

CHAPTER 141—S.F.No. 1097

An act relating to transportation; creating revolving loan accounts for trunk highways, county state-aid highways, and municipal state-aid streets; creating transportation revolving loan fund for federally eligible transportation projects, managed by public facilities authority; adding commissioner of transportation as member of the authority; creating transportation committee; providing for rulemaking; amending Minnesota Statutes 1996, sections 161.04, by adding a subdivision; 162.06, by adding a subdivision; 162.07, subdivision 1; 162.12, by adding a subdivision; 162.13, subdivision 1; 446A.03, subdivision 1; and 446A.04, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 162; and 446A.

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

Section 1. Minnesota Statutes 1996, section 161.04, is amended by adding a subdivision to read:

Subd. 3. TRUNK HIGHWAY REVOLVING LOAN ACCOUNT. A trunk highway revolving loan account is created in the trunk highway fund. Money in the account may be used to make loans. Funds in the trunk highway revolving loan account may not be used for any toll facilities project or congestion-pricing project and may be used only for trunk highway purposes and repayments and interest from loans of those funds must be credited to the trunk highway revolving loan account in the trunk highway fund. Money in the trunk highway revolving loan account is annually appropriated to the commissioner and does not lapse. Interest earned from investment of money in this account must be deposited in the trunk highway revolving loan account.

Sec. 2. Minnesota Statutes 1996, section 162.06, is amended by adding a subdivision to read:

Subd. 6. COUNTY STATE-AID HIGHWAY REVOLVING LOAN ACCOUNT. A county state-aid highway revolving loan account is created in the county state-aid highway fund. The commissioner may transfer to the account the amount allocated under section 162.065. Money in the account may be used to make loans. Funds in the county state-aid highway revolving loan account may be used only for aid in the construction, improvement, and maintenance of county state-aid highways. Funds in the account may not be used for any toll facilities project or congestion-pricing project. Repayments and interest from loans from the county state-aid highway revolving loan account must be credited to that account. Money in the account is annually appropriated to the commissioner and does not lapse. Interest earned from investment of money in this account must be deposited in the county state-aid highway revolving loan account.

Sec. 3. [162.065] ALLOCATING MATCHING FUNDS FOR CSAH REVOLVING LOAN ACCOUNT.

The screening board appointed under section 162.07, subdivision 5, may recommend to the commissioner that the commissioner allocate a portion of county state-aid highway funds to the county state-aid highway revolving loan account. The commissioner may allocate no more than the amount recommended by the screening board.

Sec. 4. Minnesota Statutes 1996, section 162.07, subdivision 1, is amended to read:

Subdivision 1. FORMULA. After deducting for administrative costs and for the disaster account and research account and state park roads as heretofore provided, and for

New language is indicated by underline, deletions by strikeout.

any allocation made under section 162.065, the remainder of the total sum provided for in section 162.06, subdivision 1, shall be identified as the apportionment sum and shall be apportioned by the commissioner to the several counties on the basis of the needs of the counties as determined in accordance with the following formula:

(1) An amount equal to ten percent of the apportionment sum shall be apportioned equally among the 87 counties.

(2) An amount equal to ten percent of the apportionment sum shall be apportioned among the several counties so that each county shall receive of such amount the percentage that its motor vehicle registration for the calendar year preceding the one last past, determined by residence of registrants, bears to the total statewide motor vehicle registration.

(3) An amount equal to 30 percent of the apportionment sum shall be apportioned among the several counties so that each county shall receive of such amount the percentage that its total lane-miles of approved county state-aid highways bears to the total lane-miles of approved statewide county state-aid highways. In 1997 and subsequent years no county may receive, as a result of an apportionment under this clause based on lane-miles rather than miles of approved county state-aid highways, an apportionment that is less than its apportionment in 1996.

(4) An amount equal to 50 percent of the apportionment sum shall be apportioned among the several counties so that each county shall receive of such amount the percentage that its money needs bears to the sum of the money needs of all of the individual counties; provided, that the percentage of such amount that each county is to receive shall be adjusted so that each county shall receive in 1958 a total apportionment at least ten percent greater than its total 1956 apportionments from the state road and bridge fund; and provided further that those counties whose money needs are thus adjusted shall never receive a percentage of the apportionment sum less than the percentage that such county received in 1958.

Sec. 5. Minnesota Statutes 1996, section 162.12, is amended by adding a subdivision to read:

Subd. 5. MUNICIPAL STATE-AID STREET REVOLVING LOAN ACCOUNT. A municipal state-aid street revolving loan account is created in the municipal state-aid street fund. The commissioner may transfer to the account the amount allocated under section 162.125. Money in the account may be used to make loans. Funds in the municipal state-aid street revolving loan account may be used only for aid in the construction, improvement, and maintenance of municipal state-aid streets. Funds in the account may not be used for any toll facilities project or congestion-pricing project. Repayments and interest from loans from the municipal state-aid street revolving loan account must be credited to that account. Money in the account is annually appropriated to the commissioner and does not lapse. Interest earned from investment of money in this account must be deposited in the municipal state-aid street revolving loan account.

Sec. 6. [162.125] ALLOCATING MATCHING FUNDS FOR MSAS REVOLVING LOAN ACCOUNT.

The screening board appointed under section 162.13, subdivision 3, may recommend to the commissioner that the commissioner allocate a portion of municipal state-

New language is indicated by underline, deletions by strikeout.

aid street funds to the municipal state-aid street revolving loan account. The commissioner may allocate no more than the amount recommended by the screening board.

Sec. 7. Minnesota Statutes 1996, section 162.13, subdivision 1, is amended to read:

Subdivision 1. **FACTORS IN FORMULA.** After deducting for administrative costs and for the disaster fund and research account as heretofore provided, and for any allocation made under section 162.125, the remainder of the total sum provided for in subdivision 1 of section 162.12 shall be identified as the apportionment sum, and shall be apportioned by the commissioner to the cities having a population of 5,000 or more, in accordance with the following formula:

(1) An amount equal to 50 percent of such apportionment sum shall be apportioned among the cities having a population of 5,000 or more so that each such city shall receive of such amount the percentage that its money needs bears to the total money needs of all such cities.

(2) An amount equal to 50 percent of such apportionment sum shall be apportioned among the cities having a population of 5,000 or more so that each such city shall receive of such amount the percentage that its population bears to the total population of all such cities.

Sec. 8. Minnesota Statutes 1996, section 446A.03, subdivision 1, is amended to read:

Subdivision 1. **MEMBERSHIP.** The Minnesota public facilities authority consists of the commissioner of trade and economic development, the commissioner of finance, the commissioner of the pollution control agency, the commissioner of agriculture, and the commissioner of health, and the commissioner of transportation.

Sec. 9. Minnesota Statutes 1996, section 446A.04, subdivision 5, is amended to read:

Subd. 5. **FEES.** (a) The authority may set and collect fees for costs incurred by the authority for audits, arbitrage accounting, and payment of fees charged by the state board of investment. The authority may also set and collect fees for costs incurred by the commissioner and, the pollution control agency, and the department of transportation, including costs for personnel and administrative services, for its financings and the establishment and maintenance of reserve funds. Fees charged directly to borrowers upon executing a loan agreement must not exceed one-half of one percent of the loan amount. Servicing fees assessed to loan repayments must not exceed two percent of the loan repayment. The disposition of fees collected for costs incurred by the authority is governed by section 446A.11, subdivision 13. Fees collected under this subdivision for costs incurred by the commissioner or the pollution control agency must be credited to the general fund. Fees collected under this subdivision for costs incurred by the commissioner of transportation must be credited to the fund or account which is the source of the loan to which the fees are related.

(b) The authority shall annually report to the chairs of the finance and appropriations committees of the legislature on:

(1) the amount of fees collected under this subdivision for costs incurred by the authority;

New language is indicated by underline, deletions by ~~strikeout~~.

- (2) the purposes for which the fee proceeds have been spent; and
- (3) the amount of any remaining balance of fee proceeds.

Sec. 10. [446A.085] TRANSPORTATION REVOLVING LOAN FUND.

Subdivision 1. DEFINITIONS. For the purposes of this section, the terms defined in this subdivision have the meanings given them.

(a) ACT. "Act" means the National Highway System Designation Act of 1995, Public Law Number 104-59, as amended.

(b) BORROWER. "Borrower" means the state, counties, cities, and other governmental entities eligible under the act and state law to apply for and receive loans from the transportation revolving loan fund, the trunk highway revolving loan account, the county state-aid highway revolving loan account, and the municipal state-aid street revolving loan account.

(c) DEPARTMENT. "Department" means the department of transportation.

(d) LOAN. "Loan" means financial assistance provided for all or part of the cost of a project including money disbursed in anticipation of reimbursement or repayment, loan guarantees, lines of credit, credit enhancements, equipment financing leases, bond insurance, or other forms of financial assistance.

(e) TRANSPORTATION COMMITTEE. "Transportation committee" means a committee of the Minnesota public facilities authority consisting of the commissioner of the department of trade and economic development, the commissioner of finance, and the commissioner of transportation.

Subd. 2. PURPOSE. The purpose of the transportation revolving loan fund, the trunk highway revolving loan account, the county state-aid highway revolving loan account, and the municipal state-aid street revolving loan account is to provide loans and matching money for public transportation projects eligible for financing or aid under any federal act or program, including, without limitation, the study of the feasibility of construction, reconstruction, resurfacing, restoring, rehabilitation, or replacement of transportation facilities; acquisition of right-of-way; and maintenance, repair, improvement, or construction of city, town, county, or state highways, roads, streets, rights-of-way, bridges, tunnels, railroad-highway crossings, drainage structures, signs, guardrails, and protective structures used in connection with highways or transit projects. Enhancement items, including without limitation bicycle paths, ornamental lighting, and landscaping, are eligible for financing provided they are an integral part of overall project design and construction of a federal-aid highway. Money in the fund may not be used for any toll facilities project or congestion-pricing project.

Subd. 3. ESTABLISHMENT OF FUND. A transportation revolving loan fund is established to make loans for the purposes described in subdivision 2. A highway account is established in the fund for highway projects. A transit account is established in the fund for transit capital projects. The transportation revolving loan fund shall receive federal money under the act and money from any source other than the trunk highway fund, the county state-aid highway fund, and the municipal state-aid street fund. Money received under this section must be paid to the state treasurer and credited to the transportation revolving loan fund. Money in the fund is annually appropriated to the commis-

New language is indicated by underline, deletions by strikeout.

sioner and does not lapse. The fund must be credited with investment income, and with repayments of principal and interest, except for servicing fees assessed under sections 446A.04, subdivision 5, and 446A.11, subdivision 8.

Subd. 4. **MANAGEMENT OF FUND AND ACCOUNTS.** The authority shall manage and administer the transportation revolving loan fund, the trunk highway revolving loan account, the county state-aid highway revolving loan account, and the municipal state-aid street revolving loan account. For those purposes, the authority may exercise all powers provided in this chapter.

Subd. 5. **TRANSFER OF MONEY.** With the consent of the transportation committee, the commissioner of transportation may transfer money from the trunk highway revolving loan account to the trunk highway fund, from the county state-aid highway revolving loan account to the county state-aid highway fund, and from the municipal state-aid street revolving loan account to the municipal state-aid street fund.

Subd. 6. **TRANSPORTATION COMMITTEE.** The transportation committee may make loans to borrowers for purposes authorized by the act. Each project must be certified by the commissioner of transportation before its consideration by the transportation committee.

Subd. 7. **APPLICATIONS.** Applicants for loans must submit an application to the transportation committee on forms prescribed by the transportation committee. The applicant must provide the following information:

- (1) the estimated cost of the project and the amount of the loan sought;
- (2) other possible sources of funding in addition to loans sought from the transportation revolving loan fund, the trunk highway revolving loan account, the county state-aid highway revolving loan account, or the municipal state-aid street revolving loan account;
- (3) the proposed methods and sources of funds to be used for repayment of loans received; and
- (4) information showing the financial status and ability of the borrower to repay loans.

Subd. 8. **CERTIFICATION OF PROJECTS.** The commissioner of transportation shall consider the following information when evaluating projects to certify for funding to the transportation committee:

- (1) a description of the nature and purpose of the proposed transportation project including an explanation of the need for the project and the reasons why it is in the public interest;
- (2) the relationship of the project to the area transportation improvement program, the approved statewide transportation improvement program, and to any other transportation plans required under state or federal law;
- (3) the estimated cost of the project and the amount of loans sought;
- (4) proposed sources of funding in addition to loans sought from the transportation revolving loan fund, the trunk highway revolving loan account, the county state-aid highway revolving loan account, or municipal state-aid street revolving loan account;

New language is indicated by underline, deletions by strikeout.

- (5) the need for the project as part of the overall transportation system;
- (6) the overall economic impact of the project; and
- (7) the extent to which completion of the project will improve the movement of people and freight.

Subd. 9. LOAN CONDITIONS. When making loans from the transportation revolving loan fund, the trunk highway revolving loan account, the county state-aid highway revolving loan account, or the municipal state-aid street revolving loan account, the transportation committee shall comply with the conditions of the act. In addition, a loan made under this section must:

- (1) bear interest at or below market rates or as otherwise specified in federal law;
- (2) have a repayment term not longer than 30 years;
- (3) be fully amortized no later than 30 years after project completion;
- (4) be subject to repayment of principal and interest beginning not later than five years after the facility financed with a loan has been completed, or in the case of a highway project, five years after the facility has opened to traffic; and
- (5) be made only after all federal environmental requirements applicable to the project have been complied with and all federal environmental requirements have been met.

Subd. 10. LOANS IN ANTICIPATION OF FUTURE APPORTIONMENTS. A loan may be made to a county, or to a statutory or home rule charter city having a population of 5,000 or more, in anticipation of repayment of the loan from sums that will be apportioned to a county from the county state-aid highway fund under section 162.07 or to a city from the municipal state-aid street fund under section 162.14.

Subd. 11. PAYMENT BY COUNTY OR CITY. Notwithstanding the allocation provisions of section 162.08 for counties, and the apportionment provisions of section 162.14 for cities, sums apportioned under section 162.13 to a statutory or home rule charter city, or under section 162.07 to a county, that has loan repayments due to the transportation revolving loan fund, the trunk highway revolving loan account, the county state-aid highway revolving loan account, or the municipal state-aid street revolving loan account shall be paid by the commissioner of transportation to the appropriate loan fund or account to offset the loan repayments that are due.

Subd. 12. RULES OF TRANSPORTATION COMMITTEE AND AUTHORITY. The commissioner of the department of trade and economic development shall adopt administrative rules specifying the procedures that will be used for the administration of the duties of the transportation committee and authority. The rules must include criteria, standards, and procedures that will be used for making loans, determining interest rates to be charged on loans, the amount of project financing to be provided, the collateral that will be required, the requirements for dedicated sources of revenue or income streams to ensure repayment of loans, and the length of repayment terms.

Subd. 13. AUTHORITY AND RULES OF DEPARTMENT. The commissioner of transportation shall establish, adopt rules for, and implement a program to identify, assist with the development of, and certify projects eligible for loans under the act to the transportation committee. Until rules are adopted by the commissioner of transportation, the commissioner of transportation may certify to the transportation committee any pro-

New language is indicated by underline, deletions by strikeout.

ject that has been reviewed through an approved planning process that qualifies the project to be included in the statewide transportation program or amended into the statewide transportation improvement program.

Subd. 14. JOINT RULES. The commissioner of the department of trade and economic development and the commissioner of transportation may adopt a single set of rules.

Sec. 11. EFFECTIVE DATE.

(a) Sections 1, 8, and 9 are effective July 1, 1997. Sections 2 to 7 are effective six months after the effective date of an increase in the gasoline excise tax rate or vehicle registration tax rates. Section 10, subdivisions 1 to 11, are effective July 1, 1997. Section 10, subdivisions 12 to 14, are effective the day following final enactment.

(b) Notwithstanding paragraph (a), no provision of sections 1 to 10 may take effect until Minnesota has been notified by the United States Department of Transportation that it will be receiving a specific sum in federal funds that has been designated specifically for a state infrastructure bank.

Presented to the governor May 9, 1997

Signed by the governor May 12, 1997, 11:05 a.m.

CHAPTER 142—H.F.No. 1863

An act relating to agriculture; establishing task force to make recommendations on modifications to the agricultural marketing and bargaining law.

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

Section 1. AGRICULTURAL MARKETING AND BARGAINING TASK FORCE.

(a) The commissioner of agriculture shall establish an advisory task force to make recommendations on modifications to the agricultural marketing and bargaining law under Minnesota Statutes, sections 17.691 to 17.701. The task force must include recommendations on a system to resolve disputes between an accredited grower's association and a canning processor.

(b) The advisory task force shall be composed of:

- (1) two representatives of accredited agricultural producer associations;
- (2) one representative of a statewide farm organization;
- (3) one representative of a statewide association representing growers and processors;
- (4) four representatives of the food processing industry;
- (5) one representative of a potato growers association;

New language is indicated by underline, deletions by strikeout.