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State of Minnesota  
**HOUSE OF REPRESENTATIVES**

EIGHTY-FIFTH  
SESSION

**HOUSE FILE No. 3565**

February 28, 2008

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The bill was read for the first time and referred to the Committee on Finance

1.1 A bill for an act  
1.2 relating to environment; authorizing revenue bonds to be sold for closed landfill  
1.3 cleanup; directing the Pollution Control Agency to provide cleanup of certain  
1.4 closed landfill sites; appropriating money; amending Minnesota Statutes 2006,  
1.5 section 116.155, subdivisions 2, 3; proposing coding for new law in Minnesota  
1.6 Statutes, chapter 116.

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

1.8 Section 1. Minnesota Statutes 2006, section 116.155, subdivision 2, is amended to read:

1.9 Subd. 2. **Appropriation.** (a) Money in the general portion of the remediation fund  
1.10 is appropriated to the agency and the commissioners of agriculture and natural resources  
1.11 for the following purposes:

1.12 (1) to take actions related to releases of hazardous substances, or pollutants or  
1.13 contaminants as provided in section 115B.20;

1.14 (2) to take actions related to releases of hazardous substances, or pollutants or  
1.15 contaminants, at and from qualified landfill facilities as provided in section 115B.42,  
1.16 subdivision 2;

1.17 (3) to provide technical and other assistance under sections 115B.17, subdivision  
1.18 14, 115B.175 to 115B.179, and 115C.03, subdivision 9;

1.19 (4) for corrective actions to address incidents involving agricultural chemicals,  
1.20 including related administrative, enforcement, and cost recovery actions pursuant to  
1.21 chapter 18D; ~~and~~

1.22 (5) to make debt service payments on revenue bonds issued under section 116.156;  
1.23 and

2.1           (6) together with any amount approved for transfer to the agency from the petroleum  
2.2 tank fund by the commissioner of finance, to take actions related to releases of petroleum  
2.3 as provided under section 115C.08.

2.4           (b) The commissioner of finance shall allocate the amounts available in any  
2.5 biennium to the agency, and the commissioners of agriculture and natural resources for the  
2.6 purposes provided in this subdivision based upon work plans submitted by the agency and  
2.7 the commissioners of agriculture and natural resources, and may adjust those allocations  
2.8 upon submittal of revised work plans. Copies of the work plans shall be submitted  
2.9 to the chairs of the senate and house committees having jurisdiction over environment  
2.10 and environment finance.

2.11           (c) Priority for appropriations from the general portion of the remediation fund shall  
2.12 be given to debt service payments under paragraph (a), clause (5).

2.13           Sec. 2. Minnesota Statutes 2006, section 116.155, subdivision 3, is amended to read:

2.14           Subd. 3. **Revenues.** The following revenues shall be deposited in the general  
2.15 portion of the remediation fund:

2.16           (1) response costs and natural resource damages related to releases of hazardous  
2.17 substances, or pollutants or contaminants, recovered under sections 115B.17, subdivisions  
2.18 6 and 7, 115B.443, 115B.444, or any other law;

2.19           (2) money paid to the agency or the Agriculture Department by voluntary parties  
2.20 who have received technical or other assistance under sections 115B.17, subdivision 14,  
2.21 115B.175 to 115B.179, and 115C.03, subdivision 9;

2.22           (3) money received in the form of gifts, grants, reimbursement, or appropriation from  
2.23 any source for any of the purposes provided in subdivision 2, except federal grants; ~~and~~

2.24           (4) money received from revenue bonds sold under section 116.156 and placed  
2.25 in a special bond proceeds account; and

2.26           (5) interest accrued on the fund.

2.27           Sec. 3. **[116.156] CLOSED LANDFILL CLEANUP REVENUE BONDS.**

2.28           Subdivision 1. **Bonding authority.** (a) The commissioner of finance, if requested  
2.29 by the commissioner of the Pollution Control Agency, shall sell and issue state revenue  
2.30 bonds for the following purposes:

2.31           (1) to take actions related to hazardous substances, pollutants, or contaminants at  
2.32 and from qualified landfill facilities as provided in section 115B.42, subdivision 2;

2.33           (2) to pay the costs of issuance, debt service, and bond insurance or other credit  
2.34 enhancements and to fund reserves; and

3.1 (3) to refund bonds issued under this section.

3.2 (b) The amount of bonds that may be issued for the purposes of paragraph (a),  
3.3 clause (1), may not exceed \$25,000,000. The amount of bonds that may be issued for the  
3.4 purposes of paragraph (a), clauses (2) and (3), is not limited.

3.5 Subd. 2. **Procedure.** The commissioner of finance may sell and issue the bonds  
3.6 on the terms and conditions the commissioner of finance determines to be in the best  
3.7 interests of the state. The bonds may be sold at public or private sale. The commissioner  
3.8 of finance may enter any agreements or pledges the commissioner of finance determines  
3.9 necessary or useful to sell the bonds that are not inconsistent with this section. Sections  
3.10 16A.672 to 16A.675 apply to the bonds. The proceeds of the bonds issued under this  
3.11 section must be credited to a special bond proceeds account in the remediation fund and  
3.12 are appropriated to the commissioner of the Pollution Control Agency for the purposes  
3.13 specified in subdivision 1.

3.14 Subd. 3. **Revenue sources.** The debt service on the bonds is payable only from the  
3.15 following sources:

3.16 (1) the remediation fund; and

3.17 (2) other revenues pledged to the payment of the bonds.

3.18 Subd. 4. **Refunding bonds.** The commissioner of finance may issue bonds to refund  
3.19 outstanding bonds issued under subdivision 1, including the payment of any redemption  
3.20 premiums on the bonds and any interest accrued or to accrue to the first redemption date  
3.21 after delivery of the refunding bonds. The proceeds of the refunding bonds may, in the  
3.22 discretion of the commissioner of finance, be applied to the purchases or payment at  
3.23 maturity of the bonds to be refunded, or the redemption of the outstanding bonds on the  
3.24 first redemption date after delivery of the refunding bonds and may, until so used, be  
3.25 placed in escrow to be applied to the purchase, retirement, or redemption. Refunding  
3.26 bonds issued under this subdivision must be issued and secured in the manner provided  
3.27 by the commissioner of finance.

3.28 Subd. 5. **Not a general or moral obligation.** Bonds issued under this section are  
3.29 not public debt, and the full faith, credit, and taxing powers of the state are not pledged  
3.30 for their payment. The bonds may not be paid, directly in whole or in part from a tax of  
3.31 statewide application on any class of property, income, transaction, or privilege. Payment  
3.32 of the bonds is limited to the revenues explicitly authorized to be pledged under this  
3.33 section. The state neither makes nor has a moral obligation to pay the bonds if the pledged  
3.34 revenues and other legal security for them is insufficient.

4.1 Subd. 6. **Trustee.** The commissioner of finance may contract with and appoint a  
4.2 trustee for bondholders. The trustee has the powers and authority vested in it by the  
4.3 commissioner of finance under the bond and trust indentures.

4.4 Subd. 7. **Pledges.** Any pledge made by the commissioner of finance is valid and  
4.5 binding from the time the pledge is made. The money or property pledged and later  
4.6 received by the commissioner of finance is immediately subject to the lien of the pledge  
4.7 without any physical delivery of the property or money or further act, and the lien of  
4.8 any pledge is valid and binding as against all parties having claims of any kind in tort,  
4.9 contract, or otherwise against the commissioner of finance, whether or not those parties  
4.10 have notice of the lien or pledge. Neither the order nor any other instrument by which a  
4.11 pledge is created need be recorded.

4.12 Subd. 8. **Bonds; purchase and cancellation.** The commissioner of finance, subject  
4.13 to agreements with bondholders that may then exist, may, out of any money available for  
4.14 the purpose, purchase bonds of the commissioner of finance at a price not exceeding  
4.15 (1) if the bonds are then redeemable, the redemption price then applicable plus accrued  
4.16 interest to the next interest payment date thereon, or (2) if the bonds are not redeemable,  
4.17 the redemption price applicable on the first date after the purchase upon which the bonds  
4.18 become subject to redemption plus accrued interest to that date.

4.19 Subd. 9. **State pledge against impairment of contracts.** The state pledges and  
4.20 agrees with the holders of any bonds that the state will not limit or alter the rights vested  
4.21 in the commissioner of finance to fulfill the terms of any agreements made with the  
4.22 bondholders, or in any way impair the rights and remedies of the holders until the bonds,  
4.23 together with interest on them, with interest on any unpaid installments of interest, and all  
4.24 costs and expenses in connection with any action or proceeding by or on behalf of the  
4.25 bondholders, are fully met and discharged. The commissioner of finance may include this  
4.26 pledge and agreement of the state in any agreement with the holders of bonds issued  
4.27 under this section.

4.28 Sec. 4. **USE OF REVENUE BONDS FOR CLEANUP AT CERTAIN CLOSED**  
4.29 **LANDFILL SITES; REPORT REQUIRED.**

4.30 (a) The commissioner of the Pollution Control Agency shall recommend to the  
4.31 commissioner of finance the sale of bonds under Minnesota Statutes, section 116.156,  
4.32 to take action at qualified closed landfill facilities in Mille Lacs, Washington County,  
4.33 the Western Lake Superior Sanitary District, and Albert Lea. The commissioner of the  
4.34 Pollution Control Agency may make additional requests for revenue bonds at other sites  
4.35 under Minnesota Statutes, section 116.156.

5.1           (b) By January 15, 2009, the commissioner of the Pollution Control Agency shall  
5.2 report to the house and senate Finance Committees and Divisions with jurisdiction over  
5.3 the environment on funding needs of the remediation fund to provide timely cleanup  
5.4 of closed landfills in the state. The report shall make recommendations for additional  
5.5 funding sources to address those needs.