

**8830.5450 FINANCIAL ASSISTANCE FOR REGIONAL AUTHORITY.**

Subpart 1. **Eligibility.** A Regional Railroad Authority is eligible for financial assistance in purchasing a rail line if it meets all of the conditions listed in items A to E.

A. The Regional Railroad Authority is in compliance with the purpose set forth in Minnesota Statutes, section 398.02.

B. Financial analysis shows that the line can operate at a profit.

C. The costs of purchase and necessary rehabilitation will not exceed benefits.

D. The Regional Railroad Authority has the capability of operating the rail line or contracts with an operator acceptable to the commissioner.

E. So long as the purchase assistance loan remains unpaid, the Regional Railroad Authority:

(1) agrees to and does keep title to property purchased by the Regional Railroad Authority; and

(2) does not sell, trade, convey, transfer, or assign any portion of its interest in the property in any manner without previous approval by the commissioner.

Subp. 2. **Financial assistance.** Financial assistance is available to a Regional Railroad Authority for purchasing a rail line under the following conditions.

A. If the line has not been abandoned and is to be used for continued rail service, the commissioner may provide funding for up to 50 percent of the going concern value or the net liquidation value of the line, whichever is less.

B. If the line has been abandoned and is to be used for continued rail service, the commissioner may provide funding for up to 50 percent of the net liquidation value of the line.

C. If the line is abandoned and is to be used for transportation purposes other than rail service, the commissioner may provide funding for up to 50 percent of the value of the underlying property. The value of the property will be determined through negotiation between the Regional Railroad Authority, rail carrier, and commissioner.

D. The percentages shown in items A to C indicate maximum participation by the commissioner. The actual amount of financial assistance will be determined by the availability of funds, the viability of the proposed use, and the participation of the Regional Railroad Authority.

Subp. 3. **Repayment requirements.** The Regional Railroad Authority is not required to repay the funds loaned to it by the commissioner while the rail line remains in operation and is not sold. If operations on the line cease for one year or if the Regional Railroad Authority sells, trades, conveys, transfers, or assigns any portion of its interest

in the property, the Regional Railroad Authority shall repay the funds loaned to it by the commissioner in accordance with terms negotiated between the Regional Railroad Authority and the commissioner.

**Statutory Authority:** *MS s 218.071; 219.073; 219.165; 219.17; 219.384; 222.50; 222.58; 222.63*

**History:** *23 SR 524*

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