad taxes do represent a fairly large portion of the total taxes collected. As is shown in Table 15, there are at least 10 counties with railroad valuations that exceed five percent of the total county valuations. All of these counties are served by at least two railroads. (For data on a county basis, see Appendix Table 3.)

Table 14

Relationship of Railroad Assessed Valuations to Total County Valuations in Texas in 1974

Railroad Valuation as a Percentage of County Valuation	Texas Counties[a]	
	Number	Percent
Less than 1.00%	99	44
1.00% - 1.99%	72	32
2.00% - 4.99%	46	20
5.00% - 9.99%	9	4
10.00% or More	1	Nil
Total	227	100

[a]Counties with railroads.

Source: Annual Report of the Comptroller of Public Accounts, Part II, 1974 (21).

Table 15

Counties with Railroad Assessed Valuations which Exceed 5 Percent of the Total County Valuations in Texas in 1974

Name of County	Railroad Valuation as a Percentage of County Valuation
Terrell	11.20
Hudspeth	9.96
Morris	9.68
Kinney	9.59
Brewster	9.10
Presidio	8.26
Robertson	6.50
Val Verde	6.17
Shelby	5.64
Hartley	5.58

Source: Annual Report of the Comptroller of Public Accounts, Part II, 1974 (21).

Table 16 shows the relationship of railroad assessed valuations to city and town valuations, based on data from the eight largest railroads and the Texas Almanac. Cities and towns included in the analysis are those in which the Texas Almanac presents total assessed valuations and in which have at least one railroad. Railroad valuations are less than one percent of the total valuations for 68 percent of these cities and towns, meaning that the taxes collected from railroads are an insignificant portion of the total taxes collected by these cities and towns. However, for 11 percent of these cities and towns, the railroad assessed valuations are from two to five percent of the total valuations. Two percent of the cities and towns are even more dependent on railroad tax revenues, with railroad assessed valuation being five percent or more of their total assessed valuations.

Table 17 shows the relationship of railroad assessed values to total school district valuations in Texas in 1974. These data represent all school districts in the State that have at least one railroad. As can be observed, 54 percent of the school districts fall into the less than one percent category, which means railroad taxes represent only a very small portion of these school districts' taxes. For 21 percent of the districts, railroad valuations were from two to 10 percent of total valuations. This is compared to 12 percent of the cities and towns and 24 percent of the counties.

Of the above taxing authorities, school districts have by far the highest tax rates. Therefore, they are more dependent on railroads for tax revenues than are the other taxing authorities. Therefore, school districts would be affected the most if all or some railroad properties became tax exempt to give railroads tax relief.

Table 16

Relationship of Railroad Assessed Valuations to Total City and Town Valuations in Texas in 1974[a]

Railroad Valuation as a Percentage of City Valuation	Texas Cities and Towns	
	Number	Percent
Less than 1.00%	384	68
1.00% - 1.99%	116	20
2.00% - 4.99%	62	11
5.00% - 9.99%	7	1
10.00% or More	6	1
Total	575	100

[a]Cities and towns served by at least one railroad and with assessed valuation given in the Texas Almanac.

Table 17

Relationship of Railroad Assessed Valuations to Total School District Valuations in Texas 1974[a]

Railroad Valuation as a Percentage of School District Valuation	Texas School Districts	
	Number	Percent
Less than 1.00%	418	54
1.00% - 1.99%	192	25
2.00% - 4.99%	128	16
5.00% - 9.99%	32	4
10.00% or More	7	1
Total	777	100

[a]School districts served by at least one railroad.

Evidence of Tax Discrimination

The fundamental principle governing the assessment of property Taxes is that the evaluation be equal and uniform. This principle appears in Article VIII, Section 1 of the Constitution of Texas which states:

> "Taxation shall be equal and uniform. All property in this State, whether owned by natural persons or corporations, other than municipal, shall be taxed in proportion to its value, which shall be ascertained as may be provided by law."

If property owned by railroads is valued and/or assessed differently than the same type of property owned by other persons or corporations, then it is highly likely the above constitutional principle has been violated. The results will be that an undue tax burden is placed upon railroads as one group of taxpayers.

Based on the above constitutional principle, State laws have been enacted which define the valuation of property for taxation (22). According to State law, each separate parcel of real property must be valued at "its true and full value in money." In determining the "true and full value" of real and personal property, State law requires that the assessor "value each tract or lot by itself, and at such sum and price as he believes the same to be fairly worth in money at the time such assessment is make." In succeeding court decisions, "true and full value in money" of property for purposes of taxation is defined as the "reasonable cash market value" (23). This definition implies the use of "value-in-exchange" instead of "value-in-use." Which of these two concepts of value to use or to give the most weight in arriving at a value for tax purposes is disputable, especially for certain types of property. If there is a ready market for a piece of real or personal property in its current use most people will agree that the greatest

emphasis should be given to the concept of value-in-exchange in establishing the property's true value. If a property has no market in its current use or sells very infrequently, as is the case with railroad property, some people say that the greatest emphasis should be given to the concept of value-in-use in determining the property's true or real value.

The widely recognized and accepted appraisal procedure used to estimate a property's market value encompasses both concepts of value. This procedure uses three approaches to value, namely: (1) market approach, (2) cost approach, and (3) income approach. The first two approaches are based on the concept of value-in-exchange, but the last approach (income) is based on the concept of value-in-use. Railroad officials accuse tax authorities of virtually ignoring the income approach in arriving at a value of their railroad properties for tax purposes. They call this a discriminatory practice. As the officials of one railroad put it, "discrimination in the taxing policies in Texas generally appear only when related to the use of adjacent land values instead of the unit method." This is another way of saying that the current market of value of an operating railroad should be established by using all indicators of value embodied in the three approaches to value and that the railroad should be appraised as one unit by one taxing authority before allocating its value among the taxing authorities. As an indicator of value from the market approach, they advocate using stock and debt average market quotations. As an indicator of value from the cost approach, they suggest using the investment cost less depreciation. As an indicator of value from the income approach, they suggest using capitalized earnings.

Railroad officials say that many of the Texas taxing authorities will not accept the unit method of assessment even though it is used in most of

the other states. They say that this leads to excessive assessments and taxes in most of the taxing districts of Texas, and they label the taxing policies and procedures of these taxing authorities as being obsolete and unjust so far as railroads are concerned. The officials of one railroad computed the full value of their railroad using the counties' claimed ass ment ratios and compared this value with the value that was placed on the railroad by a professional appraiser using the unit method, and found the county value to be 60 percent greater than the professional appraiser val The taxing policies of several taxing authorities are presently being con tested in court by railroad officials in the State.

The officials of another railroad operating in Texas also complain t various taxing districts' claimed assessment ratios are not the same as t actual ratios, as determined by special studies. The officials of still another railroad indicate how the claimed assessment ratios could be different from the actual ratios. They say that professional firms are employed by many taxing authorities to appraise railroad properties, large industrial properties, and private utility properties which results in appraised values that approximate 100 percent of "fair" market value. The their local or "in house" people appraise the other properties which resul in appraised values that are considerably less than 100 percent of market value.

Another reason that the claimed assessment ratios could be different from the actual ratios may be due to updating the appraisals of railroad properties (using current reconstruction costs) somewhat more often than the appraisals of other properties.

Railroad officials, nationwide, have long complained about the assess- ment of railroad property at a higher value than non-railroad property. I

1961, the American Association of Railroads submitted data requested by a special study group studying transportation policies in the United States for the Senate Committee on Interstate and Foreign Commerce to support their claim that state and local tax officials were assessing railroad property at a proportion of full value substantially higher than other property subject to the same tax rates. The Committee's study report on National Transportation Policy shows tabular data which the American Association of Railroads used to support this claim (24). A portion of these data appears in Table 18. Notice that for Texas the percentage of value at which railroad property was assessed compared to other property is not too different, especially compared to other states. Independent research conducted by the above committee confirmed that relative discrimination of a considerable magnitude in fact existed at the time against the railroads in the assessment procedures of state and local governments for ad valorem taxation purposes.

Recently passed Federal Legislation prohibits the assessment of transportation property at a value which bears a higher ratio to the true market value of such transportation than the ratio which the assessed value of all other commercial and industrial property in the same assessment jurisdiction bears to the true market value of all such other commercial and industry property (25). This requirement will take effect on February 5, 1979.

Since many of the states have adopted the unit method, apparently the amount of such discrimination has been greatly reduced. Since Texas has not, it can be expected to have assessed values per mile that are considerably higher than those in other states that have adopted the unit method.

Table 18

Assessment Percentages of Railroad Property and Other Properties in Selected States in 1957

State	Railroad Ad Valorem Taxes	Percent of Value at which Railroad Property was Assessed	Percent of Value at which Property of Others was Assessed
Alabama	$ 3,228,073	40	19
Arizona	6,729,726	80	16
Arkansas	3,084,128	20[a]	10
California	20,716,900	50	20
Colorado	6,139,685	50	27
Idaho	4,444,188	100	11
Illinois	34,859,462	100	46
Indiana	15,680,351	45[a]	23
Iowa	7,236,011	60[a]	25
Kansas	13,711,896	60[a]	24
Kentucky	8,361,704	60	31
Louisiana	4,942,389	40[a]	20
Maryland	2,158,936	100	51
Michigan	9,086,500	100	32
Mississippi	3,875,000	35[a]	17
Missouri	8,453,715	50[a]	29
Montana	7,430,209	35[a]	9
Nevada	2,425,889	40[a]	24
New Jersey	18,550,713	100	28
New Mexico	2,078,698	65[a]	18

Table 18 (cont.)

Assessment Percentages of Railroad Property and Other Properties in Selected States in 1957

State	Railroad Ad Valorem Taxes	Percent of Value at which Railroad Property was Assessed	Percent of Value at which Property of Others was Assessed
North Carolina	$ 2,672,581	50	38
North Dakota	5,131,042	50	16
Ohio	22,622,194	50[a]	37
Oklahoma	6,614,786	60	20
South Dakota	1,349,526	60[a]	44
Tennessee	7,588,656	100	28
Texas	9,050,259	25[a]	17
Utah	3,643,124	40[a]	15
Virginia	7,330,573	40	27
West Virginia	8,554,354	60[a]	30
Wyoming	3,310,563	50[a]	20

[a]or higher

Source: National Transportation Policy Study, as submitted by the American Association of Railroads (24).

One railroad furnished the following data to show the difference:

Taxing Authority	1974 Full Value/Mile
Texas	
Irving Independent School Dist.	$ 231,606
Hurst-Euless-Bedford	105,570
Other States	
Little Rock, Arkansas School Dist.	30,000
Oklahoma City, Okla. School Dist.	24,146

There is a considerable difference in the value per mile for the two school districts in Texas. Location may explain part of this difference. As is shown in Appendix Table 4, considerable differences also exist in the count assessed values per mile, even for rural counties located side by side. Although Table 10 shows that Texas ranks among the lowest of states in the amount of state and local taxes levied per mile of track, it probably ranks among the highest in the assessed value per mile. Texas apparently has lower tax rates than most other states.

Finally, a recently published federal report on railroad abandonments indicates that discriminatory state taxation is one of the factors most oft cited by various authors as having contributed to the poor health of the railroad industry and bankruptcy of certain carriers (26).

RAILROAD PROPERTY ABANDONMENT

In this section, railroad property abandonment is briefly discussed from the point of view of salvage values, disposal of rights-of-way and possible impacts on abutting property. With abandonment applications being filed more and more frequently by the railroads, it is important that relevant data be presented here to help the public understand some of the possible effects of railroad abandonment. As of February 11, 1976, Texas had 13 cases pending before the Interstate Commerce Commission (ICC). These 13 cases involve 560.4 miles of track or about 4.2 percent of the total miles of track in Texas. According to a federal report, about three percent of the total miles of track in the United States are pending before the ICC for abandonment (26). Since 1960, 69 cases have been decided, involving 1,925.5 miles of track. By and large, most of the abandonments involve sections of tracks in rural areas.

Salvage Values

The salvage values of the railroad property involved in proposed abandonments must be estimated by the railroad companies and filed in their applications to the ICC. These estimates are based on the "market value" of abandoned railroad property, as indicated by recent sales, and not on "value in use" as a railroad, as established by a sale or other means. The market value of railroad property is generally less than its original cost, especially after allowing for depreciation (27). However, there are cases where the salvage value could exceed the original cost or book value if the property was purchased many years ago.

The railroad companies have been asked to furnish their estimates of the salvage values of railroad properties recently abandoned or to be abandoned, pending approval by the ICC. Thus far, only two railroads have responded with a limited amount of data, some of which is not usable. Only one of the reporting railroads provides estimated salvage values on various types of transportation property which it owns and operates. Table 19 shows this railroad's salvage value on a dollar per mile or acre basis and the percentage of its total salvage value attributable to different types of property. All of this railroad's property is located in essentially rural areas in the Southern part of the State. Table 20 shows a more detailed breakdown of the estimated salvage value of a segment of another railroad located in a rural area of Northwest Texas. The railroad has an application filed with ICC for abandonment of this segment. The information in Tables 19 and 20 is presented only to give the reader some idea of the magnitude of salvage values of railroad properties located in rural areas.

The salvage value of railroad rights-of-way in rural areas, can be estimated by using data collected by the Texas Agricultural Experiment Station and published in the Texas Agricultural Progress (28). The data are based on a sample of market sales of rural properties from selected counties representing all 25 State Planning Regions in Texas, as shown in Figure 4. Table 21 shows the statewide trend in rural land values from 196(to 1974, giving the median price per acre and the between year percentage change. Table 22 shows the 1974 median price per acre for each of the State Planning Regions.

Table 19

Salvage Value of a Small Unaffiliated Railroad Operating in South Texas, 1975

Type of Property	Salvage Value	Percentage of Total Salvage Value
	$/mi.	Percent
Rails, Ties, and Other Track Materials	4,643	78.7
Rights-of-Way ($100 per ac.)	1,253	21.3
Combined Properties	5,896	100.0

Table 20

Salvage Value of a Segment of Railroad
To Be Abandoned in Northwest Texas, 1975

Type of Property	Salvage Value	Percentage of Total Salvage Value
	$/mi.	Percent
Rails	11,845	68.4
Ties	816	4.7
Other Track Materials	2,070	12.0
Bridge Timbers	-	1.1
Rights-of-Way ($200/ac.)	2,379	13.8
Total Salvage Value	17,293	100.0
Net Salvage Value[a]	7,900	45.7

[a]After subtracting the cost to retire, as submitted in a bid.

Source: Interstate Commerce Commission

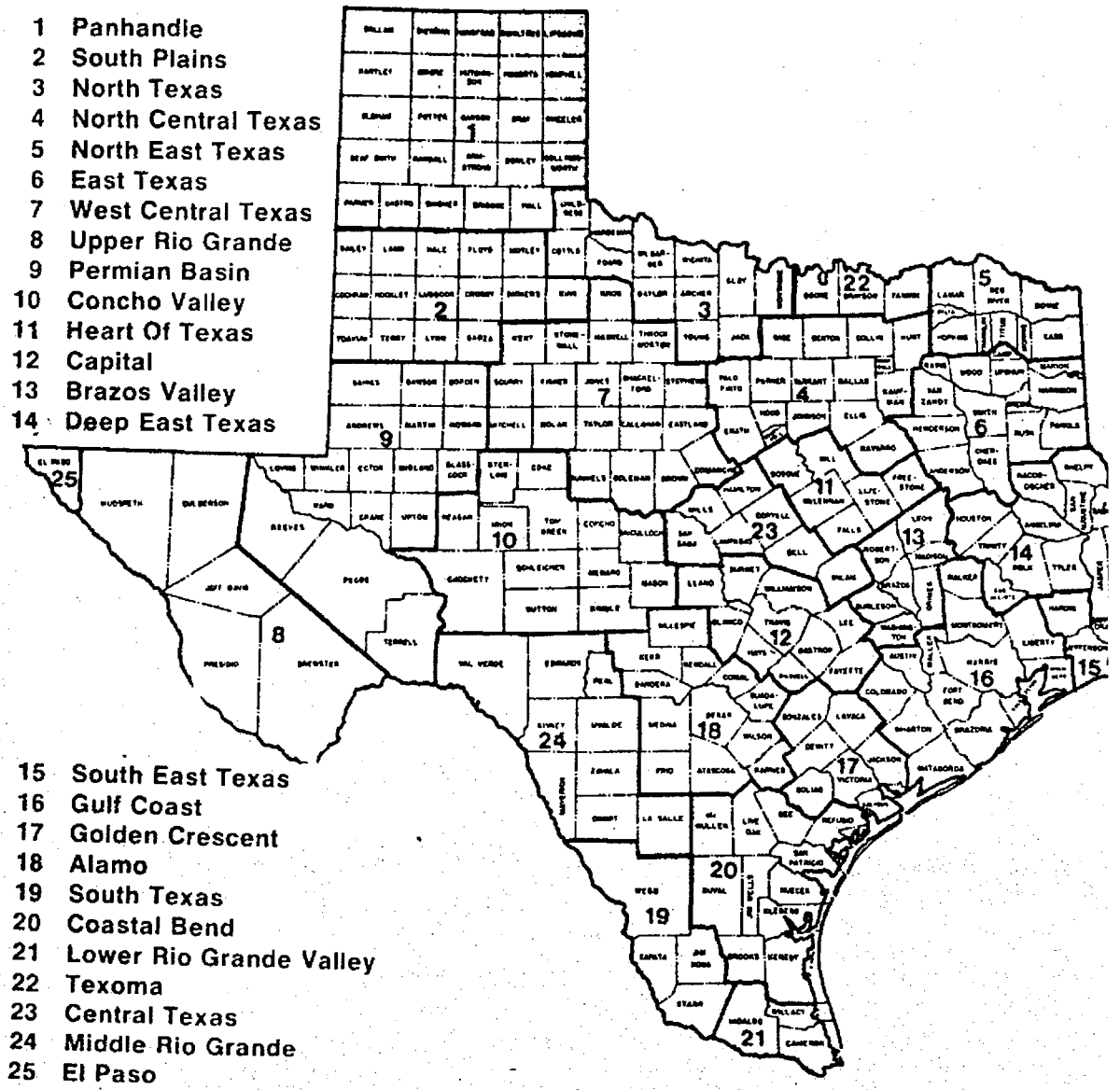


Figure 4. Location and Name of the State Planning Regions of Texas

Table 21

Median Price Per Acre of Rural Land and Percentage, Texas, 1966-74

Year	Median Price Per Acre, Dollars	Change, Percent
1966	170	
1967	185	8.8
1968	200	8.1
1969	225	12.5
1970	240	6.7
1971	263	9.6
1972	293	11.4
1973	350	19.5
1974	400	14.3
Change 1966 to 1974	230	135.3
Change Per Year	29	16.9

Source: Texas Agricultural Progress, Vol. 20, Nos. 3 and 4, 1974 (28)

Table 22

Median Price Per Acre of Rural Land by State Planning Regions, 1974

Median Price Per Acre	State Planning Regions, Code[a]
Under $100	8
$100 to $175	none
$175 to $250	10,19
$250 to $325	1,3,7,9
$325 to $400	2,5,24
$400 to $475	11,17,20,23
$475 to $550	6,18
$550 to $625	12,13,14,15
$625 to $700	4,22
$700 to $775	21,25
$775 to $850	none
$850 to $925	none
$925 to $1,000	none
$1,000 or over	16

[a]See Figure 4 for location of planning regions.

Source: Texas Agricultural Progress, Vol. 20, No. 4, 1974 (28).

Disposal and Reacquisition of Rights-of-Way

Until passage of the Federal Railroad Revitalization and Regulatory Reform Act of 1976, railroad companies could dispose of their abandoned rights-of-way any time after the ICC gave its approval of their abandonme petitions. Also, the ICC could require railroads to sell all or part of abandoned rights-of way to any responsible person, firm, or corporation a price of not less than the net salvage value of the properties. Now, a provision in the new Federal Act requires that the ICC, upon accepting a petition for abandonment, must determine whether such properties are suit for use for other public purposes, including roads or highways, other form of mass transportation, conservation, energy production or transmission, c recreation (29). If the Commission finds that the properties proposed to b abandoned are suitable for other public purposes, it must order that such rail properties not be disposed of for a period not to exceed 180 days, un the properties have been offered upon reasonable terms, as prescribed by t Commission, for acquisition for public purposes.

Various studies have been conducted on the possible uses of abandonec rights-of-way (30, 31, 32). Two in particular, were conducted in Texas. 1969, Kitchen conducted a study to determine the potential for using aban- doned railroad rights-of-way as a trail system for Texas (30). According Kitchen, Texas needed, as of 1970, another 430 miles of bicycle trails, 1,492 miles of hiking trails, 773 miles of horseback riding trails, and 1,495 miles of nature trails to meet the demand for such activities. He concluded that abandoned railroad rights-of-way are very suitable faciliti for such activities. In 1972, Kitchen conducted a feasibility study on th use of a 42.5 mile section of abandoned rights-of-way stretching from Waln Springs to Dublin for a hiking trail (31). He concluded that such usage o

the abandoned railroad rights-of-way would offer the user an outstanding outdoor experience.

The new Federal Law that gives governmental agencies a chance to purchase, on reasonable terms, the abandoned rights-of-way for other public uses is helpful to avoid the costly and time consuming problem of reacquisition. According to Kitchen's study, the development of a hiking trail on the 42.5 mile section of abandoned rights-of-way would require reacquisition of the surface rights (30). Before abandonment, the railroad company held an easement interest in the majority of the 42.5 mile section. Only a few miles were acquired in fee simple title. Kitchen says this type of ownership is typical of other railroad rights-of-way. But according to data collected from individual railroads and presented in Table 23, the ownership status of rights-of-way varies from system to system.

Abandoned rights-of-way held in fee simple title without reversionary restrictions can be conveyed directly to a buyer. But if the title has a reversionary clause, it usually means that ownership reverts or returns to the adjoining property owner(s) (33). The same limitation can be placed on rights-of-way held by easement. It may be possible for the potential buyer to negotiate an agreement with the holders of the reversion for the release of their interest in the land. If they refuse, the abandoned rights-of-way cannot be purchased unless the buyer has power of condemnation. If the abandoned rights-of-way are condemned for public use, the court determines what is a fair price to pay for such rights-of-way.

The pattern of ownership of railroad rights-of-way in urban areas is different from that of rural areas. Houston Belt and Terminal is located in an urban area (Table 23). The railroad company that held a section of rights-of-way abandoned to make way for the Dallas Central Expressway owned

Table 23

Ownership Status of Rights-of-Way Used
by Selected Railroads

Railroad System	Percentage of Rights-of-Way[a]			
	Owned with No Reversion	Owned with Reversion	Ease-ment	Leased
	- - - - - - - - - - Percent - - - - - - - - - -			
Katy	13.0	0.0	87.0	0.0
KCS	16.7	6.8	69.3	7.2
Rock Island	95.0	1.0	4.0	0.0
Texas Mexican	88.0	0.0	12.0	0.0
Houston Belt & Terminal	97.7	0.2	2.0	0.1

[a]Estimates

it mostly in fee simple title. The same is true for the abandoned rights-of-way now occupied by the Dallas North Tollway. In these two cases, the City of Dallas and Texas Turnpike Authority purchased the rights-of-way directly from the railroads. They purchased the reversionary rights held by a few adjacent property owners through condemnation or eniment domain proceedings to avoid delays in construction of the new freeways.

Another provision of the new Federal Law, provides for the establishment of a rail bank consisting of selected rights-of-way on which rail service has been discontinued or is likely to be discontinued for purposes of preserving existing service in certain areas of the United States in which fossil fuel natural resources or agricultural production is located (29). The Secretary of Transportation must first conduct a study, in consultations with the Secretaries of Interior and Commerce, to determine which rights-of-way should be leased or purchased for the rail bank. The Secretary of Transportation has the power to sell, lease, grant rights over, or otherwise dispose of rail bank properties if he determines, after consulting the Secretaries of Interior and Commerce, that such disposition would not adversely affect the availability of such properties for any continued necessary access to and egress by rail from facilities in which fossil fuels are being or can be extracted or processed.

Impact on Abutting Property

As with highways or other roads, existing railroads have a considerable effect on abutting or nearby property values. The type and extent of this impact depends on the specific use of the property, age of the improvements, and distance from the railroad. In 1974, a study was conducted in Brownsville, Texas to determine the extent to which railroads influence assessed

valuations of various types of properties abutting and remote to railroads (34). The results are shown in Figures 5 through 8. As seen in Figures 5 and 7, the railroad impact on residential and commercial land values is negative. In the case of residential land values, the negative impact increases with the age of the improvements (Figure 6). The railroad impact on industrial property values may be negative or positive, depending on the specific industry's need for a railroad. Figure 8 shows a positive relationship for an area with industries needing a railroad. The railroad impact on agricultural land is nil. The railroad influence on land values does not extend much over 1,000 feet from the railroad rights-of-way.

If railroad rights-of-way are abandoned, the impact on abutting or nearby property values depends on the use of the affected properties and the uses of the abandoned rights-of-way. Also, the immediate effect will be smaller than the long-term effect. In the Brownsville study, it was found that the presence of a railroad track in a newly developed area immediately decreases the assessed values of land abutting the railroad track by some 15 percent. This implies that, if a rail line is abandoned, the assessed value of such properties can be expected to immediately increase by about 15 percent. For old (20 years or more) residential areas, the study revealed that assessed values of abutting properties are 50 percent lower than the values of remote property, implying that railroad abandonment would eventually cause a 50 percent increase in the assess values of such abutting properties. Such increases might be expected if the abandoned rights-of-way are cleaned up and returned to residential use. Finally, the study revealed that the assessed values of abutting commercial properties are from 5 to 10 percent lower than values of such

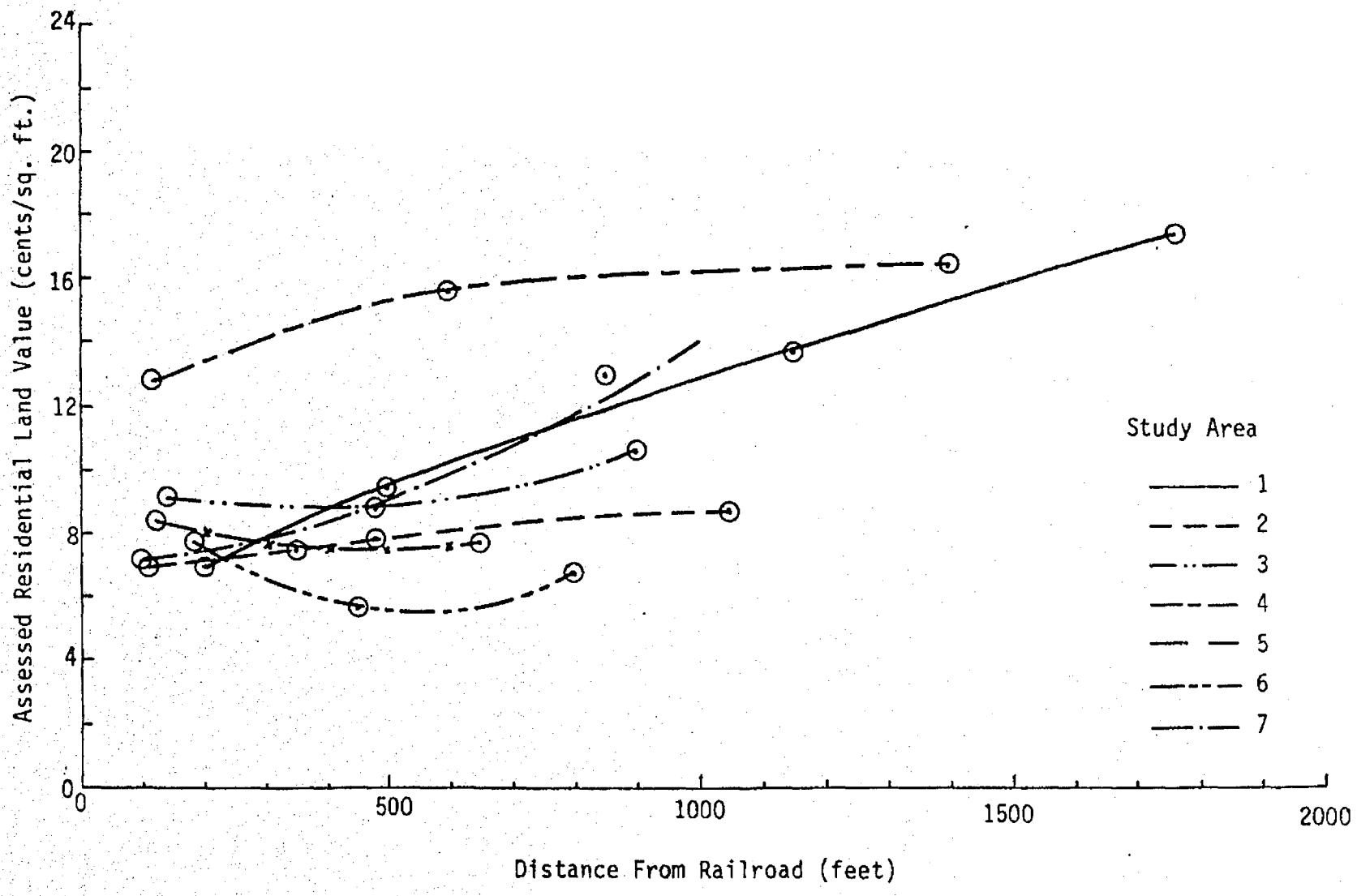


Figure 5: Relation Between Assessed Residential Land Value and Distance From the Railroad

Source: Brownsville study (34).

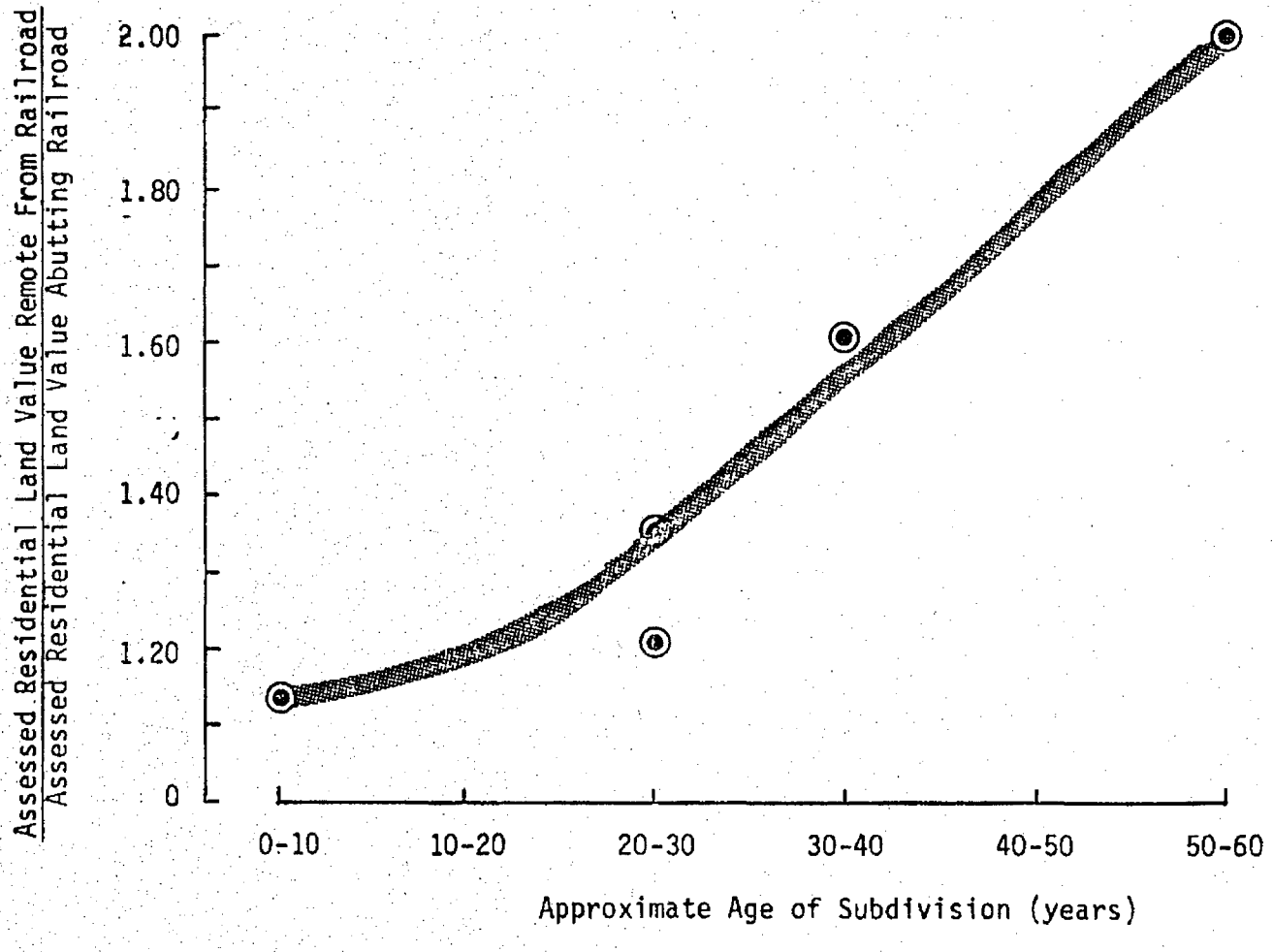


Figure 6: Affect of Subdivision Age on Railroad Influence

Source: Brownsville study (34).

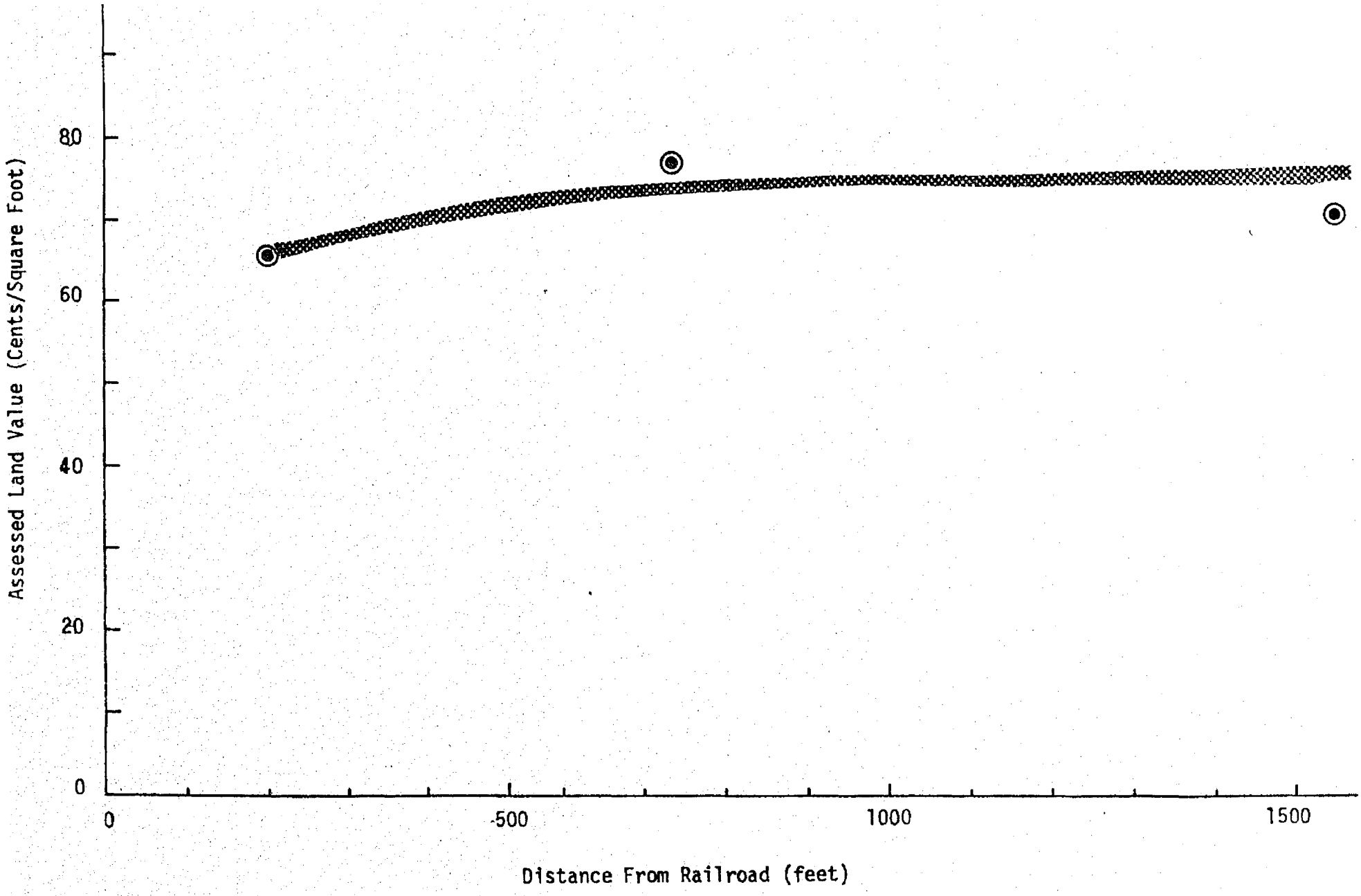
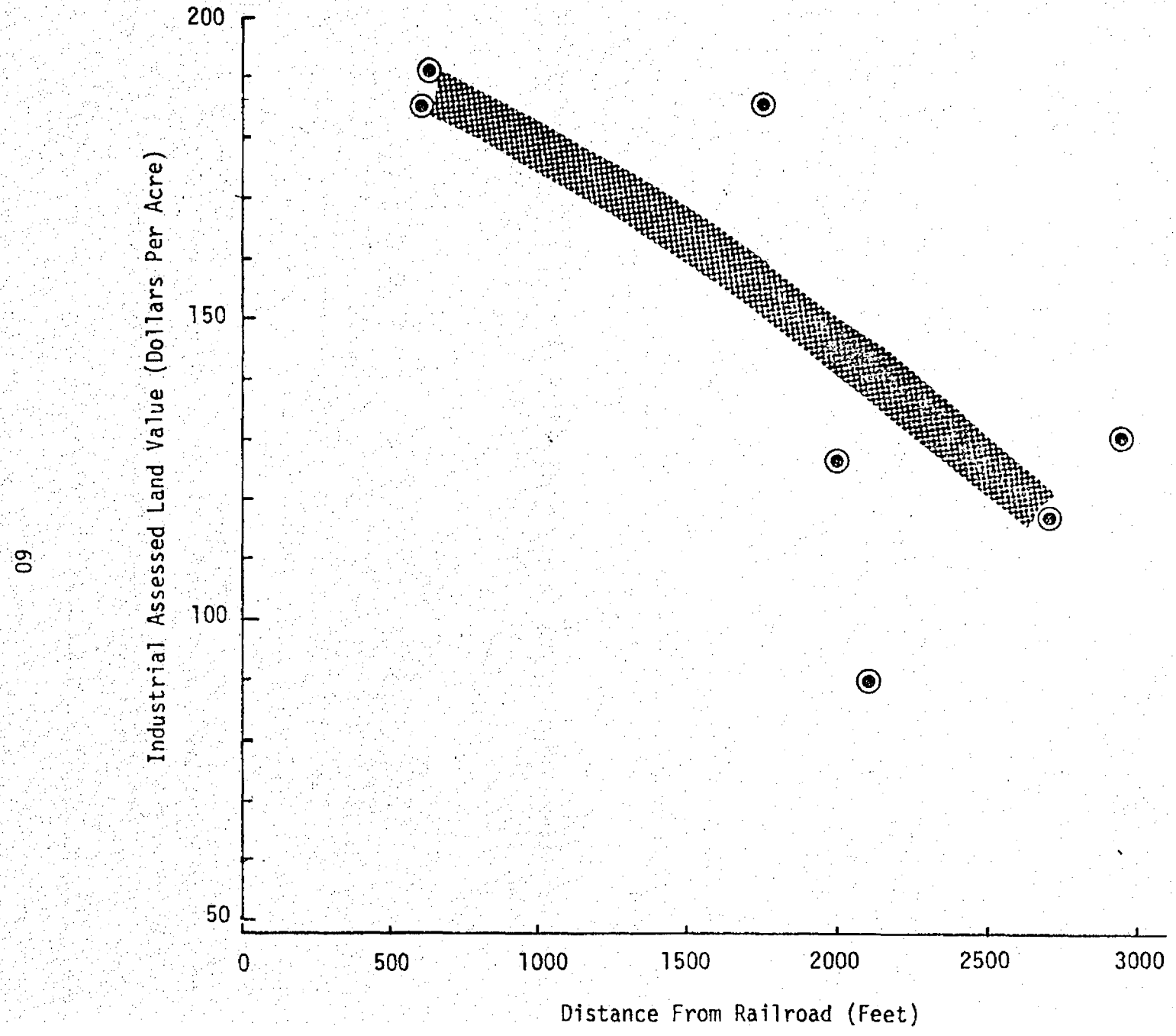


Figure 7: Relation Between Assessed Commercial Land Value and Distance From the Railroad

Source: Brownsville study (34)


Industrial Assessed Land Value (Dollars Per Acre)
200
150
100
50
0
500
1000
1500
2000
2500
3000
Distance From Railroad (Feet)

properties remote from the railroad. So, commercial properties might be expected to increase 5 to 10 percent over time, assuming that the abandoned rights-of-way become a part of the abutting properties. The assessed values of abutting industrial properties not using the railroad can be expected to increase about 5 to 10 percent in value due to railroad abandonment. On the other hand, the assessed values of abutting properties using the railroad can be expected to lose 5 to 10 percent in value due to railroad abandonment, again assuming that the abandoned rights-of-way become a part of the abutting properties.

If the abandoned rights-of-way do not revert to the abutting property uses and are, instead, put to some other use, the impact on the assessed values of abutting and nearby properties can be even greater than that due to abandonment only. Use of the abandoned rights-of-way for above or below ground utilities (piplines or transmission lines) may slightly depress the assessed values of abutting property. On the other hand, putting the abandoned rights-of-way to park or other recreational uses would likely increase the assessed values of abutting property. Using these rights-of-way for a major thoroughfare or expressway will produce much greater increases in the assessed values of abutting and nearby properties. In the late 1950's, Adkins conducted an economic impact study of Dallas' Central Expressway which reveals how dramatically the assessed property values can increase due to a change in use from a railroad to a freeway. Figure 9 shows a portion of the railroad rights-of-way now used for most of the 5.4 mile long expressway. Figure 10 shows the location of the study and control areas used to estimate the expressway's impact on property values. Notice the three bands of influence (Bands A, B, and C), which represent varying distances from the expressway. Table 24 shows the changes in the

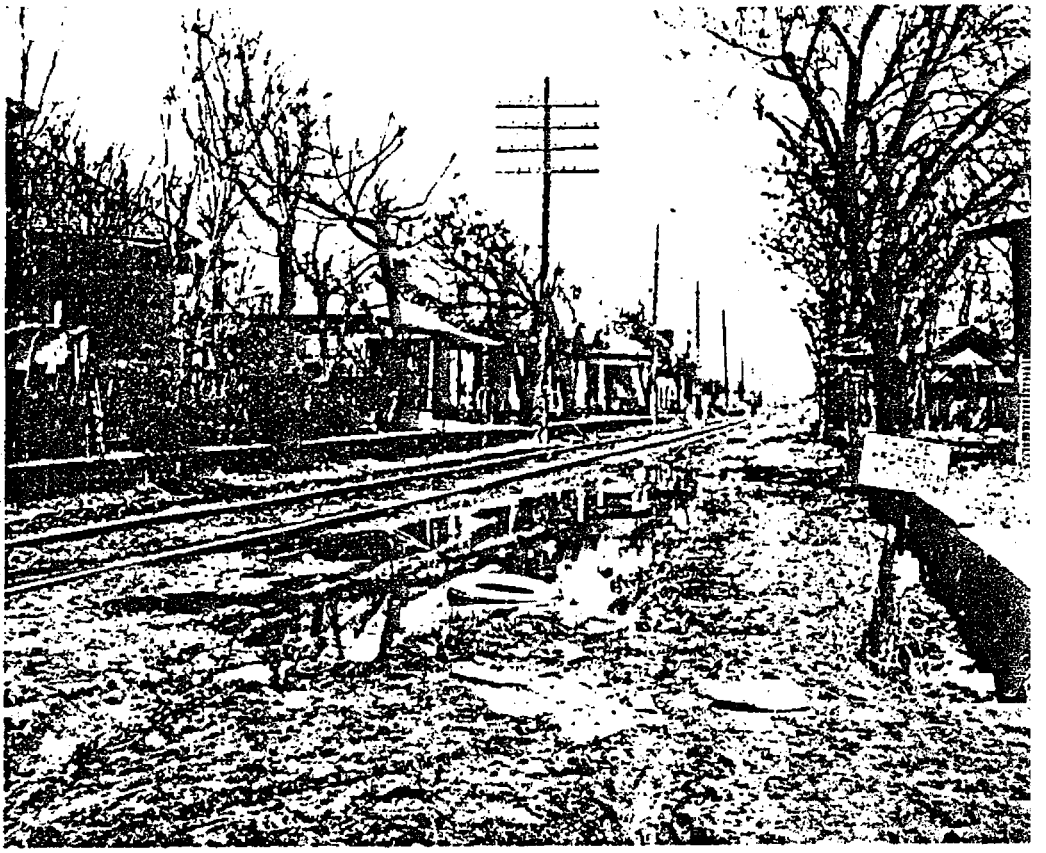


Figure 9. A Portion of Railroad Rights-of-way Used for Dallas Central Expressway (35).

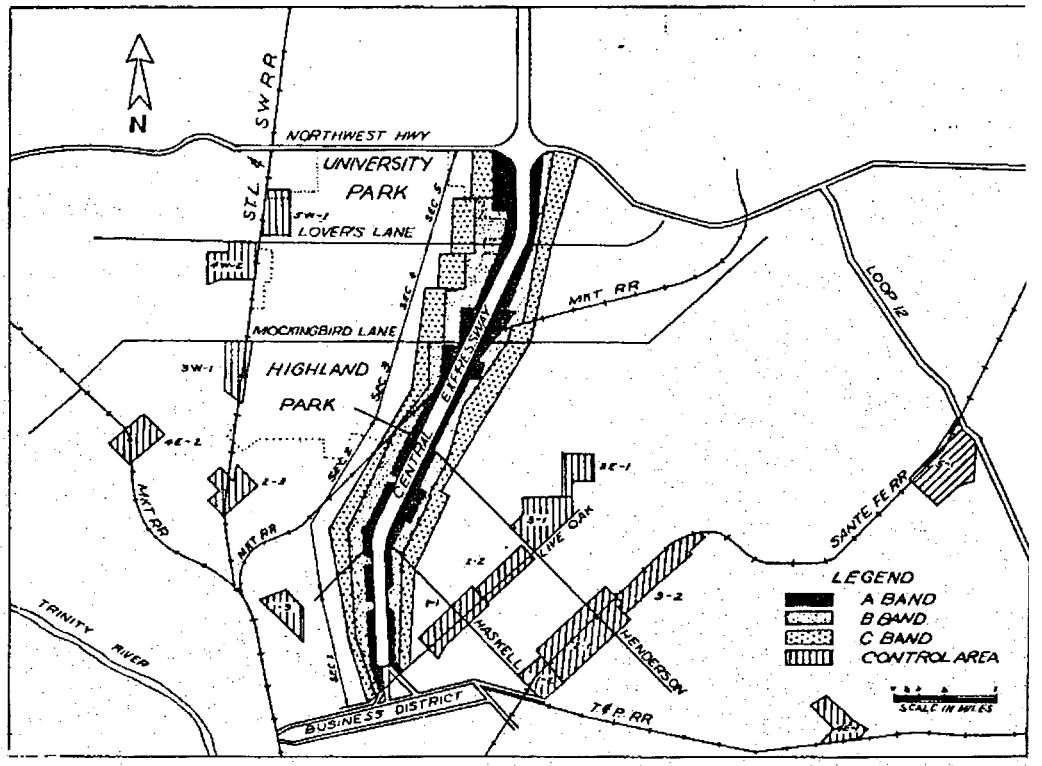


Figure 10. Study and Control Areas Used to Estimate the Dallas Central Expressway's Impact on Property Values (35).

Table 24

Changes in Assessed Property Valuations Along Central Expressway and in Control Areas, 1945 to 1955

Assessed Valuations	Percentage Change		Inferred Expressway Influence
	Study Area	Control Area	
	- - - - - - - - - - - - Percent - - - - - - - - - - - -		
Land			
A Band	344	40	304
B Band	83	41	42
C Band	51	33	18
Improvements			
A Band	780	42	738
B Band	104	46	58
C Band	47	35	12

Source: Texas Transportation Institute Bulletin 6, (35).

assessed property valuations that occurred along the expressway and in the control areas (combined) in the first 10 years after railroad abandonment. The difference between the study and control area values represents the inferred expressway influence. The increases based on property sales were even more dramatic. The assessed valuations of commercial and industrial properties increased about 3.5 times that of residential properties as a result of the freeway.

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APPENDIX A - SUPPLEMENTAL TABLES

Appendix Table 1

Property Taxes Levied by the State and Counties on Railroads in Texas, 1955-1974

Year[a]	Taxes Levied on Railroads			
	State		County	
	Total Dollars	$/Mile	Total Dollars	$/Mile
1955	942,426	61	1,856,237	121
1956	949,606	62	1,894,608	124
1957	939,092	62	1,983,787	131
1958	919,646	61	1,948,923	130
1959	889,270	61	1,934,918	132
1960	885,926	60	1,986,455	135
1961	851,560	58	1,891,039	129
1962	871,385	60	1,983,516	136
1963	860,875	59	2,083,244	144
1964	855,394	59	1,983,403	137
1965	837,285	59	2,029,600	142
1966	923,436	65	2,234,841	156
1967	906,274	65	1,933,259	138
1968	923,205	66	1,841,953	133
1969	883,883	64	1,821,678	132
1970	938,438	68	2,630,099	194
1971	701,491	52	2,022,566	150
1972	575,893	43	2,105,456	158
1973	435,711	33	2,006,062	151
1974	391,709	29	2,299,235	173

[a]Starting in 1966, switching and terminal companies were included in the totals.

Source: Texas Railroad Commission Annual Reports (19).

Appendix Table 2

Property Taxes Levied by Cities and Towns and School Districts on Railroads in Texas, 1955-1974

Year[a]	Taxes Levied on Railroads			
	Cities and Towns		School Districts	
	Total Dollars	$/Mile	Total Dollars	$/Mile
1955	1,893,661	123	3,235,746	210
1956	1,972,495	129	3,397,429	223
1957	2,130,340	141	3,519,920	232
1958	2,128,302	142	3,608,724	240
1959	2,136,957	145	3,660,804	249
1960	2,242,291	153	3,917,703	267
1961	2,193,493	150	3,844,542	253
1962	2,552,379	175	3,341,437	229
1963	2,679,484	185	3,510,235	242
1964	2,578,079	178	3,639,190	252
1965	2,702,830	189	3,603,106	252
1966	2,813,975	197	3,863,097	270
1967	2,909,702	208	4,193,600	299
1968	2,654,196	191	4,677,859	337
1969	2,431,790	175	5,127,890	370
1970	2,735,707	202	5,432,377	401
1971	2,879,308	214	5,432,647	403
1972	3,079,850	232	5,607,609	422
1973	3,250,268	244	5,906,054	444
1974	3,127,472	235	6,590,669	496

[a]Starting in 1966, switching and terminal companies were included in the totals.

Source: Texas Railroad Commission Annual Reports (19).

Appendix Table 3

Relationship of Railroad Assessed Valuations to Total County Valuations by County in Texas in 1974.

Name of County	Assessed Valuations		Railroad Valuations as Percent of County Valuations
	County	Railroad[a]	
	---In (000) Dollars---		------Percent------
Anderson	70,289	1,308	1.86
Andrews	135,513	-	-
Angelina	72,856	1,447	1.99
Aransas	52,828	204	0.39
Archer	25,069	107	0.43
Armstrong	9,698	356	3.67
Atascosa	41,640	531	1.27
Austin	53,327	1,215	2.28
Bailey	19,868	221	1.11
Bandera	17,703	-	-
Bastrop	29,250	1,103	3.77
Baylor	14,536	189	1.30
Bee	60,507	1,036	1.71
Bell	210,969	2,068	0.98
Bexar	1,147,256	2,828	0.25
Blanco	6,542	-	-
Borden	46,273	-	-
Bosque	22,281	584	2.62
Bowie	113,598	2,347	2.07
Brazoria	590,428	1,374	0.02
Brazos	78,917	1,067	1.35
Brewster	20,865	1,900	9.10
Briscoe	9,083	88	0.97
Brooks	74,882	40	0.05
Brown	36,635	565	1.54
Burleson	23,467	969	4.13

Appendix Table 3 continued

Name of County	Assessed Valuations		Railroad Valuations as Percent of County Valuations
	County	Railroad[a]	
	---In (000) Dollars---		------Percent------
Burnet	35,383	272	0.77
Caldwell	47,889	505	1.05
Calhoun	106,826	414	0.39
Callahan	16,475	479	2.91
Cameron	285,075	1,619	0.57
Camp	16,813	412	2.45
Carson	38,081	1,044	2.74
Cass	56,826	882	1.55
Castro	20,267	204	1.01
Chambers	201,969	148	0.07
Cherokee	67,433	1,646	2.44
Childress	13,737	601	4.38
Clay	48,451	680	1.40
Cochran	47,457	174	0.37
Coke	23,246	186	0.80
Coleman	18,214	725	3.98
Collin	205,639	1,936	0.94
Collingsworth	11,802	30	0.25
Colorado	71,054	1,581	2.23
Comal	72,855	540	0.74
Comanche	20,363	315	1.55
Concho	11,280	-	-
Cooke	76,944	390	0.51
Coryell	35,037	221	0.63
Cottle	9,364	300	3.20
Crane	63,015	42	0.07
Crockett	64,537	4	Nil
Crosby	28,050	104	0.37
Culberson	33,053	1,563	4.73

Appendix Table 3 continued

Name of County	Assessed Valuations		Railroad Valuations as Percent of County Valuations
	County	Railroad[a]	
	---In (000) Dollars---		------Percent------
Dallam	14,939	616	4.12
Dallas	3,516,732	7,072	0.20
Dawson	45,450	152	0.33
Deaf Smith	70,902	500	0.71
Delta	9,826	285	2.90
Denton	188,124	1,714	0.91
Dewitt	48,347	376	0.78
Dickens	10,552	-	-
Dimmit	58,857	292	0.50
Donley	9,377	415	4.43
Duval	147,759	1,080	0.73
Eastland	27,089	457	1.69
Ector	400,308	639	0.16
Edwards	14,547	-	-
Ellis	78,188	1,704	2.18
El Paso	490,117	4,403	0.90
Erath	34,222	367	1.07
Falls	30,682	363	1.18
Fannin	43,870	552	1.26
Fayette	32,964	1,443	4.38
Fisher	45,101	473	1.05
Floyd	35,607	892	2.51
Foard	9,525	221	2.32
Fort Bend	272,567	2,658	0.98
Franklin	23,710	202	0.85
Freestone	31,027	503	1.62
Frio	26,793	431	1.61
Gaines	173,133	21	0.01
Galveston	633,964	2,999	0.47

Appendix Table 3 continued

Name of County	Assessed Valuations		Railroad Valuations as Percent of County Valuations
	County	Railroad[a]	
	---In (000) Dollars---		------Percent------
Garza	23,654	437	1.85
Gillespie	23,555	-	-
Glasscock	18,301	-	-
Goliad	28,650	441	1.54
Gonzales	21,141	597	2.82
Gray	92,125	892	0.97
Grayson	193,915	3,214	1.66
Gregg	311,880	571	0.18
Grimes	39,782	1,043	2.62
Guadalupe	76,739	864	1.13
Hale	127,927	624	0.49
Hall	14,338	380	2.65
Hamilton	20,380	1	Nil
Hansford	39,057	405	1.04
Hardeman	28,441	970	3.41
Hardin	93,217	1,594	1.71
Harris	5,686,613	19,474	0.34
Harrison	112,978	1,692	1.50
Hartley	15,003	837	5.58
Haskell	22,947	361	1.57
Hays	55,680	468	0.84
Hemphill	49,584	559	1.13
Henderson	92,417	1,075	1.16
Hidalgo	288,892	2,248	0.78
Hill	45,520	942	2.07
Hockley	75,228	256	0.34
Hood	30,941	298	0.96
Hopkins	40,929	822	2.01
Houston	29,591	463	1.56

Appendix Table 3 continued

Name of County	Assessed Valuations		Railroad Valuations as Percent of County Valuations
	County	Railroad[a]	
	---In (000) Dollars---		------Percent------
Howard	95,180	510	0.54
Hudspeth	21,121	2,103	9.96
Hunt	96,103	1,547	1.61
Hutchinson	84,912	376	0.44
Irion	10,104	277	2.74
Jack	29,845	-	-
Jackson	99,484	851	0.86
Jasper	57,253	899	1.57
Jeff Davis	486,988	670	0.14
Jefferson	535,202	750	0.14
Jim Hogg	37,183	308	0.83
Jim Wells	116,064	1,117	0.96
Johnson	77,169	1,930	2.50
Jones	34,579	376	1.09
Karnes	56,788	508	0.89
Kaufman	48,359	939	1.94
Kendall	21,852	-	-
Kenedy	20,235	318	1.57
Kent	44,556	-	-
Kerr	51,623	-	-
Kimble	12,266	-	-
King	12,972	-	-
Kinney	11,769	1,129	9.59
Kleberg	143,859	231	0.16
Knox	15,384	303	1.97
Lamar	62,203	911	1.46
Lamb	48,241	355	0.74
Lampasas	12,536	595	4.75
Lasalle	16,811	718	4.27

Appendix Table 3 continued

Name of County	Assessed Valuations		Railroad Valuations as Percent of County Valuations
	County	Railroad[a]	
	---In (000) Dollars---		------Percent------
Lavaca	39,876	326	0.82
Lee	17,778	706	3.97
Leon	17,030	373	2.19
Liberty	100,816	1,980	1.96
Limestone	31,152	888	2.85
Lipscomb	53,308	812	1.52
Live Oak	31,951	401	1.26
Llano	24,937	212	0.85
Loving	8,972	-	-
Lubbock	360,365	1,415	0.39
Lynn	17,582	250	1.42
Madison	17,005	210	1.23
Marion	15,776	430	2.73
Martin	31,537	193	0.61
Mason	13,388	-	-
Matagorda	123,302	1,358	1.10
Maverick	66,289	662	1.00
McCulloch	17,154	155	0.90
McLennan	266,368	2,110	0.79
McMullen	15,666	-	-
Medina	38,170	1,099	2.88
Menard	7,244	-	-
Midland	224,810	497	0.22
Milam	37,362	1,383	3.70
Mills	8,390	247	2.94
Mitchell	48,175	491	1.02
Montague	34,586	608	1.76
Montgomery	330,513	1,396	0.42
Moore	62,678	329	0.52

Appendix Table 3 continued

Name of County	Assessed Valuations		Railroad Valuations as Percent of County Valuations
	County	Railroad[a]	
	---In (000) Dollars---		------Percent------
Morris	28,000	2,710	9.68
Motley	8,188	279	3.41
Nacogdoches	74,429	904	1.21
Navarro	68,772	2,088	3.04
Newton	34,546	272	0.79
Nolan	62,597	1,395	2.22
Nueches	853,366	1,498	0.18
Ochiltree	42,449	238	0.56
Oldham	17,606	421	2.39
Orange	180,748	1,333	0.74
Palo Pinto	45,257	615	1.36
Panola	57,858	294	0.51
Parker	48,466	598	1.23
Parmer	19,977	2	0.01
Pecos	165,145	546	0.33
Polk	52,079	738	1.42
Potter	332,347	3,626	1.09
Presidio	15,794	1,304	8.26
Rains	8,953	-	-
Randall	73,075	702	0.96
Reagan	43,461	242	0.57
Real	3,384	-	-
Red River	22,228	388	1.75
Reeves	92,729	1,022	1.10
Refugio	105,017	342	0.33
Roberts	19,635	329	1.68
Robertson	27,527	1,789	6.50
Rockwall	24,085	126	0.52
Runnels	58,871	452	0.77

Appendix Table 3 continued

Name of County	Assessed Valuations		Railroad Valuations as Percent of County Valuations
	County	Railroad[a]	
	---In (000) Dollars---		------Percent------
Rusk	97,295	263	0.27
Sabine	11,330	152	1.34
San Augustine	11,152	196	1.76
San Jacinto	23,545	225	0.96
San Patricio	164,887	1,340	0.81
San Saba	13,614	232	1.70
Schleicher	17,385	201	1.16
Scurry	232,529	1,034	0.44
Shackelford	18,069	-	-
Shelby	15,879	895	5.64
Sherman	32,606	392	1.20
Smith	204,200	1,533	0.75
Somervell	5,356	-	-
Starr	67,662	153	0.23
Stephens	24,201	81	0.33
Sterling	9,728	-	-
Stonewall	17,319	23	0.13
Sutton	20,862	69	0.33
Swisher	27,491	289	1.05
Tarrant	1,373,234	5,365	0.39
Taylor	158,035	1,157	0.73
Terrell	10,539	1,180	11.20
Terry	59,793	296	0.50
Throckmorton	14,313	-	-
Titus	35,227	402	1.14
Tom Green	157,859	942	0.60
Travis	898,675	1,347	0.15
Trinity	13,048	186	1.43
Tyler	31,823	496	1.56

Appendix Table 3 continued

Name of County	Assessed Valuations		Railroad Valuations as Percent of County Valuations
	County	Railroad[a]	
	---In (000) Dollars---		------Percent------
Upshur	32,151	680	2.12
Upton	59,980	250	0.42
Uvalde	51,176	1,435	2.80
Val Verde	38,456	2,372	6.17
Van Zandt	79,418	411	0.52
Victoria	178,675	1,670	0.93
Walker	55,932	423	0.76
Waller	70,486	648	0.92
Ward	161,719	671	0.41
Washington	32,593	550	1.69
Webb	152,831	2,480	1.62
Wharton	147,913	1,362	0.92
Wheeler	19,372	368	1.90
Wichita	222,631	728	0.33
Wilbarger	43,001	632	1.47
Willacy	44,664	299	0.67
Williamson	80,039	1,637	2.05
Wilson	30,361	395	1.30
Winkler	112,324	247	0.22
Wise	55,550	1,031	1.86
Wood	101,417	446	0.44
Yoakum	211,457	-	-
Young	40,758	3	0.01
Zapata	21,481	-	-
Zavala	23,984	350	1.46

[a] Counties with dash (-) entry have no railroads.

Source: Annual Report of the Comptroller of Public Accounts, Part II, 1974 (21).

Appendix Table 4

Relationship of Railroad Assessed Valuations to the Total Mileage of Railroads by County in Texas in 1974

County	Mileage of Railroads[a]	Assessed Value of Railroad Property[a]
	Miles	$/Mile
Anderson	58.20	22,552
Andrews	-	-
Angelina	96.30	15,021
Aransas	9.79	20,838
Archer	20.14	5,313
Armstrong	32.56	10,934
Atascosa	43.12	12,314
Austin	90.23	13,466
Baily	19.68	11,230
Bandera	-	-
Bastrop	94.38	11,687
Baylor	35.74	5,288
Bee	62.00	16,710
Bell	98.91	20,908
Bexar	161.74	17,485
Blanco	-	-
Borden	-	-
Bosque	38.93	15,001
Bowie	95.24	24,643
Brazoria	138.28	9,936
Brazos	50.41	21,166
Brewster	117.48	16,173
Briscoe	24.09	3,653
Brooks	33.18	12,146
Brown	44.11	12,809
Burleson	93.42	10,373
Burnett	39.54	6,979
Caldwell	35.43	14,253
Calhoun	27.94	14,817

Appendix Table 4 continued

County	Mileage of Railroads[a]	Assessed Value of Railroad Property[a]
	Miles	$/Mile
Callahan	31.58	15,268
Cameron	107.13	15,112
Camp	28.81	14,301
Carson	118.02	8,846
Cass	60.46	14,588
Castro	27.20	7,500
Chambers	20.86	7,095
Cherokee	118.49	13,891
Childress	50.94	11,798
Clay	32.71	20,789
Cochran	24.77	7,025
Coke	28.01	6,640
Coleman	64.13	11,305
Collin	119.68	16,176
Collingsworth	8.08	3,713
Colorado	87.60	18,048
Comal	48.49	11,136
Comanche	28.69	10,979
Concho	-	-
Cooke	23.79	16,395
Coryell	12.95	17,066
Cottle	40.16	7,470
Crane	5.21	8,061
Crockett	0.49	8,163
Crosby	20.41	5,906
Culberson	89.71	17,423
Dallam	70.63	8,722
Dallas	271.00	26,096
Dawson	17.60	8,636
Deaf Smith	24.38	20,509

Appendix Table 4 continued

County	Mileage of Railroads[a]	Assessed Value of Railroad Property[a]
	Miles	$/Mile
Delta	30.24	9,425
Denton	127.89	13,402
Dewitt	30.11	12,488
Dickens	-	-
Dimmet	33.98	8,593
Donley	49.48	8,387
Duval	45.23	23,878
Eastland	22.63	20,194
Ector	31.93	20,013
Edwards	-	-
Ellis	138.20	12,330
El Paso	244.50	18,008
Erath	43.31	8,474
Falls	38.76	9,365
Fannin	53.15	10,386
Fayette	93.04	15,509
Fisher	43.83	10,792
Floyd	99.35	8,978
Foard	21.76	10,156
Fort Bend	170.73	15,568
Franklin	14.87	13,584
Freestone	46.33	10,957
Frio	34.54	12,478
Gaines	2.85	7,368
Galveston	97.46	30,772
Garza	40.29	11,591
Gillespie	-	-
Glasscock	-	-
Goliad	30.30	14,554
Gonzales	36.02	16,574
Gray	67.21	13,272

Appendix Table 4 continued

County	Mileage of Railroad[a]	Assessed Value of Railroad Property[a]
	Miles	$/Mile
Grayson	166.99	19,247
Gregg	33.17	17,214
Grimes	86.00	12,128
Guadalupe	36.60	23,607
Hale	79.52	7,847
Hall	51.58	7,367
Hamilton	-	-
Hansford	59.01	6,863
Hardernan	75.47	12,853
Hardin	94.21	16,920
Harris	841.65	23,138
Harrison	79.77	21,179
Hartley	79.89	10,477
Haskell	60.81	5,937
Hays	36.35	12,875
Hemphill	34.82	16,054
Henderson	80.65	13,329
Hidalgo	142.64	15,760
Hill	101.56	9,275
Hockley	55.25	4,633
Hood	31.57	9,439
Hopkins	70.04	11,736
Houston	36.31	12,751
Howard	32.43	15,726
Hudspeth	106.18	19,806
Hunt	108.78	14,221
Hutchinson	33.91	11,088
Irion	41.73	6,638
Jack	-	-
Jackson	57.16	14,888
Jasper	79.11	11,364

Appendix Table 4 continued

County	Mileage of Railroad[a]	Assessed Value of Railroad Property[a]
	Miles	$/Mile
Jeff Davis	30.55	21,931
Jefferson	144.43	5,193
Jim Hogg	12.21	25,225
Jim Wells	77.02	15,510
Johnson	92.04	20,969
Jones	63.00	5,968
Karnes	30.52	16,645
Kaufman	81.87	11,469
Kendall	-	-
Kenedy	46.47	6,843
Kent	-	-
Kerr	-	-
Kimble	-	-
King	-	-
Kinney	50.52	22,348
Kleberg	21.28	10,855
Knox	44.18	6,858
Lamar	76.76	11,968
Lamb	32.80	10,823
Lampassas	54.36	10,946
Lasalle	55.47	12,944
Levaca	24.89	13,098
Lee	44.59	15,833
Leon	75.44	4,944
Liberty	113.45	17,453
Limestone	43.73	20,306
Lipscomb	44.52	18,239
Live Oak	46.72	8,583
Llano	20.45	10,367
Loving	-	-
Lubbock	124.19	11,394

Appendix Table 4 continued

County	Mileage of Railroad[a]	Assessed Value of Railroad Property[a]
	Miles	$/Mile
Lynn	47.25	5,291
Madison	13.68	15,351
Marion	13.52	31,805
Martin	13.03	14,823
Mason	-	-
Matagorda	122.01	11,129
Maverick	28.97	22,851
McCulloch	18.75	8,267
McLennan	175.68	12,010
McMullen	-	-
Medina	56.39	19,489
Menard	-	-
Midland	26.51	18,748
Milan	89.98	15,370
Mills	34.27	7,207
Mitchell	32.35	15,178
Montague	70.49	8,625
Montgomery	128.83	10,836
Moore	73.95	4,449
Morris	30.34	89,321
Motley	36.32	7,682
Nacogdoches	60.60	14,917
Navarro	108.14	19,308
Newton	22.46	12,110
Nolan	156.97	8,887
Nueces	80.20	18,678
Ochiltree	33.59	7,085
Oldarn	66.66	6,316
Orange	78.51	16,979
Palo Pinto	40.24	15,283
Panola	31.37	9,372

Appendix Table 4 continued

County	Mileage of Railroad[a]	Assessed Value of Railroad Property[a]
	Miles	$/Mile
Parker	53.81	11,113
Parmer	49.01	7,631
Pecos	87.94	6,209
Polk	48.58	15,191
Potter	124.00	29,242
Presidio	117.23	11,123
Rains	-	-
Randall	48.17	14,573
Reagan	43.40	5,576
Real	-	-
Red River	34.22	11,338
Reeves	131.49	7,772
Refugio	36.90	9,268
Roberts	17.75	18,535
Robertson	118.52	15,094
Rockwall	14.29	8,817
Runnels	45.02	10,040
Rusk	32.38	8,122
Sabine	19.46	7,811
San Augustine	17.78	11,024
San Jacinto	13.46	16,716
San Patricio	100.53	13,329
San Saba	34.98	6,632
Schleicher	28.60	7,028
Scurry	71.86	14,389
Shackelford	-	-
Shelby	59.12	15,139
Sherman	53.50	7,327
Smith	61.51	24,923
Somerville	-	-
Starr	16.54	9,250

Appendix Table 4 continued

County	Mileage of Railroads[a]	Assessed Value of Railroad Property[a]
	Miles	$/Mile
Stephens	5.52	14,674
Sterling	-	-
Stonewall	3.46	6,647
Sutton	12.74	5,412
Swisher	32.96	8,768
Tarrant	255.00	21,039
Taylor	104.85	11,035
Terrell	59.51	19,929
Terry	36.99	8,002
Throckmorton	-	-
Titus	28.39	14,160
Tom Green	74.42	12,658
Travis	86.68	15,540
Trinity	15.86	11,728
Tyler	37.60	13,192
Upshur	40.27	16,886
Upton	33.66	7,427
Uvalde	60.87	23,575
Val Verde	90.42	26,233
Van Zandt	28.19	14,580
Victoria	102.81	16,244
Walker	38.29	11,047
Waller	33.46	19,366
Ward	50.44	13,303
Washington	41.43	13,275
Webb	90.02	27,549
Wharton	112.95	12,058
Wheeler	62.76	5,864
Wichita	64.61	11,268
Wilbarger	46.12	13,703
Willacy	31.27	9,562
Williamson	136.42	12,000

Appendix Table 4 continued

County	Mileage of Railroad[a]	Assessed Value of Railroad Property[a]
	Miles	$/Mile
Wilson	25.13	15,718
Winkler	27.17	9,091
Wise	127.33	8,097
Wood	31.71	14,065
Yoakum	-	-
Young	12.03	249
Zapata	-	-
Zavala	36.35	9,629

[a]Counties with dash (-) entry have no railroads.

Source: Annual Report of the Comptroller of Public Accounts, Part II, 1974 (21).