A bill for an act

relating to capital improvements; changing closed landfill cleanup appropriation from revenue bond proceeds to user-financed general obligation bond proceeds; amending Minnesota Statutes 2008, sections 115A.908, subdivision 2; 116.155, subdivision 3; Laws 2008, chapter 179, section 8, subdivision 3; repealing Minnesota Statutes 2008, section 116.156.

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

Section 1. Minnesota Statutes 2008, section 115A.908, subdivision 2, is amended to read:

Subd. 2. **Deposit of revenue.** ~~From the~~ Revenue collected under this section~~, the amount necessary to make debt service payments on revenue bonds issued under section 116.156 is annually appropriated to the commissioner of finance. Any remaining revenue collected shall~~ must be credited to the environmental fund.

Sec. 2. Minnesota Statutes 2008, section 116.155, subdivision 3, is amended to read:

Subd. 3. **Revenues.** The following revenues shall be deposited in the general portion of the remediation fund:

(1) response costs and natural resource damages related to releases of hazardous substances, or pollutants or contaminants, recovered under sections 115B.17, subdivisions 6 and 7, 115B.443, 115B.444, or any other law;

(2) money paid to the agency or the Agriculture Department by voluntary parties who have received technical or other assistance under sections 115B.17, subdivision 14, 115B.175 to 115B.179, and 115C.03, subdivision 9;

(3) money received in the form of gifts, grants, reimbursement, or appropriation from any source for any of the purposes provided in subdivision 2, except federal grants; and

(4) ~~money received from revenue bonds sold under section 116.156 and placed in a special bond proceeds account; and~~

~~(5)~~ interest accrued on the fund.

Sec. 3. Laws 2008, chapter 179, section 8, subdivision 3, is amended to read:

Subd. 3. **Closed Landfill Cleanup ~~Revenue Bonds~~**	25,000,000

From the bond proceeds ~~account in the remediation~~ fund ~~under new Minnesota Statutes, section 116.156.~~ for capital costs of cleaning up closed landfills under Minnesota Statutes, sections 115B.39 to 115B.445. All debt service on bonds issued to finance this appropriation must be paid by the Pollution Control Agency under Minnesota Statutes, section 16A.643, from revenue credited to the environmental fund.

This appropriation is for capital costs of environmental response action at qualified closed landfill facilities in Albert Lea, Mille Lacs County, Washington County, the Western Lake Superior Sanitary District, and other locations as determined by the commissioner of the Pollution Control Agency.

If the dig and fill option is chosen for remediation of the Washington County landfill, the landfill must have a triple liner.

By January 15, 2009, the commissioner of the Pollution Control Agency shall report to the house and senate Finance Committees and divisions with jurisdiction over the environment on whether the remediation fund needs additional revenue in order to provide timely cleanup of closed landfills in the state without depleting the remediation fund. If the fund needs additional revenue, the commissioner shall include in the report recommendations for revenue sources and amounts that will meet that need.

Sec. 4. <u>**BOND SALE AUTHORIZATION.**</u>

<u>To provide the money appropriated in this act from the bond proceeds fund, the commissioner of finance shall sell and issue bonds of the state in an amount up to $25,000,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.</u>

Sec. 5. <u>**REPEALER.**</u>

<u>Minnesota Statutes 2008, section 116.156, is repealed.</u>

Sec. 6. <u>**EFFECTIVE DATE.**</u>

<u>This act is effective the day following final enactment.</u>

116.156 CLOSED LANDFILL CLEANUP REVENUE BONDS.

Subdivision 1. **Bonding authority.** (a) The commissioner of finance, if requested by the commissioner of the Pollution Control Agency, shall sell and issue state revenue bonds for the following purposes:

(1) to take actions related to hazardous substances, pollutants, or contaminants at and from qualified landfill facilities as provided in section 115B.42, subdivision 2;

(2) to pay the costs of issuance, debt service, and bond insurance or other credit enhancements and to fund reserves; and

(3) to refund bonds issued under this section.

(b) The amount of bonds that may be issued for the purposes of paragraph (a), clause (1), may not exceed $25,000,000. The amount of bonds that may be issued for the purposes of paragraph (a), clauses (2) and (3), is not limited.

Subd. 2. **Procedure.** The commissioner of finance may sell and issue the bonds on the terms and conditions the commissioner of finance determines to be in the best interests of the state. The bonds may be sold at public or private sale. The commissioner of finance may enter any agreements or pledges the commissioner of finance determines necessary or useful to sell the bonds that are not inconsistent with this section. Sections 16A.672 to 16A.675 apply to the bonds. The proceeds of the bonds issued under this section must be credited to a special bond proceeds account in the remediation fund and are appropriated to the commissioner of the Pollution Control Agency for the purposes specified in subdivision 1.

Subd. 3. **Revenue sources.** The debt service on the bonds is payable only from the following sources:

(1) the motor vehicle transfer fee under section 115A.908; and

(2) other revenues pledged to the payment of the bonds.

Subd. 4. **Refunding bonds.** The commissioner of finance may issue bonds to refund outstanding bonds issued under subdivision 1, including the payment of any redemption premiums on the bonds and any interest accrued or to accrue to the first redemption date after delivery of the refunding bonds. The proceeds of the refunding bonds may, in the discretion of the commissioner of finance, be applied to the purchases or payment at maturity of the bonds to be refunded, or the redemption of the outstanding bonds on the first redemption date after delivery of the refunding bonds and may, until so used, be placed in escrow to be applied to the purchase, retirement, or redemption. Refunding bonds issued under this subdivision must be issued and secured in the manner provided by the commissioner of finance.

Subd. 5. **Not a general or moral obligation.** Bonds issued under this section are not public debt, and the full faith, credit, and taxing powers of the state are not pledged for their payment. The bonds may not be paid, directly in whole or in part from a tax of statewide application on any class of property, income, transaction, or privilege. Payment of the bonds is limited to the revenues explicitly authorized to be pledged under this section. The state neither makes nor has a moral obligation to pay the bonds if the pledged revenues and other legal security for them is insufficient.

Subd. 6. **Trustee.** The commissioner of finance may contract with and appoint a trustee for bondholders. The trustee has the powers and authority vested in it by the commissioner of finance under the bond and trust indentures.

Subd. 7. **Pledges.** Any pledge made by the commissioner of finance is valid and binding from the time the pledge is made. The money or property pledged and later received by the commissioner of finance is immediately subject to the lien of the pledge without any physical delivery of the property or money or further act, and the lien of any pledge is valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against the commissioner of finance, whether or not those parties have notice of the lien or pledge. Neither the order nor any other instrument by which a pledge is created need be recorded.

Subd. 8. **Bonds; purchase and cancellation.** The commissioner of finance, subject to agreements with bondholders that may then exist, may, out of any money available for the purpose, purchase bonds of the commissioner of finance at a price not exceeding (1) if the bonds are then redeemable, the redemption price then applicable plus accrued interest to the next interest payment date thereon, or (2) if the bonds are not redeemable, the redemption price applicable on the first date after the purchase upon which the bonds become subject to redemption plus accrued interest to that date.

Subd. 9. **State pledge against impairment of contracts.** The state pledges and agrees with the holders of any bonds that the state will not limit or alter the rights vested in the commissioner of finance to fulfill the terms of any agreements made with the bondholders, or in any way impair the rights and remedies of the holders until the bonds, together with interest on them, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of the bondholders, are fully met and discharged. The commissioner of finance may include this pledge and agreement of the state in any agreement with the holders of bonds issued under this section.