

1.1 moves to amend H.F. No. 3980, the first engrossment, as follows:

1.2 Page 1, delete section 1 and insert:

1.3 "Section 1. Minnesota Statutes 2016, section 222.46, is amended to read:

1.4 **222.46 FREIGHT RAIL SERVICE IMPROVEMENT ACT; PURPOSE.**

1.5 The legislature finds and determines that integrated transportation systems, including
1.6 railways, highways and airways, are necessary in order to meet the economic and energy
1.7 needs of the citizens of the state, both now and in the future. The legislature finds that a
1.8 portion of the present railroad system in the state does not provide adequate service to
1.9 citizens of the state. The legislature further finds and determines that it is in the best interest
1.10 of the state to establish and fund a freight rail service improvement economic development
1.11 program and to establish a railroad planning process in order to preserve and improve
1.12 essential rail service in the state.

1.13 **EFFECTIVE DATE.** This section is effective June 30, 2018."

1.14 Page 2, delete section 2 and insert:

1.15 "Sec. 2. Minnesota Statutes 2016, section 222.50, subdivision 3, is amended to read:

1.16 Subd. 3. **Commissioner's powers; rules.** The commissioner ~~shall have~~ has the power
1.17 to:

1.18 ~~(1) set priorities for the allocation and expenditure of money or in kind contributions~~
1.19 ~~authorized under the rail service improvement program and develop criteria for eligibility~~
1.20 ~~and approval of projects under the program. The criteria shall include the anticipated~~
1.21 ~~economic and social benefits to the state and to the area being served and the economic~~
1.22 ~~viability of the project;~~

1.23 ~~(2)~~ negotiate and enter into contracts for rail line rehabilitation or other rail service
1.24 improvement;

- 2.1 ~~(3)~~ (2) disburse state and federal money for rail service improvements; and
- 2.2 ~~(4)~~ (3) adopt rules necessary to carry out the purposes of sections 222.46 to 222.54.

2.3 **EFFECTIVE DATE.** This section is effective June 30, 2018.

2.4 Sec. 3. Minnesota Statutes 2016, section 222.50, subdivision 4, is amended to read:

2.5 Subd. 4. **Contract.** The commissioner may negotiate and enter into contracts for the
 2.6 purpose of rail service improvement and may incorporate funds available from the federal
 2.7 government. The participants in these contracts shall be railroads, rail users, and the
 2.8 department, and may be political subdivisions of the state and the federal government. In
 2.9 such contracts, participation by all parties shall be voluntary. The commissioner may provide
 2.10 a portion of the money required to carry out the terms of any such contract by expenditure
 2.11 from the freight rail service improvement account.

2.12 **EFFECTIVE DATE.** This section is effective June 30, 2018."

2.13 Page 3, line 5, delete "paragraph (b)" and insert "paragraphs (b) and (c)"

2.14 Page 3, line 6, delete "sections 222.49 and" and insert "section"

2.15 Page 3, after line 8, insert:

2.16 "(b) All funds provided to the commissioner from agreements or loans under section
 2.17 222.50 must be deposited in the freight rail account."

2.18 Page 3, line 9, delete "(b)" and insert "(c)"

2.19 Page 3, line 12, delete "(c)" and insert "(d)"

2.20 Page 3, line 13, delete everything after the period

2.21 Page 3, delete lines 14 and 15

2.22 Page 4, line 9, after "assistance" insert "and expend funds"

2.23 Page 4, line 18, delete "and"

2.24 Page 4, line 20, delete the period and insert a semicolon

2.25 Page 4, after line 20, insert:

2.26 "(5) capital improvement projects designed to improve capacity or safety at rail yards;

2.27 (6) rail planning studies; and

2.28 (7) acquisition, maintenance, management, and disposition of railroad right-of-way
 2.29 under the state rail bank program in section 222.63."

3.1 Page 4, after line 31, insert:

3.2 "Subd. 8. **Financial assistance; grants and loans.** The commissioner may provide
 3.3 financial assistance under this section through grants or through loans in the manner provided
 3.4 under section 222.50, subdivisions 4 and 5."

3.5 Page 5, after line 15, insert:

3.6 "Subd. 11. **Political subdivisions.** Any political subdivision may, with the approval of
 3.7 the commissioner, appropriate money for freight rail or rail service improvement and may
 3.8 participate in the freight rail economic development program and federal rail programs."

3.9 Renumber the subdivisions in sequence

3.10 Page 5, after line 16, insert:

3.11 "Sec. 5. Minnesota Statutes 2016, section 222.52, is amended to read:

3.12 **222.52 COOPERATION BETWEEN STATES.**

3.13 The commissioner may cooperate with other states in connection with the freight rail
 3.14 service improvement economic development program under section 222.505 and the railroad
 3.15 planning process. In exercising the authority conferred by this section, the commissioner
 3.16 may enter into contractual agreements with other states, including multistate coalitions."

3.17 Page 6, line 8, after "and" insert "must be"

3.18 Page 6, after line 19, insert:

3.19 "Sec. 7. **TRANSFER OF FUNDS.**

3.20 On June 30, 2018, the commissioner of transportation must transfer the entire balance
 3.21 in the rail service improvement account to the freight rail account in the special revenue
 3.22 fund. Any encumbrance from the rail service improvement account prior to the transfer
 3.23 remains in effect from the freight rail account following the transfer.

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

3.25 Sec. 8. **REPEALER.**

3.26 Minnesota Statutes 2016, sections 222.47; 222.50, subdivisions 1 and 7; and 222.51,
 3.27 are repealed.

3.28 Minnesota Statutes 2017 Supplement, sections 222.49; and 222.50, subdivision 6, are
 3.29 repealed."

3.30 Renumber the sections in sequence and correct the internal references

3.31 Amend the title accordingly