

**Subject** Co-located freight and light rail transit liability limits

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## Overview

This bill broadens a liability provision on freight rail and light rail transit co-located in the same corridor so that the provision also covers the Bottineau Light Rail Transit (Blue Line extension) project. Under current law, the liability provision has a couple elements.

- It sets a cap on railroad company liability at the greater of: (1) \$1.5 million for one occurrence or \$3 million for one occurrence involving release of some hazardous substances, with no punitive damages (which matches the liability limits for municipalities); or (2) the amount of insurance carried by the company. The liability limits apply when the insurance claim or damages would not have occurred but for the presence of light rail transit. Minn. Stat. § 473.4052, subd. 2.
- It requires the Metropolitan Council to procure liability insurance at a level based on federal law (which is currently at just over \$294 million). Minn. Stat. § 473.4052, subd. 3 (a).
- It establishes that the municipal liability limits (outlined above) for both the council and railroad adjust upward only to the extent that the Council's insurance pays a claim on an incident within the shared corridor. Minn. Stat. § 473.4052, subd. 3 (a).