

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 920

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Version: As amended (H0920DE2)

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Subject: Limiting use of public money for passenger rail between Rochester and the Twin Cities; Modifying the Destination Medical Center (DMC) authority.

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Overview

This bill, as amended, prohibits the state and local governments from using public money (other than voluntary private contributions) for passenger rail service between the Twin Cities and Rochester (often referred to as the Zip Rail project). In addition, the bill prohibits the use of eminent domain for Zip Rail. It expands and clarifies the types of Rochester city spending that qualify as a local matching contribution under the Destination Medical Center (DMC) state aid program by providing that all city spending to support the DMC Corporation and Economic Development Agency (EDA) qualifies as the local matching contribution required to receive state aid. Under current law, one-half of the amounts the city spends for the corporation's administrative and operating costs do not qualify.

Section

1 No state spending for certain rail projects. Prohibits using any state appropriation or grant to fund intercity or interregional rail between Rochester and the Twins Cities metropolitan area ("Zip Rail"). This limit applies to spending for any purposes related to the project – e.g., planning, design, engineering, land acquisition, construction, and operation. It does not apply to voluntary private contributions.

Effective date: Day following final enactment

2 Restrictions on leasing state property for Zip Rail project. Requires the commissioners of administration and transportation to include security bonds or similar guarantees against state loss in the agreements, if they lease state property for use as part of the Zip Rail project (e.g., leasing the highway right of way or air rights to the operator of the project).

Section

Effective date: Day following final enactment

- 3 Eminent domain.** Prohibits use of Minnesota eminent domain law by the state, a local government, or a private railroad company for the Zip Rail project.

Effective date: Day following final enactment

- 4 No local spending for Zip Rail project.** Prohibits any city or county in Development Regions 10 or 11 and the DMC entities from spending public money (other than voluntary private contributions) on the Zip Rail project, parallel to the limits on state spending in section 1. Regions 10 and 11 include the following counties: Anoka, Carver, Dakota, Dodge, Fillmore, Freeborn, Goodhue, Hennepin, Houston, Mower, Olmsted, Rice, Scott, Steele, Wabasha, Washington, and Winona.

Effective date: Day following final enactment

- 5 Public infrastructure project.** Modifies the definition of “public infrastructure project” to clarify that it includes amounts spent on planning. Most amounts spent for planning already qualify as part of preparation of the development plan; this would expand it to planning other than for the development plan. Amounts spent for the “public infrastructure project” may be paid with state aid or city taxes; amounts spent out of city taxes qualify as a local match.

- 6 City special taxes.** Clarifies that the special city sales tax (on lodging, food and beverages, and admissions) may be spent for any purposes that qualify as a local matching contribution. Section 5 expands the definition of what counts under the local match; this section allows city special sales tax receipts to be spent for those purposes.

- 7 City general sales tax.** Clarifies that the city general sales tax may be spent for any purposes that qualify as a local matching contribution. Section 5 expands the definition of what counts under the local match; this section allows city general sales tax receipts to be spent for those purposes.

- 8 Local matching contribution.** Provides that any city money spent to support the DMC Corporation or the EDA qualifies as a local matching contribution under the state aid program. Under present law, one-half of amounts spent for the corporation’s operating and administrative costs do not qualify as a local match.

- 9 No Met Council spending for Zip Rail project.** Prohibits the Metropolitan Council from spending public money (other than voluntary private contributions) on the Zip Rail project, parallel to the limits on state spending in section 1.

Effective date: Day following final enactment

- 10 Effective date.** Provides that the four DMC sections (sections 5 to 8) are effective upon local approval by the city of Rochester.