

**471A.02 DEFINITIONS.**

Subdivision 1. **Applicability.** The definitions in this section apply to sections 471A.01 to 471A.12.

Subd. 2. [Repealed, 1997 c 7 art 1 s 148]

Subd. 3. **Capital cost component.** "Capital cost component" means that part of the service fee that the municipality determines is intended to reimburse the private vendor for the capital cost, including debt service expense, of the related facilities.

Subd. 4. **Capital cost component grant.** "Capital cost component grant" means any grant made to the municipality by the pollution control agency over a term of at least ten years to pay or reimburse the municipality for the payment of all or part of the capital cost component of the service fee.

Subd. 5. **Capital cost component loan.** "Capital cost component loan" means any loan made to the municipality by the Pollution Control Agency over a term of at least ten years to pay or reimburse the municipality for the payment of all or part of the capital cost component of the service fee.

Subd. 6. **Capital intensive public services.** "Capital intensive public services" means the prevention, control, and abatement of water pollution through wastewater treatment facilities as defined by section 115.71, subdivision 6, and the furnishing of potable water. Capital intensive public services may be limited (1) to the design and construction, or (2) to the operation and maintenance, by the private vendor of related facilities. Capital intensive public services does not include the furnishing of heating or cooling energy.

Subd. 7. **Controlling interest.** "Controlling interest" means either (1) the power, by ownership interest, contract, or otherwise, to direct the management of the private vendor or to designate or elect at least a majority of the private vendor's governing body or board, or (2) having more than a 50 percent ownership interest in the private vendor.

Subd. 8. **Municipality.** "Municipality" means a home rule charter or statutory city, county, sanitary district, or other governmental subdivision or public corporation, including the Metropolitan Council.

Subd. 9. **Permitted obligation.** "Permitted obligation" means the obligation of the municipality under the service contract to pay a service fee or perform any other obligation under the service contract except an obligation to pay, in a future fiscal year of the municipality from a revenue source other than funds on hand, a stated amount of money for money borrowed or for related facilities purchased by the municipality under the service contract.

Subd. 10. **Private vendor.** "Private vendor" means one or more persons who are not a municipality and in which no governmental entity or group of governmental entities has a controlling interest.

Subd. 11. **Related facilities.** "Related facilities" means all real and personal property used by the private vendor in furnishing capital intensive public services, excluding any product of the related facilities, such as drinking water, furnished under the service contract. Related facilities may be owned by the municipality or the private vendor or jointly by both.

Subd. 12. **Service contract.** "Service contract" means any agreement or agreements between a municipality and a private vendor under which:

(1) the private vendor agrees to furnish to the municipality or any other user capital intensive public services in accordance with performance standards set forth in the agreement or agreements and the municipality agrees to pay or cause to be paid to the private vendor a service fee for the services, and

(2) other covenants incident to clause (1) are made.

Subd. 13. **Service fee.** "Service fee" means the payments the municipality is required under the service contract to make, or cause to be made, to the private vendor, including payments made by third parties to the private vendor for products or services and credited against payments the municipality would otherwise have to make, or cause to be made, under the service contract. The capital cost component of the service fee may be paid over the term of the service contract or in one or more lump-sum payments during the term.

Subd. 14. **Useful life of the related facilities.** "Useful life of the related facilities" means the economic useful life of the related facilities as determined by the municipality.

Subd. 15. [Repealed, 1997 c 7 art 1 s 148]

Subd. 16. **User.** "User" means the municipality and all other persons which use the capital intensive public services furnished by the private vendor.

**History:** 1986 c 465 art 4 s 3; 1994 c 628 art 3 s 35; 1997 c 111 s 1-3