

**SENATE  
STATE OF MINNESOTA  
EIGHTY-NINTH SESSION**

**S.F. No. 1866**

(SENATE AUTHORS: METZEN, Pederson, J. and Dibble)

DATE	D-PG	OFFICIAL STATUS
03/18/2015	970	Introduction and first reading Referred to Finance

1.1 A bill for an act

1.2 relating to local road improvement fund; modifying account provisions;  
1.3 providing that money in account is to be used only for grants; authorizing the  
1.4 sale and issuance of state bonds; appropriating money; amending Minnesota  
1.5 Statutes 2014, section 174.52, subdivisions 2, 4, 5.

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

1.7 Section 1. Minnesota Statutes 2014, section 174.52, subdivision 2, is amended to read:

1.8 Subd. 2. ~~Trunk highway corridor projects~~ **Local cost-share assistance account.**

1.9 A ~~trunk highway corridor projects~~ local cost-share assistance account is established in  
1.10 the local road improvement fund. Money in the account is annually appropriated to the  
1.11 commissioner of transportation for expenditure as specified in this section. Money in the  
1.12 account must be used as grants ~~or loans~~ to statutory or home rule charter cities, towns, and  
1.13 counties to assist in paying the local share of trunk highway projects that have local costs  
1.14 that are directly or partially related to the trunk highway improvement and that are not  
1.15 funded or are only partially funded with other state and federal funds. ~~The commissioner~~  
1.16 ~~shall determine the amount of the local share of costs eligible for assistance from the~~  
1.17 ~~account.~~

1.18 Sec. 2. Minnesota Statutes 2014, section 174.52, subdivision 4, is amended to read:

1.19 Subd. 4. **Local road account for routes of regional significance.** A local road  
1.20 account for routes of regional significance is established in the local road improvement  
1.21 fund. Money in the account is annually appropriated to the commissioner of transportation  
1.22 for expenditure as specified in this section. Money in the account must be used as grants  
1.23 ~~or loans~~ to statutory or home rule charter cities, towns, and counties to assist in paying  
1.24 the costs of constructing or reconstructing city streets, county highways, or town roads

2.1 with statewide or regional significance that have not been fully funded through other state,  
2.2 federal, or local funding sources.

2.3 Sec. 3. Minnesota Statutes 2014, section 174.52, subdivision 5, is amended to read:

2.4 Subd. 5. **Grant procedures and criteria.** The commissioner shall establish  
2.5 procedures for statutory or home rule charter cities, towns, and counties to apply for  
2.6 grants ~~or loans~~ from the fund and criteria to be used to select projects for funding.  
2.7 The commissioner shall establish these procedures and criteria in consultation with  
2.8 representatives appointed by the Association of Minnesota Counties, League of Minnesota  
2.9 Cities, Minnesota Association of Townships, and the appropriate state agency as needed.  
2.10 The criteria for determining project priority and the amount of a grant ~~or loan~~ must be  
2.11 based upon consideration of:

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

2.13 (2) the regional significance of the route;

2.14 (3) effectiveness of the proposed project in eliminating a transportation system  
2.15 deficiency;

2.16 (4) the number of persons who will be positively impacted by the project;

2.17 (5) the project's contribution to other local, regional, or state economic development  
2.18 or redevelopment efforts including livestock and other agricultural operations permitted  
2.19 after the effective date of this section; and

2.20 (6) ability of the local unit of government to adequately provide for the safe  
2.21 operation and maintenance of the facility upon project completion.

2.22 Sec. 4. **APPROPRIATION AND BOND SALE AUTHORIZATION.**

2.23 Subdivision 1. **Appropriation.** \$..... is appropriated from the bond proceeds  
2.24 account for credit to the local cost-share assistance account in the local road improvement  
2.25 fund.

2.26 Subd. 2. **Bond sale.** To provide the money appropriated in subdivision 1 from  
2.27 the bond proceeds account, the commissioner of management and budget shall sell and  
2.28 issue bonds of the state in an amount up to \$..... in the manner, upon the terms, and  
2.29 with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by  
2.30 the Minnesota Constitution, article XI, sections 4 to 7, at the times and in the amounts  
2.31 requested by the commissioner of transportation.

2.32 **EFFECTIVE DATE.** This act is effective the day following final enactment.