

CHAPTER 398A

REGIONAL RAILROAD AUTHORITIES ACT

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398A.01 DEFINITIONS.

[For text of subs 1 to 7, see M.S.1982]

Subd. 8. "Regional Railroad Authorities Act" means sections 398A.01 to 398A.09.

History: 1983 c 216 art 1 s 66

398A.02 PURPOSE.

The purpose of the regional railroad authorities act is to provide a means whereby one or more municipalities, with state and federal aids as may be available, may provide for the preservation and improvement of local rail service for agriculture, industry, or passenger traffic when determined to be practicable and necessary for the public welfare, particularly in the case of abandonment of local rail lines.

History: 1983 c 326 s 11

398A.03 ORGANIZATION OF AUTHORITY.

Subdivision 1. **Organization resolution.** A regional railroad authority may be organized by resolution or joint resolution adopted by the governing body or bodies of one or more counties. The governing body or bodies of a municipality or municipalities within a county or counties may request by resolution that the county or counties organize a railroad authority. If the county or counties do not organize an authority within 90 days of receipt of the request, the municipality or municipalities may organize an authority by resolution or joint resolution. A resolution organizing an authority must state:

(a) That the authority is organized under the regional railroad authorities act as a political subdivision and local government unit of Minnesota, to exercise thereunder part of the sovereign power of the state;

(b) The name of the authority, including the words "regional railroad authority";

(c) The municipality or municipalities adopting the organization resolution;

(d) The number of commissioners of the authority, not less than five; the number to be appointed by the governing body of each municipality; and the names and addresses of the first board of commissioners;

(e) The city and county in which the registered office of the authority is to be situated;

(f) That neither the state of Minnesota, the municipality or municipalities, nor any other political subdivision is liable for obligations of the authority; and

(g) Any other provision for regulating the business of the authority determined by the governing body or bodies adopting the resolution.

Subd. 2. **Hearing.** Before final adoption of an organization resolution, the governing body of each municipality named in it shall provide for a public hearing upon notice published in a newspaper of general circulation in the municipality. The notice of a hearing by the governing body of a county must be mailed to the governing body of each city or town in the county, except cities and towns participating in the organization, at least 30 days before the hearing. The hearing may be adjourned from time to time, to a time and place publicly announced at the hearing, or to a time and place fixed by notice published in a newspaper of general circulation in the municipality at least ten days before the adjourned session. Joint hearing sessions may be held by the governing bodies of all municipalities named, at any convenient public place within any of the municipalities. The resolution may be amended by the governing body or bodies at or after any hearing session at which the amended resolution is proposed and made available to interested citizens. It shall not become effective until adopted in identical form by the governing bodies of all municipalities named in the resolution.

Subd. 3. **Certificate of incorporation.** A copy of the organization resolution, certified by the recording officer of each municipality adopting it, shall be filed with the secretary of state, who shall issue a certificate of incorporation if the resolution conforms to the requirements of this section, stating in the certificate the name of the authority and the date of its incorporation, which shall be the date of acceptance for filing. The certificate of incorporation shall be conclusive evidence of the valid organization and existence of the authority.

Subd. 4. **Amendment.** The organization resolution may be amended by resolution or joint resolution of the governing bodies of all municipalities named in the resolution prior to amendment and the governing body of any additional municipality named in the amendment. Each amendment shall be adopted at or after hearing upon notice as required for the organization resolution. No amendment releasing a municipality from its obligations as a party named in the resolution shall be effective unless all covenants, agreements, mortgage liens, and other security given for bonds of the authority have been discharged and satisfied by payment or otherwise in accordance with their terms. All other amendments shall take effect upon filing with the secretary of state and issuance of an amended certificate of incorporation in the same manner as provided for the organization resolution.

Subd. 5. **Board of commissioners.** All powers granted to an authority shall be exercised by its board of commissioners. Commissioners shall be appointed and vacancies in their office shall be filled by the governing body of each municipality named in the organization resolution, in accordance with the provisions of that resolution. The term of each commissioner shall be one year, or the remainder of the one year term for which a vacancy is filled, and until a successor is appointed. Commissioners shall receive no compensation for services but shall be reimbursed for necessary expenses incurred in the performance of their duties.

Subd. 6. **Meetings and actions.** The board of commissioners shall by resolution establish the time and place or places of its regular meetings and the method and notice required for calling special meetings, all of which shall be open to the public. A majority of the commissioners being present at a meeting, any action may be taken by resolution or motion adopted by recorded vote of a majority of those present, unless a larger majority is required by bylaws adopted by the board.

Subd. 7. **Officers and employees.** The board of commissioners shall appoint a chairman, vice chairman, secretary, and treasurer from its members, each to serve for a term of one year and until a successor is appointed. The offices of

secretary and treasurer may be combined, and deputies or assistants may be appointed for either office or the combined office, from members of the board or otherwise. The powers and duties of each office shall be determined by the board, which shall require and pay for a surety bond for each officer handling funds. The board shall provide for the keeping of a full and accurate record of all proceedings and of resolutions, regulations, and orders issued or adopted; the state auditor shall, as time and resources permit, annually audit the books of said regional railroad authority. The board may appoint an executive director and other officers, fix their compensation, and delegate to them the powers and duties, as it may determine. It may also employ, or authorize the executive director to employ, all other employees, consultants, and agents needed to perform its duties and exercise its powers. Chapter 353 shall apply to all salaried employees.

History: 1983 c 326 s 12

398A.04 POWERS.

[For text of subds 1 to 7, see M.S.1982]

Subd. 8. Taxation. Before deciding to exercise the power to tax, the authority shall give six weeks published notice in all municipalities in the region. If a number of voters in the region equal to five percent of those who voted for candidates for governor at the last gubernatorial election present a petition within nine weeks of the first published notice to the secretary of state requesting that the matter be submitted to popular vote, it shall be submitted at the next general election. The question prepared shall be:

“Shall the regional rail authority have the power to impose a property tax?

Yes No

If a majority of those voting on the question approve or if no petition is presented within the prescribed time the authority may thereafter levy a tax at any annual rate not exceeding four mills on the assessed valuation of all taxable property situated within the municipality or municipalities named in its organization resolution. Its recording officer shall file in the office of the county auditor of each county in which territory under the jurisdiction of the authority is located a certified copy of the board of commissioners' resolution levying the tax, and each county auditor shall assess and extend upon the tax rolls of each municipality named in the organization resolution the portion of the tax that bears the same ratio to the whole amount that the assessed valuation of taxable property in that municipality bears to the assessed value of taxable property in all municipalities named in the organization resolution. Collections of the tax shall be remitted by each county treasurer to the treasurer of the authority.

Subd. 9. Municipal agreements. The authority may enter into agreements with the municipality or municipalities named in the organization agreement, or with other municipalities situated in the counties named in the resolution, respecting the matters referred to in section 398A.06.

[For text of subds 10 and 11, see M.S.1982]

History: 1983 c 326 s 13,14

398A.07 BONDS.

[For text of subd 1, see M.S.1982]

Subd. 2. **Security.** Bonds may be made payable exclusively from the revenues from one or more projects, or from one or more revenue producing contracts, or from the authority's revenues generally, including but not limited to specified taxes which the authority may levy or which a particular municipality may agree to levy for a specified purpose, and may be additionally secured by a pledge of any grant, subsidy, or contribution from any public agency, including but not limited to a participating municipality, or any income or revenues from any source. They may be secured by a mortgage or deed of trust of the whole or any part of the property of the authority. They shall be payable solely from the revenues, funds, and property pledged or mortgaged for their payment. No commissioner, officer, employee, agent, or trustee of the authority shall be liable personally on its bonds or be subject to any personal liability or accountability by reason of their issuance. Neither the state nor a county or other municipality except the authority may pledge its faith and credit or taxing power or shall be obligated in any manner for the payment of the bonds or interest on them, except as specifically provided by agreement under section 398A.06; but nothing herein shall affect the obligation of the state or municipality to perform any contract made by it with the authority, and when the authority's rights under a contract with the state or a municipality are pledged by the authority for the security of its bonds, the holders or a bond trustee may enforce the rights as a third party beneficiary. All bonds shall be negotiable within the meaning and for the purposes of the uniform commercial code, subject only to any registration requirement.

[For text of subds 3 to 6, see M.S.1982]

History: 1983 c 326 s 15