

**SENATE
STATE OF MINNESOTA
NINETY-FIRST SESSION**

S.F. No. 4320

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DATE
03/12/2020

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Introduction and first reading
Referred to Transportation Finance and Policy

OFFICIAL STATUS

1.1 A bill for an act

1.2 relating to transportation; creating a grant program to fund improvements to

1.3 township roads; appropriating money for a township road grant program;

1.4 authorizing the sale and issuance of state bonds; proposing coding for new law in

1.5 Minnesota Statutes, chapter 174.

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

1.7 Section 1. **[174.525] TOWNSHIP ROAD IMPROVEMENT GRANT PROGRAM;**

1.8 **APPROPRIATIONS.**

1.9 Subdivision 1. Township road improvement accounts. (a) A township road

1.10 improvement account is created in the general fund in the state treasury. The account consists

1.11 of money transferred to the fund by law and any other money donated, allotted, transferred,

1.12 or otherwise provided to the account. Money in the account is appropriated to the

1.13 commissioner for grants, as provided in this section.

1.14 (b) A township road improvement account is created in the bond proceeds fund. The

1.15 account consists of state bond proceeds and is appropriated to the commissioner for grants

1.16 under this section. Grants from this account may only be expended for purposes that are

1.17 permitted under the Minnesota Constitution, article XI, section 5.

1.18 Subd. 2. Advisory committee. (a) The commissioner shall establish a township road

1.19 improvement advisory committee consisting of five members, including:

1.20 (1) three township officers; and

1.21 (2) two engineers who do work for townships.

(b) The advisory committee shall provide recommendations to the commissioner regarding expenditures from the accounts established in this section.

Subd. 3. **Grant procedures and criteria.** The commissioner shall establish procedures for towns to apply for grants or loans from the accounts created under subdivision 1 and criteria to be used to select projects for funding. The commissioner shall establish these procedures and criteria in consultation with representatives of the Minnesota Association of Townships and the appropriate state agency as needed. The criteria for determining project priority and the amount of a grant or loan must be based on consideration of:

(1) the availability of other state, federal, and local funds;

(2) the effectiveness of the proposed project in eliminating a transportation system deficiency;

(3) the number of people who will be positively impacted by the project;

(4) the project's contribution to local, regional, or state economic development or redevelopment efforts, including livestock or other agricultural operations, logging, and mining; and

(5) the ability of the town to adequately provide for the safe operation and maintenance of the road or facility upon project completion.

Subd. 4. **Administrative costs.** A sum of 0.25 percent of the total amount in the accounts created under subdivision 1, other than deposited amounts from the proceeds from the sale of state bonds, is available to be used for administrative costs incurred by the department in carrying out the provisions of this section.

Sec. 2. **APPROPRIATION; BOND SALE AUTHORIZED.**

Subdivision 1. **Appropriation.** \$..... is appropriated from the bond proceeds fund to the commissioner of transportation for grants under the township road improvement grant program under Minnesota Statutes, section 174.525.

Subd. 2. **Bond sale.** To provide the money appropriated in this section from the bond proceeds fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to \$..... 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.

EFFECTIVE DATE. This section is effective the day following final enactment.