



Municipal Technical Advisory Service
INSTITUTE *for* PUBLIC SERVICE

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Train Regulations and Transit Systems

Dear Reader:

The following document was created from the MTAS website ([mtas.tennessee.edu](http://www.mtas.tennessee.edu)). This website is maintained daily by MTAS staff and seeks to represent the most current information regarding issues relative to Tennessee municipal government.

We hope this information will be useful to you; reference to it will assist you with many of the questions that will arise in your tenure with municipal government. However, the *Tennessee Code Annotated* and other relevant laws or regulations should always be consulted before any action is taken based upon the contents of this document.

Please feel free to contact us if you have questions or comments regarding this information or any other MTAS website material.

Sincerely,

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Train Regulations and Transit Systems

Reference Number: MTAS-548

Notification of State Department of Transportation of Train Regulations

Certified copies of any ordinances regulating trains within a city's limits "or newly extended limits" (annexation ordinances seem to be included) must be sent to the commissioner of transportation. Within seven days, the commissioner is to mail copies to the railroad's registered agent for service of process. Such ordinances shall be effective 15 days after receipt by the registered agent. An ordinance becomes effective when received by the executive director if a railroad fails to register an agent for service of process. T.C.A. §§ 7-51-801–804.

However, municipalities may not regulate train speeds within city limits. Such authority belongs only to the Federal Railroad Administration pursuant to the Federal Railroad Safety Act. 45 U.S.C. 421, *et seq.*, *CSX Transportation v. City of Tullahoma*, 705 F. Supp.385 E.D.Tenn. 1988.

Transit Authority

A transit authority may be created by ordinance or by resolution. Contracting for management of a transit system is specifically authorized as an alternative to direct operation by a municipality, county, or transit authority. Service may be extended beyond county lines and, with necessary approvals of its regulatory agencies, into adjoining states.

A municipality or transit authority may issue debt, exercise eminent domain, and enter into interlocal agreements with other cities, counties, and even other states regarding purchasing and operating public transportation systems. Additionally, a municipality, county, or combination thereof may empower a transit authority to "license and regulate all forms of public transportation," such as taxicabs and airport limousines.

If an existing system is acquired, a municipality is empowered to make "fair and equitable arrangements" to preserve employees' benefits typically included in union contracts. Collective bargaining and voluntary arbitration also are authorized. Strikes are prohibited. T.C.A. §§ 7-56-101, *et seq.*

Subsidized Private System

Any municipality, county, or combination thereof may pay a reasonable subsidy to a public or private company operating a transit system, "the amount thereof to be wholly in the discretion of the governing body." T.C.A. § 7-56-107.

Franchise of Transit Services

Regulating, controlling, and franchising street railways and bus lines are vested in a municipality's governing body, which may delegate such power to a "municipal regulatory agency" or to the state Department of Transportation. This jurisdiction shall extend seven miles beyond a city's boundary for cities of more than 100,000 in population, four miles for those with populations of between 50,000 and 100,000, and two miles for those with populations of less than 50,000. An operating company must obtain a municipality's consent before using any of its streets. T.C.A. § 7-56-101, T.C.A. § 7-56-105.

State Grants

The state may provide grants for mass transportation capital projects or technical studies. Funded projects must be approved by the state commissioner of transportation and must be consistent with the statewide, comprehensive plan for transportation. Cities and counties are empowered to acquire, operate, and maintain mass transportation facilities or to contract with private companies for such services. T.C.A. §§ 13-10-107–109.

DISCLAIMER: The letters and publications written by the MTAS consultants were written based upon the law at the time and/or a specific sets of facts. The laws referenced in the letters and publications may have changed and/or the technical advice provided may not be applicable to your city or circumstances. Always consult with your city attorney or an MTAS consultant before taking any action based on information contained in this website.

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