

2.1 considered as a separate agency of the state-chartered banks and must not be considered as
2.2 part of the current ongoing banking operations.

2.3 (b) The state-chartered bank receiving the project information as described in
2.4 subdivision 2 shall then electronically transfer the new funds to the account of the road
2.5 authority sponsoring the infrastructure project, which must use these funds to pay for the
2.6 project and for no other purpose. The road authority is responsible for the oversight of the
2.7 completion of the project according to the terms of the contract.

2.8 Subd. 4. **Direction to bank examiners.** The state-chartered banks are free of
2.9 any reserve requirements affected by the creation of any and all money that is required
2.10 under this section and any liability that might be created to the state-chartered banks will
2.11 exist only until the money is transferred.

2.12 Subd. 5. **Auditing; public transparency.** The state and legislative auditors shall
2.13 ensure an ongoing and accurate accounting of the total amount of money created to fund
2.14 projects under this section. The state auditor shall update this accounting on the first
2.15 business day of the third week of each month and make it available online

2.16 Subd. 6. **Criminal penalty for noncompliance or fraud.** (a) Any noncompliance
2.17 or fraud relating to this section by an officer or employee of a state-chartered bank; an
2.18 official or employee of the state, county, statutory or home rule charter city, or town;
2.19 or an officer or employee of a contractor or subcontractor, is a felony and is subject to
2.20 the penalties provided in paragraph (b).

2.21 (b) Any person found guilty of noncompliance or fraud relating to this section is
2.22 subject to a fine of up to \$100,000,000 and imprisonment of up to 40 years, or both.

2.23 Subd. 7. **Pilot project.** The state shall implement and administer a pilot project,
2.24 which must be completed within 180 days after the effective date of this section, to ensure
2.25 the successful implementation of all procedures required by this section.

2.26 **EFFECTIVE DATE.** This section, except subdivision 7, is effective August 1,
2.27 2012, and applies to all projects for which bids or funds are solicited on or after that date.
2.28 Subdivision 7 is effective the day following final enactment.