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Overview

This bill prohibits the state, the Metropolitan Council, and cities and counties in Regions 10 and 11 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 and requires state officials to obtain security guarantees (e.g., security or performance bonds), if they lease state property for use in connection with Zip Rail. The bill also requires large private passenger rail projects (capital costs greater than \$1 billion) to have environmental insurance.

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 owner or operator of the project).
Effective date: Day following final enactment

Section

- 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** **Environmental insurance required for passenger rail projects.** Requires any private entity seeking a federal or state permit to construct or operate a passenger rail project exceeding \$1 billion to obtain environmental insurance. (The definitions exclude projects operated by a governmental unit, e.g., LRT or commuter rail projects operated by the Metropolitan Council.) The requirements would only apply to the developer of the project, not a contractor who applied for a building permit.
- The insurance must cover environmental remediation and impairment damages. The commissioner of the Pollution Control Agency must approve the adequacy of the insurance, including dollar limits on the coverage.
- Effective date:** Projects for which application is made after the day following final enactment.
- 5** **No local spending for Zip Rail project.** Prohibits any city, county, or special taxing district 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
- 6** **No Metropolitan 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