

A bill for an act

relating to transportation; capital investment; providing for grants for freight railroad preservation and improvement; authorizing the sale and issuance of state bonds; appropriating money; amending Minnesota Statutes 2014, section 222.50, by adding a subdivision.

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

Section 1. Minnesota Statutes 2014, section 222.50, is amended by adding a subdivision to read:

Subd. 6a. **Grants; freight railroad preservation and improvement.** (a) The commissioner may make grants for freight railroad preservation and improvement as provided in this subdivision and for the purposes specified in subdivision 7.

(b) Eligible recipients of grant funds under this subdivision consist of: railroad companies that are classified by federal law or regulation as Class II Railroads, Class II Rail Carriers, Class III Railroads, or Class III Carriers; rail users; and local units of government. An eligible recipient may receive funds regardless of ownership of rail facilities.

(c) When awarding grants, the commissioner must prioritize projects:  
(1) identified under subdivision 7, paragraph (a), clauses (2) and (3);  
(2) on segments experiencing low rail service use; and  
(3) with applicants who commit more than 20 percent of total project cost from nonstate and nonfederal sources.

(d) A grant under this subdivision may not exceed 80 percent of the total project cost.

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

2.1       Sec. 2. **FREIGHT RAILROAD PRESERVATION AND IMPROVEMENT;**  
2.2 **APPROPRIATION AND BOND SALE AUTHORIZATION.**

2.3       Subdivision 1. **Appropriation.** \$4,500,000 is appropriated from the bond  
2.4 proceeds fund to the commissioner of transportation for freight railroad preservation and  
2.5 improvement grants under Minnesota Statutes, section 222.50, subdivision 6a.

2.6       Subd. 2. **Bond sale.** To provide the money appropriated in this section from the  
2.7 bond proceeds fund, the commissioner of management and budget shall sell and issue  
2.8 bonds of the state in an amount up to \$4,500,000 in the manner, upon the terms, and with  
2.9 the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the  
2.10 Minnesota Constitution, article XI, sections 4 to 7.

2.11       **EFFECTIVE DATE.** This section is effective the day following final enactment.