

8830.5500 CAPITAL IMPROVEMENT PROJECT.

Subpart 1. **Eligibility; funding.** The commissioner shall provide funding to rail users from the rail service improvement account for up to 100 percent of the cost of a rail transportation-related capital improvement project under the following conditions:

- A. state funds are available;
- B. the capital improvement project will benefit the economy of the state and strengthen the financial condition of the associated rail line;
- C. the state's interests are protected by sufficient collateral or guarantees; and
- D. the commissioner is repaid for funds loaned at a predetermined, fixed amount payable quarterly over a period of not more than ten years.

Subp. 1a. **Priority criteria.** The following criteria govern the priority of capital improvement projects proposed for funding:

- A. Highest priority will be given to projects where:
 - (1) the capital improvement is directly related to an overall rail line rehabilitation or acquisition; and
 - (2) the loan applicant has made a financial contribution toward rehabilitating or acquiring the line.
- B. Other projects will be given priority in the following order:
 - (1) capital improvement projects related to a rail line rehabilitation or acquisition;
 - (2) capital improvement projects on any rail line carrying less than 5,000,000 gross tons per mile per year;
 - (3) capital improvement projects on a Surface Transportation Board Class Two or Class Three rail line; and
 - (4) capital improvement projects on any rail line within the boundaries of Minnesota.

Subp. 2. **Demonstration project.** The commissioner shall provide interest-free funding from the rail service improvement account of up to 100 percent of the total cost of a capital improvement project if the capital improvement is a demonstration project and the following conditions are met:

- A. state funds are available;
- B. the project demonstrates unique methods of improving rail service or alleviating the impact of abandonments that are not in common usage throughout the

rail industry and the project has not been previously funded under parts 8830.5300 to 8830.5500;

C. it is likely that a similar project can be instituted in other locations without the need for public financing; and

D. the benefits resulting from the project exceed the costs of implementing the project.

The amount of funding assistance will be determined by the availability of funds and the viability of the proposed project.

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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