

Chapter 69

2020 Regular Session

Subject Federal TIFIA loan; U.S. Highway 14 expansion

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Overview

This act authorizes a pilot program for a federal loan, associated agreements, and loan repayment to finance a highway expansion project on U.S. Highway 14. It establishes a financing mechanism and revises authority originally granted in 2010 legislation to the Minnesota Department of Transportation (MnDOT) to obtain federal financial assistance under the federal Transportation Infrastructure Finance and Innovation Act (TIFIA), or other federal assistance programs.

Among its provisions, the law:

- makes the federal assistance available to expand U.S. Highway 14 to a four-lane divided highway from New Ulm to Nicollet;
- establishes that if a loan is obtained under this authorization, it is repaid through revenue from oversize and overweight vehicle permit fees collected by MnDOT;
- directs most vehicle permit fees into a new federal transportation loan account being created, during the period when there is activity or outstanding debt on the loan;
- appropriates money in the loan account for loan payments and related administrative costs;
- establishes that a loan under this authority is not backed by a tax of statewide application; and
- requires legislative reporting.

Summary

Section	Description
1	<p>Fees; proceeds deposited; appropriation.</p> <p>Makes a conforming change, to cross reference a new section that governs deposit of most oversize and overweight motor vehicle permit fee revenue.</p>
2	<p>[174.525] Transportation loan pilot program.</p> <p>Creates the pilot program, including to authorize federal assistance, provide for deposit of permit fees into a new account being established, appropriate funds for loan repayment, authorize related agreements, and require reporting.</p> <p>Subd. 1. Pilot program authorized. Authorizes MnDOT to create the pilot program, seek federal financial assistance under TIFIA or similar programs, and enter into agreements to repay the assistance. Makes the federal assistance available for a project to expand U.S. Highway 14 to become a four-lane divided highway from New Ulm to Nicollet.</p> <p>Subd. 2. Security for federal loan agreement. Directs loan payments to come from a new account being created. Establishes that the loan is not public debt backed by the full faith and credit of the state.</p> <p>Subd. 3. Deposit of revenue. Directs deposit of revenue from special permits issued by MnDOT that allow oversize and overweight vehicles to be operated on trunk highways. During times when a federal loan is being applied for or is outstanding, the revenue must go into a new federal transportation loan account. At any other time, the revenue goes into the trunk highway fund (which is where it has been deposited prior to the changes in this act).</p> <p>Subd. 4. Federal transportation loan account. Establishes a new federal transportation loan account in the special revenue fund, for conditional deposit of motor vehicle permit fee revenue. Makes a statutory appropriation to Minnesota Management and Budget (MMB) for federal loan repayment and related administrative costs. Directs annual transfer of any excess funds to the trunk highway fund.</p> <p>Subd. 5. Covenants and agreements. Authorizes MnDOT and MMB to enter into agreements regarding the federal loan. Establishes that the loan is subject to the same provisions that govern state bonds and certificate of indebtedness.</p> <p>Subd. 6. Applicability. Prevents deposit of funds into the loan account that are determined to be a tax.</p>

Section **Description**

Subd. 7. Waiver of immunity. Waives state immunity from civil suits for qualifying claims brought by a party that has entered into an agreement with the state under this section.

Subd. 8. Reports. Requires reporting on the pilot program both annually (if there is an outstanding loan) and following completion of the project.

3 Repealer.

Repeals a 2010 law that authorizes one transportation project to be financed through federal financial assistance, which is substantially reproduced in section 2.



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