

## CHAPTER 446A

## PUBLIC FACILITIES AUTHORITY

446A.085 Transportation revolving loan fund.

446A.11 Program administration.

**446A.085 TRANSPORTATION REVOLVING LOAN FUND.**

Subdivision 1. **Definitions.** (a) For the purposes of this section, the terms defined in this subdivision have the meanings given them.

(b) "Act" means the National Highway System Designation Act of 1995, Public Law Number 104-59, as amended.

(c) "Borrower" means the state, counties, cities, and other governmental entities eligible under the act and state law to apply for and receive loans from the transportation revolving loan fund.

(d) "Loan" means financial assistance provided for all or part of the cost of a project including money disbursed in anticipation of reimbursement or repayment, loan guarantees, lines of credit, credit enhancements, equipment financing leases, bond insurance, or other forms of financial assistance.

(e) "Transportation committee" means a committee of the Minnesota public facilities authority, acting on behalf of the Minnesota public facilities authority, consisting of the commissioner of the department of trade and economic development, the commissioner of finance, and the commissioner of transportation.

Subd. 2. **Purpose.** The purpose of the transportation revolving loan fund is to provide loans for public transportation projects eligible for financing or aid under any federal act or program or state law, including, without limitation, the study of the feasibility of construction, reconstruction, resurfacing, restoring, rehabilitation, or replacement of transportation facilities; acquisition of right-of-way; and maintenance, repair, improvement, or construction of city, town, county, or state highways, roads, streets, rights-of-way, bridges, tunnels, railroad-highway crossings, drainage structures, signs, maintenance and operation facilities, guardrails, and protective structures used in connection with highways or transit projects. Enhancement items, including without limitation bicycle paths, ornamental lighting, and landscaping, are eligible for financing provided they are an integral part of overall project design and construction of a federal-aid highway. Money in the fund may not be used for any toll facilities project or congestion-pricing project.

Subd. 3. **Establishment of fund.** A transportation revolving loan fund is established to make loans for the purposes described in subdivision 2. A highway account is established in the fund for highway projects eligible under United States Code, title 23. A transit account is established in the fund for transit capital projects eligible under United States Code, title 49. A state funds general loan account is established in the fund for transportation projects eligible under state law. Other accounts may be established in the fund as necessary for its management and administration. The transportation revolving loan fund receives federal money under the act and money from any source. Money received under this section must be paid to the state treasurer and credited to the transportation revolving loan fund. Money in the fund is annually appropriated to the authority and does not lapse. The fund must be credited with investment income, and with repayments of principal and interest, except for servicing fees assessed under sections 446A.04, subdivision 5, and 446A.11, subdivision 8.

Subd. 4. **Management of fund and accounts.** The authority shall manage and administer the transportation revolving loan fund and individual accounts in the fund. For those purposes, the authority may exercise all powers provided in this chapter.

Subd. 5. [Repealed by amendment, 1Sp2001 c 8 art 2 s 67]

Subd. 6. **Transportation committee.** The transportation committee may authorize the making of loans to borrowers by the authority for transportation purposes

authorized by the act or this section, without further action by the authority. The authority may not make loans for transportation purposes without the approval of the transportation committee. Each project must be certified by the commissioner of transportation before its consideration by the transportation committee.

Subd. 7. **Applications.** Applicants for loans must submit an application to the transportation committee on forms prescribed by the transportation committee. The applicant must provide the following information:

- (1) the estimated cost of the project and the amount of the loan sought;
- (2) other possible sources of funding in addition to loans sought from the transportation revolving loan fund;
- (3) the proposed methods and sources of funds to be used for repayment of loans received; and
- (4) information showing the financial status and ability of the borrower to repay loans.

Subd. 8. **Certification of projects.** The commissioner of transportation shall consider the following information when evaluating projects to certify for funding to the transportation committee:

- (1) a description of the nature and purpose of the proposed transportation project including an explanation of the need for the project and the reasons why it is in the public interest;
- (2) the relationship of the project to the area transportation improvement program, the approved statewide transportation improvement program, and to any transportation plans required under state or federal law;
- (3) the estimated cost of the project and the amount of loans sought;
- (4) proposed sources of funding in addition to loans sought from the transportation revolving loan fund;
- (5) the need for the project as part of the overall transportation system;
- (6) the overall economic impact of the project; and
- (7) the extent to which completion of the project will improve the movement of people and freight.

Subd. 9. **Loan conditions.** When making loans from the transportation revolving loan fund, the transportation committee shall comply with the applicable provisions of the act and state law. In addition, a loan made under this section must:

- (1) bear interest at or below market rates or as otherwise specified in federal law;
- (2) have a repayment term not longer than 30 years;
- (3) be fully amortized no later than 30 years after project completion;
- (4) be subject to repayment of principal and interest beginning not later than five years after the facility financed with a loan has been completed, or in the case of a highway project, five years after the facility has opened to traffic; and
- (5) be disbursed for specific project elements only after all applicable environmental requirements have been met.

Subd. 10. **Loans in anticipation of future apportionments.** A loan may be made to a county, or to a statutory or home rule charter city having a population of 5,000 or more, in anticipation of repayment of the loan from sums that will be apportioned to a county from the county state-aid highway fund under section 162.07 or to a city from the municipal state-aid street fund under section 162.14.

Subd. 11. **Payment by county or city.** Notwithstanding the allocation provisions of section 162.08 for counties, and the apportionment provisions of section 162.14 for cities, sums apportioned under section 162.13 to a statutory or home rule charter city, or under section 162.07 to a county, that has loan repayments due to the transportation revolving loan fund, shall be paid by the commissioner of transportation to the appropriate loan fund to offset the loan repayments that are due.

Subd. 12. **Rules of transportation committee and authority.** The commissioner of the department of trade and economic development shall adopt administrative rules specifying the procedures that will be used for the administration of the duties of the transportation committee and authority. The rules must include criteria, standards, and procedures that will be used for making loans, determining interest rates to be charged on loans, the amount of project financing to be provided, the collateral that will be required, the requirements for dedicated sources of revenue or income streams to ensure repayment of loans, and the length of repayment terms.

Subd. 13. **Authority and rules of department.** The commissioner of transportation shall establish, adopt rules for, and implement a program to identify, assist with the development of, and certify projects eligible for loans under the act to the transportation committee. Until rules are adopted by the commissioner of transportation, the commissioner of transportation may certify to the transportation committee any project that has been reviewed through an approved planning process that qualifies the project to be included in the statewide transportation program or amended into the statewide transportation improvement program.

Subd. 14. **Joint rules.** The commissioner of the department of trade and economic development and the commissioner of transportation may adopt a single set of rules.

**History:** *1Sp2001 c 8 art 2 s 67*

#### 446A.11 PROGRAM ADMINISTRATION.

*[For text of subs 1 to 8, see M.S.2000]*

Subd. 9. **Investments.** (a) It may cause any money not required for immediate disbursement, including the general reserve account, to be invested in direct obligations of or obligations guaranteed as to principal and interest by the United States, or in insured savings accounts, up to the amount of the insurance, in any institution the accounts of which are insured by the Federal Savings and Loan Insurance Corporation or to be deposited in a savings or other account in a bank insured by the federal deposit insurance corporation or to be invested in time certificates of deposit issued by a bank insured by the Federal Deposit Insurance Corporation and maturing within one year or less and in the investments described in section 11A.24, subdivision 4, except clause (d). It may deposit money in excess of the amount insured with security as provided in chapter 118A.

(b) Notwithstanding paragraph (a), it may invest and deposit money into accounts established pursuant to resolutions or indentures securing its bonds or notes in investments and deposit accounts or certificates, and with security, agreed upon with the holders or a trustee for the holders.

*[For text of subs 10 to 14, see M.S.2000]*

**History:** *2001 c 7 s 90*