

A bill for an act relating to transportation finance; appropriating money for transportation, Metropolitan Council, and public safety activities; providing for fund transfers, general contingent accounts, and tort claims; authorizing sale and issuance of trunk highway bonds for highways and transit facilities; modifying provisions related to driver and vehicle services fees; modifying provisions relating to various transportation-related funds and accounts; providing for treatment and deposit of proceeds of lease and sales taxes on motor vehicles; modifying formula for transit assistance to transit replacement service communities; increasing fees for services of Department of Public Safety; amending Minnesota Statutes 2006, sections 16A.88; 161.04, subdivision 3; 168.017, subdivision 3; 168.12, subdivision 5; 168A.29, subdivision 1; 171.02, subdivision 3; 171.06, subdivision 2; 171.07, subdivisions 3a, 11; 171.20, subdivision 4; 297A.70, subdivision 2; 297A.815, by adding a subdivision; 297A.94; 297B.09, subdivision 1; 299D.09; 473.388, subdivision 4; repealing Minnesota Statutes 2006, section 174.32.

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

ARTICLE 1
TRANSPORTATION APPROPRIATIONS

Section 1. SUMMARY OF APPROPRIATIONS.

The amounts shown in this section summarize direct appropriations, by fund, made in this article.

	<u>2008</u>	<u>2009</u>	<u>Total</u>
<u>General</u>	<u>\$ 108,912,000</u>	<u>\$ 107,396,000</u>	<u>216,308,000</u>
<u>Special Revenue</u>	<u>47,950,000</u>	<u>49,038,000</u>	<u>96,988,000</u>
<u>Airports</u>	<u>25,524,000</u>	<u>25,592,000</u>	<u>51,116,000</u>
<u>M.S.A.S.</u>	<u>176,071,000</u>	<u>121,281,000</u>	<u>297,352,000</u>
<u>C.S.A.H.</u>	<u>623,755,000</u>	<u>449,352,000</u>	<u>1,073,107,000</u>
<u>Trunk Highway</u>	<u>1,055,882,000</u>	<u>1,238,023,000</u>	<u>2,293,905,000</u>

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2.1	<u>Highway User</u>	<u>8,938,000</u>	<u>9,238,000</u>	<u>18,176,000</u>
2.2	<u>Total</u>	<u>\$ 2,047,032,000</u>	<u>\$ 1,999,920,000</u>	<u>\$ 4,046,952,000</u>

2.3 Sec. 2. **TRANSPORTATION APPROPRIATIONS.**

2.4 The sums shown in the columns marked "Appropriations" are appropriated to
2.5 the agencies and for the purposes specified in this article. The appropriations are from
2.6 the trunk highway fund, or another named fund, and are available for the fiscal years
2.7 indicated for each purpose. The figures "2008" and "2009" used in this article mean that
2.8 the appropriations listed under them are available for the fiscal year ending June 30, 2008,
2.9 or June 30, 2009, respectively. "The first year" is fiscal year 2008. "The second year" is
2.10 fiscal year 2009. "The biennium" is fiscal years 2008 and 2009. Appropriations for the
2.11 fiscal year ending June 30, 2007, are effective the day following final enactment.

2.12		<u>APPROPRIATIONS</u>
2.13		<u>Available for the Year</u>
2.14		<u>Ending June 30</u>
2.15		<u>2008</u> <u>2009</u>

2.16 Sec. 3. **TRANSPORTATION**

2.17	<u>Subdivision 1. Total Appropriation</u>	<u>\$ 1,818,696,000</u>	<u>\$ 1,767,471,000</u>
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2.18	<u>Appropriations by Fund</u>		
2.19		<u>2008</u>	<u>2009</u>
2.20	<u>General</u>	<u>19,230,000</u>	<u>19,239,000</u>
2.21	<u>Airports</u>	<u>25,474,000</u>	<u>25,542,000</u>
2.22	<u>C.S.A.H.</u>	<u>623,755,450</u>	<u>449,352,000</u>
2.23	<u>M.S.A.S.</u>	<u>176,070,550</u>	<u>121,281,000</u>
2.24	<u>Trunk Highway</u>	<u>974,166,000</u>	<u>1,152,057,000</u>

2.25 The amounts that may be spent for each
2.26 purpose are specified in the following
2.27 subdivisions.

2.28 Subd. 2. Multimodal Systems

2.29 (a) Aeronautics

2.30	<u>(1) Airport Development and Assistance</u>	<u>20,298,000</u>	<u>20,298,000</u>
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2.31 This appropriation is from the state
2.32 airports fund and must be spent according
2.33 to Minnesota Statutes, section 360.305,
2.34 subdivision 4.

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3.1	<u>\$6,000,000 the first year is a onetime</u>		
3.2	<u>appropriation and \$6,000,000 the second</u>		
3.3	<u>year is a onetime appropriation.</u>		
3.4	<u>Notwithstanding Minnesota Statutes, section</u>		
3.5	<u>16A.28, subdivision 6, this appropriation is</u>		
3.6	<u>available for five years after appropriation.</u>		
3.7	<u>If the appropriation for either year is</u>		
3.8	<u>insufficient, the appropriation for the other</u>		
3.9	<u>year is available for it.</u>		
3.10	<u>(2) Aviation Support and Services</u>	<u>5,998,000</u>	<u>6,075,000</u>
3.11	<u>Appropriations by Fund</u>		
3.12	<u>Airports</u>	<u>5,151,000</u>	<u>5,219,000</u>
3.13	<u>Trunk Highway</u>	<u>847,000</u>	<u>856,000</u>
3.14	<u>\$65,000 the first year and \$65,000 the second</u>		
3.15	<u>year are for the Civil Air Patrol.</u>		
3.16	<u>(b) Transit</u>	<u>19,545,000</u>	<u>19,561,000</u>
3.17	<u>Appropriations by Fund</u>		
3.18	<u>General</u>	<u>18,812,000</u>	<u>18,814,000</u>
3.19	<u>Trunk Highway</u>	<u>733,000</u>	<u>747,000</u>
3.20	<u>(c) Freight</u>	<u>5,323,000</u>	<u>5,415,000</u>
3.21	<u>Appropriations by Fund</u>		
3.22	<u>General</u>	<u>353,000</u>	<u>360,000</u>
3.23	<u>Trunk Highway</u>	<u>4,970,000</u>	<u>5,055,000</u>
3.24	<u>Subd. 3. State Roads</u>		
3.25	<u>(a) Infrastructure Investment and Planning</u>		
3.26	<u>(1) Infrastructure Investment Support</u>	<u>169,542,000</u>	<u>172,227,000</u>
3.27	<u>\$266,000 the first year and \$266,000 the</u>		
3.28	<u>second year are available for grants to</u>		
3.29	<u>metropolitan planning organizations outside</u>		
3.30	<u>the seven-county metropolitan area.</u>		
3.31	<u>\$75,000 the first year and \$75,000 the</u>		
3.32	<u>second year are for a transportation research</u>		
3.33	<u>contingent account to finance research</u>		

4.1 projects that are reimbursable from the
4.2 federal government or from other sources.
4.3 If the appropriation for either year is
4.4 insufficient, the appropriation for the other
4.5 year is available for it.
4.6 \$600,000 the first year and \$600,000 the
4.7 second year are available for grants for
4.8 transportation-related activities outside
4.9 the metropolitan area to identify critical
4.10 concerns, problems, and issues. These grants
4.11 are available (1) to regional development
4.12 commissions, and (2) in regions where
4.13 no regional development commission
4.14 is functioning, to joint powers boards
4.15 established under agreement of two or
4.16 more political subdivisions in the region to
4.17 exercise the planning functions of a regional
4.18 development commission, and (3) in regions
4.19 where no regional development commission
4.20 or joint powers board is functioning, to the
4.21 department's district office for that region.
4.22 **(2) State Road Construction** 461,200,000 615,200,000
4.23 It is estimated that these appropriations will
4.24 be funded as follows:
4.25 Federal Highway
4.26 Aid 193,500,000 350,400,000
4.27 Highway User Taxes 267,700,000 264,800,000
4.28 The commissioner of transportation shall
4.29 notify the chair of the Transportation Budget
4.30 Division of the senate and the chair of the
4.31 Transportation Finance Committee of the
4.32 house of representatives of any significant
4.33 events that should cause these estimates to
4.34 change.

5.1	<u>This appropriation is for the actual</u>		
5.2	<u>construction, reconstruction, and</u>		
5.3	<u>improvement of trunk highways, including</u>		
5.4	<u>design-build contracts and consultant usage</u>		
5.5	<u>to support these activities. This includes the</u>		
5.6	<u>cost of actual payment to landowners for</u>		
5.7	<u>lands acquired for highway rights-of-way,</u>		
5.8	<u>payment to lessees, interest subsidies, and</u>		
5.9	<u>relocation expenses.</u>		
5.10	<u>\$77,000,000 the second year is a onetime</u>		
5.11	<u>appropriation and does not add to the base</u>		
5.12	<u>appropriation.</u>		
5.13	<u>The commissioner may transfer up to</u>		
5.14	<u>\$15,000,000 each year to the transportation</u>		
5.15	<u>revolving loan fund.</u>		
5.16	<u>The commissioner may receive money</u>		
5.17	<u>covering other shares of the cost of</u>		
5.18	<u>partnership projects. These receipts are</u>		
5.19	<u>appropriated to the commissioner for these</u>		
5.20	<u>projects.</u>		
5.21	<u>(3) Highway Debt Service</u>	<u>58,088,000</u>	<u>76,253,000</u>
5.22	<u>\$54,299,000 the first year and \$66,230,000</u>		
5.23	<u>the second year are for transfer to the state</u>		
5.24	<u>bond fund. If this appropriation is insufficient</u>		
5.25	<u>to make all transfers required in the year for</u>		
5.26	<u>which it is made, the commissioner of finance</u>		
5.27	<u>shall notify the Committee on Finance of</u>		
5.28	<u>the senate and the Committee on Ways and</u>		
5.29	<u>Means of the house of representatives of</u>		
5.30	<u>the amount of the deficiency and shall then</u>		
5.31	<u>transfer that amount under the statutory open</u>		
5.32	<u>appropriation. Any excess appropriation</u>		
5.33	<u>cancels to the trunk highway fund.</u>		
5.34	<u>(b) Infrastructure Operations and Maintenance</u>	<u>216,324,000</u>	<u>218,663,000</u>

6.1	<u>(c) Electronic Communications</u>	<u>5,052,000</u>	<u>5,128,000</u>
6.2	<u>Appropriations by Fund</u>		
6.3	<u>General</u>	<u>9,000</u>	<u>9,000</u>
6.4	<u>Trunk Highway</u>	<u>5,043,000</u>	<u>5,119,000</u>
6.5	<u>The general fund appropriation is to equip</u>		
6.6	<u>and operate the Roosevelt signal tower for</u>		
6.7	<u>Lake of the Woods weather broadcasting.</u>		
6.8	<u>Subd. 4. Local Roads</u>		
6.9	<u>(a) County State Aids</u>	<u>623,755,000</u>	<u>449,352,000</u>
6.10	<u>This appropriation is from the county</u>		
6.11	<u>state-aid highway fund and is available until</u>		
6.12	<u>spent.</u>		
6.13	<u>(b) Municipal State Aids</u>	<u>176,071,000</u>	<u>121,281,000</u>
6.14	<u>This appropriation is from the municipal</u>		
6.15	<u>state-aid street fund and is available until</u>		
6.16	<u>spent.</u>		
6.17	<u>If an appropriation for either county state</u>		
6.18	<u>aids or municipal state aids does not exhaust</u>		
6.19	<u>the balance in the fund from which it is</u>		
6.20	<u>made in the year for which it is made, the</u>		
6.21	<u>commissioner of finance, upon request of</u>		
6.22	<u>the commissioner of transportation, shall</u>		
6.23	<u>notify the chair of the Transportation Finance</u>		
6.24	<u>Committee of the house of representatives</u>		
6.25	<u>and the chair of the Transportation Budget</u>		
6.26	<u>Division of the senate of the amount of the</u>		
6.27	<u>remainder and shall then add that amount</u>		
6.28	<u>to the appropriation. The amount added is</u>		
6.29	<u>appropriated for the purposes of county state</u>		
6.30	<u>aids or municipal state aids, as appropriate.</u>		
6.31	<u>If the appropriation for either county state</u>		
6.32	<u>aids or municipal state aids does exhaust</u>		
6.33	<u>the balance in the fund from which it is</u>		
6.34	<u>made in the year for which it is made,</u>		

7.1 the commissioner of finance shall notify
7.2 the chair of the Transportation Finance
7.3 Committee of the house of representatives
7.4 and the chair of the Transportation Budget
7.5 Division of the senate of the amount by
7.6 which the appropriation exceeds the balance
7.7 and shall then reduce that amount from the
7.8 appropriation.

7.9 **Subd. 5. General Support and Services**

7.10	<u>(a) Department Support</u>	<u>40,226,000</u>	<u>40,713,000</u>
7.11	<u>Appropriations by Fund</u>		
7.12	<u>Airports</u>	<u>25,000</u>	<u>25,000</u>
7.13	<u>Trunk Highway</u>	<u>40,201,000</u>	<u>40,688,000</u>
7.14	<u>(b) Buildings</u>	<u>17,274,000</u>	<u>17,305,000</u>
7.15	<u>Appropriations by Fund</u>		
7.16	<u>General</u>	<u>56,000</u>	<u>56,000</u>
7.17	<u>Trunk Highway</u>	<u>17,218,000</u>	<u>17,249,000</u>

7.18 If the appropriation for either year is
7.19 insufficient, the appropriation for the other
7.20 year is available for it.

7.21 **Subd. 6. Transfers**

7.22 (a) With the approval of the commissioner of
7.23 finance, the commissioner of transportation
7.24 may transfer unencumbered balances among
7.25 the appropriations from the trunk highway
7.26 fund and the state airports fund made in this
7.27 section. No transfer may be made from the
7.28 appropriation for state road construction. No
7.29 transfer may be made from the appropriations
7.30 for debt service to any other appropriation.
7.31 Transfers under this paragraph may not be
7.32 made between funds. Transfers between
7.33 programs must be reported immediately
7.34 to the chair of the Transportation Budget

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8.1 Division of the senate and the chair of the
8.2 Transportation Finance Committee of the
8.3 house of representatives.

8.4 (b) The commissioner of finance shall
8.5 transfer from the flexible account in the
8.6 county state-aid highway fund \$5,950,000
8.7 the first year and \$2,820,000 the second
8.8 year to the municipal turnback account
8.9 in the municipal state-aid street fund and
8.10 \$12,940,000 the first year and \$15,330,000
8.11 the second year to the trunk highway fund;
8.12 and the remainder in each year to the county
8.13 turnback account in the county state-aid
8.14 highway fund.

8.15 (c) On or after July 1, 2007, the commissioner
8.16 of finance shall:

8.17 (1) transfer \$4,600,000 from the trunk
8.18 highway revolving loan account in the
8.19 transportation revolving loan fund to the
8.20 trunk highway fund;

8.21 (2) transfer \$1,221,000 from the general fund
8.22 to the trunk highway fund;

8.23 (3) transfer \$190,789,450 from the general
8.24 fund to the county state-aid highway fund;
8.25 and

8.26 (4) transfer \$59,210,550 from the general
8.27 fund to the municipal state-aid street fund.

8.28 **Subd. 7. Use of State Road Construction**
8.29 **Appropriations**

8.30 Any money appropriated to the commissioner
8.31 of transportation for state road construction
8.32 for any fiscal year before fiscal year 2008 is
8.33 available to the commissioner during fiscal
8.34 years 2008 and 2009 to the extent that the
8.35 commissioner spends the money on the

9.1 state road construction project for which the
9.2 money was originally encumbered during the
9.3 fiscal year for which it was appropriated. The
9.4 commissioner of transportation shall report
9.5 to the commissioner of finance by August
9.6 1, 2007, and August 1, 2008, on a form
9.7 the commissioner of finance provides, on
9.8 expenditures made during the previous fiscal
9.9 year that are authorized by this subdivision.

9.10 **Subd. 8. Contingent Appropriation**

9.11 The commissioner of transportation, with
9.12 the approval of the governor after review
9.13 by the Legislative Advisory Commission
9.14 under Minnesota Statutes, section 3.30, may
9.15 transfer all or part of the unappropriated
9.16 balance in the trunk highway fund to an
9.17 appropriation (1) for trunk highway design,
9.18 construction, or inspection in order to take
9.19 advantage of an unanticipated receipt of
9.20 income to the trunk highway fund or to take
9.21 advantage of federal advanced construction
9.22 funding, (2) for trunk highway maintenance
9.23 in order to meet an emergency, or (3) to
9.24 pay tort or environmental claims. Any
9.25 transfer as a result of the use of federal
9.26 advanced construction funding must include
9.27 an analysis of the effects on the long-term
9.28 trunk highway fund balance. The amount
9.29 transferred is appropriated for the purpose of
9.30 the account to which it is transferred.

9.31 **Sec. 4. METROPOLITAN COUNCIL**

9.32 <u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>78,753,000</u>	<u>\$</u>	<u>78,753,000</u>
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9.33 This appropriation is from the general fund.

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10.1	<u>The amounts that may be spent for each</u>		
10.2	<u>purpose are specified in the following</u>		
10.3	<u>subdivisions.</u>		
10.4	<u>Subd. 2. Bus Transit</u>	<u>73,453,000</u>	<u>73,453,000</u>
10.5	<u>This appropriation is for bus system</u>		
10.6	<u>operations.</u>		
10.7	<u>Subd. 3. Rail Operations</u>	<u>5,300,000</u>	<u>5,300,000</u>
10.8	<u>This appropriation is for operations of the</u>		
10.9	<u>Hiawatha light rail transit line.</u>		
10.10	<u>This appropriation is for paying a portion of</u>		
10.11	<u>the Metropolitan Council's 50 percent share</u>		
10.12	<u>of operating costs for the Hiawatha light</u>		
10.13	<u>rail transit line after operating revenue and</u>		
10.14	<u>federal funds are used for light rail transit</u>		
10.15	<u>operations. The remaining 50 percent share</u>		
10.16	<u>of operating costs are to be paid by the</u>		
10.17	<u>Hennepin County Regional Rail Authority,</u>		
10.18	<u>using any or all of these sources:</u>		
10.19	<u>(1) general tax revenues of Hennepin County;</u>		
10.20	<u>(2) the authority's reserves; and</u>		
10.21	<u>(3) taxes levied under Minnesota</u>		
10.22	<u>Statutes, section 398A.04, subdivision</u>		
10.23	<u>8, notwithstanding any provision in that</u>		
10.24	<u>subdivision that limits amounts that may be</u>		
10.25	<u>levied for light rail transit purposes.</u>		
10.26	<u>Sec. 5. PUBLIC SAFETY</u>		
10.27	<u>Subdivision 1. Total Appropriation</u>	<u>\$ 148,608,000</u>	<u>\$ 152,721,000</u>
10.28	<u>Appropriations by Fund</u>		
10.29		<u>2008</u>	<u>2009</u>
10.30	<u>General</u>	<u>10,929,000</u>	<u>9,404,000</u>
10.31	<u>Trunk Highway</u>	<u>80,916,000</u>	<u>85,166,000</u>
10.32	<u>Highway User</u>	<u>8,813,000</u>	<u>9,113,000</u>
10.33	<u>Special Revenue</u>	<u>47,950,000</u>	<u>49,038,000</u>

11.1	<u>The amounts that may be spent for each</u>		
11.2	<u>purpose are specified in the following</u>		
11.3	<u>subdivisions.</u>		
11.4	<u>Subd. 2. Administration and Related Services</u>		
11.5	<u>(a) Office of Communications</u>	<u>402,000</u>	<u>417,000</u>
11.6	<u>Appropriations by Fund</u>		
11.7	<u>General</u>	<u>39,000</u>	<u>40,000</u>
11.8	<u>Trunk Highway</u>	<u>363,000</u>	<u>377,000</u>
11.9	<u>(b) Public Safety Support</u>	<u>7,150,000</u>	<u>7,330,000</u>
11.10	<u>Appropriations by Fund</u>		
11.11	<u>General</u>	<u>2,453,000</u>	<u>2,544,000</u>
11.12	<u>Trunk Highway</u>	<u>3,331,000</u>	<u>3,420,000</u>
11.13	<u>Highway User</u>	<u>1,366,000</u>	<u>1,366,000</u>
11.14	<u>\$380,000 the first year and \$380,000 the</u>		
11.15	<u>second year are for payment of public</u>		
11.16	<u>safety officer survivor benefits under</u>		
11.17	<u>Minnesota Statutes, section 299A.44. If the</u>		
11.18	<u>appropriation for either year is insufficient,</u>		
11.19	<u>the appropriation for the other year is</u>		
11.20	<u>available for it.</u>		
11.21	<u>\$1,199,000 the first year and \$1,367,000</u>		
11.22	<u>the second year are to be deposited in the</u>		
11.23	<u>public safety officer's benefit account. This</u>		
11.24	<u>money is available for reimbursements under</u>		
11.25	<u>Minnesota Statutes, section 299A.465.</u>		
11.26	<u>\$508,000 the first year and \$508,000</u>		
11.27	<u>the second year are for soft body armor</u>		
11.28	<u>reimbursements under Minnesota Statutes,</u>		
11.29	<u>section 299A.38.</u>		
11.30	<u>\$792,000 the first year and \$792,000</u>		
11.31	<u>the second year are appropriated from the</u>		
11.32	<u>general fund for transfer by the commissioner</u>		
11.33	<u>of finance to the trunk highway fund on</u>		
11.34	<u>December 31, 2007, and December 31, 2008,</u>		

12.1	<u>respectively, in order to reimburse the trunk</u>		
12.2	<u>highway fund for expenses not related to the</u>		
12.3	<u>fund. These represent amounts appropriated</u>		
12.4	<u>out of the trunk highway fund for general</u>		
12.5	<u>fund purposes in the administration and</u>		
12.6	<u>related services program.</u>		
12.7	<u>\$610,000 the first year and \$610,000 the</u>		
12.8	<u>second year are appropriated from the</u>		
12.9	<u>highway user tax distribution fund for</u>		
12.10	<u>transfer by the commissioner of finance to</u>		
12.11	<u>the trunk highway fund on December 31,</u>		
12.12	<u>2007, and December 31, 2008, respectively,</u>		
12.13	<u>in order to reimburse the trunk highway</u>		
12.14	<u>fund for expenses not related to the fund.</u>		
12.15	<u>These represent amounts appropriated out</u>		
12.16	<u>of the trunk highway fund for highway</u>		
12.17	<u>user tax distribution fund purposes in the</u>		
12.18	<u>administration and related services program.</u>		
12.19	<u>\$716,000 the first year and \$716,000 the</u>		
12.20	<u>second year are appropriated from the</u>		
12.21	<u>highway user tax distribution fund for</u>		
12.22	<u>transfer by the commissioner of finance to</u>		
12.23	<u>the general fund on December 31, 2007, and</u>		
12.24	<u>December 31, 2008, respectively, in order to</u>		
12.25	<u>reimburse the general fund for expenses not</u>		
12.26	<u>related to the fund. These represent amounts</u>		
12.27	<u>appropriated out of the general fund for</u>		
12.28	<u>operation of the criminal justice data network</u>		
12.29	<u>related to driver and motor vehicle licensing.</u>		
12.30	<u>(c) Technical Support Services</u>	<u>6,300,000</u>	<u>4,616,000</u>
12.31	<u>Appropriations by Fund</u>		
12.32	<u>General</u>	<u>3,937,000</u>	<u>2,253,000</u>
12.33	<u>Trunk Highway</u>	<u>2,344,000</u>	<u>2,344,000</u>
12.34	<u>Highway User</u>	<u>19,000</u>	<u>19,000</u>
12.35	<u>Subd. 3. State Patrol</u>		

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13.1	<u>(a) Patrolling Highways</u>	<u>67,626,000</u>	<u>71,522,000</u>
13.2	<u>Appropriations by Fund</u>		
13.3	<u>General</u>	<u>37,000</u>	<u>37,000</u>
13.4	<u>Trunk Highway</u>	<u>67,497,000</u>	<u>71,393,000</u>
13.5	<u>Highway User</u>	<u>92,000</u>	<u>92,000</u>
13.6	<u>\$2,060,000 the first year and \$3,653,000 the</u>		
13.7	<u>second year are to add 40 state troopers.</u>		
13.8	<u>(b) Commercial Vehicle Enforcement</u>	<u>6,945,000</u>	<u>7,196,000</u>
13.9	<u>This appropriation is from the trunk highway</u>		
13.10	<u>fund.</u>		
13.11	<u>(c) Capitol Security</u>	<u>4,463,000</u>	<u>4,530,000</u>
13.12	<u>This appropriation is from the general fund.</u>		
13.13	<u>Subd. 4. Driver and Vehicle Services</u>		
13.14	<u>(a) Vehicle Services</u>	<u>26,032,000</u>	<u>26,609,000</u>
13.15	<u>Appropriations by Fund</u>		
13.16	<u>Highway User</u>	<u>7,336,000</u>	<u>7,636,000</u>
13.17	<u>Special Revenue</u>	<u>18,696,000</u>	<u>18,973,000</u>
13.18	<u>The base appropriation from the highway</u>		
13.19	<u>user tax distribution fund is \$7,936,000 for</u>		
13.20	<u>fiscal year 2010 and \$8,236,000 for fiscal</u>		
13.21	<u>year 2011.</u>		
13.22	<u>The special revenue fund appropriation is</u>		
13.23	<u>from the vehicle services operating account.</u>		
13.24	<u>(b) Driver Services</u>	<u>27,940,000</u>	<u>28,712,000</u>
13.25	<u>Appropriations by Fund</u>		
13.26	<u>Special Revenue</u>	<u>27,939,000</u>	<u>28,711,000</u>
13.27	<u>Trunk Highway</u>	<u>1,000</u>	<u>1,000</u>
13.28	<u>Subd. 5. Traffic Safety</u>	<u>435,000</u>	<u>435,000</u>
13.29	<u>This appropriation is from the trunk highway</u>		
13.30	<u>fund.</u>		
13.31	<u>The commissioner of public safety shall</u>		
13.32	<u>spend 50 percent of the money available</u>		

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14.1	<u>to the state under Public Law 105-206,</u>			
14.2	<u>section 164, and the remaining 50 percent</u>			
14.3	<u>must be transferred to the commissioner</u>			
14.4	<u>of transportation for hazard elimination</u>			
14.5	<u>activities under United States Code, title 23,</u>			
14.6	<u>section 152.</u>			
14.7	<u>Subd. 6. Pipeline Safety</u>	<u>1,315,000</u>		<u>1,354,000</u>
14.8	<u>This appropriation is from the pipeline safety</u>			
14.9	<u>account in the special revenue fund.</u>			
14.10	<u>Sec. 6. GENERAL CONTINGENT</u>			
14.11	<u>ACCOUNTS</u>	<u>\$ 375,000</u>	<u>\$</u>	<u>375,000</u>
14.12	<u>Appropriations by Fund</u>			
14.13	<u>2008 2009</u>			
14.14	<u>Trunk Highway 200,000 200,000</u>			
14.15	<u>Highway User 125,000 125,000</u>			
14.16	<u>Airports 50,000 50,000</u>			
14.17	<u>The appropriations in this section may only</u>			
14.18	<u>be spent with the approval of the governor</u>			
14.19	<u>after consultation with the Legislative</u>			
14.20	<u>Advisory Commission under Minnesota</u>			
14.21	<u>Statutes, section 3.30.</u>			
14.22	<u>If an appropriation in this section for either</u>			
14.23	<u>year is insufficient, the appropriation for the</u>			
14.24	<u>other year is available for it.</u>			
14.25	<u>Sec. 7. TORT CLAIMS</u>	<u>\$ 600,000</u>	<u>\$</u>	<u>600,000</u>
14.26	<u>To be spent by the commissioner of finance.</u>			
14.27	<u>This appropriation is from the trunk highway</u>			
14.28	<u>fund.</u>			
14.29	<u>If the appropriation for either year is</u>			
14.30	<u>insufficient, the appropriation for the other</u>			
14.31	<u>year is available for it.</u>			

ARTICLE 2

HIGHWAY BONDS

Section 1. **HIGHWAY BONDING AND APPROPRIATIONS.**

Subdivision 1. **Trunk highway projects financed by state bonds.** (a)

\$1,700,000,000 is appropriated from the bond proceeds account in the trunk highway fund to the commissioner of transportation for the actual construction, reconstruction, and improvement of trunk highways. This includes the cost of actual payments to landowners for lands acquired for highway rights-of-way, payments to lessees, interest subsidies, and relocation expenses.

(b) The commissioner of transportation may use up to \$289,000,000 of this appropriation for program delivery.

(c) The commissioner shall use at least \$50,000,000 of this appropriation for accelerating transit facility improvements on or adjacent to trunk highways.

Subd. 2. **Bond sale.** To provide the money appropriated in subdivision 1 from the bond proceeds account in the trunk highway fund, the commissioner of finance shall sell and issue bonds of the state in an amount up to \$1,700,000,000 in the manner, on the terms, and with the effect prescribed by Minnesota Statutes, sections 167.50 to 167.52, and by the Minnesota Constitution, article XIV, section 11, at the times and in the amount requested by the commissioner of transportation. The proceeds of the bonds, except accrued interest and any premium received from the sale of the bonds, must be deposited in the bond proceeds account in the trunk highway fund.

Subd. 3. **Bond sale expenses.** \$1,700,000 is appropriated from the bond proceeds account in the trunk highway fund to the commissioner of finance for bond sale expenses under Minnesota Statutes, sections 16A.641, subdivision 8, and 167.50, subdivision 4.

ARTICLE 3

TRANSPORTATION FINANCE

Section 1. Minnesota Statutes 2006, section 16A.88, is amended to read:

16A.88 TRANSIT FUNDS ASSISTANCE FUND.

Subdivision 1. **Transit assistance fund established.** A transit assistance fund is established within the state treasury. The fund receives money distributed under sections 297A.815, subdivision 3, and 297B.09, subdivision 1, and other money as specified by law. Money in the fund must be allocated to the greater Minnesota transit account under subdivision 1a and the metropolitan area transit account under subdivision 2 in the manner

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16.1 specified in sections 297A.815 and 297B.09, subdivision 1, and must be used for transit
16.2 purposes.

16.3 Subd. 1a. **Greater Minnesota transit fund account.** The greater Minnesota transit
16.4 fund account is established within the transit assistance fund in the state treasury. Money
16.5 in the fund account is annually appropriated to the commissioner of transportation for
16.6 assistance to transit systems outside the metropolitan area under section 174.24. ~~Beginning~~
16.7 ~~in fiscal year 2003,~~ The commissioner may use up to ~~\$400,000 each year~~ \$408,000 in
16.8 fiscal year 2008 and \$416,000 in fiscal year 2009 and thereafter for administration of the
16.9 transit program. The commissioner shall use the fund account for transit operations as
16.10 provided in section 174.24 and related program administration.

16.11 Subd. 2. **Metropolitan area transit fund account.** The metropolitan area transit
16.12 fund account is established within the transit assistance fund in the state treasury. All
16.13 money in the fund account is annually appropriated to the Metropolitan Council for the
16.14 funding of transit systems within the metropolitan area under sections 473.384, 473.386,
16.15 473.387, 473.388, and 473.405 to 473.449.

16.16 ~~Subd. 3. **Metropolitan area transit appropriation account.** The metropolitan~~
16.17 ~~area transit appropriation account is established within the general fund. Money in the~~
16.18 ~~account is to be used for the funding of transit systems in the metropolitan area, subject to~~
16.19 ~~legislative appropriation.~~

16.20 **EFFECTIVE DATE.** This section is effective July 1, 2007.

16.21 Sec. 2. Minnesota Statutes 2006, section 161.04, subdivision 3, is amended to read:

16.22 Subd. 3. **Trunk highway revolving loan account.** A trunk highway revolving loan
16.23 account is created in the transportation revolving loan fund under section 446A.085.
16.24 The commissioner may transfer money from the trunk highway fund to the trunk
16.25 highway revolving loan account and from the trunk highway revolving loan account to
16.26 the trunk highway fund. Money in the account may be used to make loans. Funds in
16.27 the trunk highway revolving loan account may not be used for any toll facilities project
16.28 or congestion-pricing project and may be used only for trunk highway purposes and
16.29 repayments and interest from loans of those funds must be credited to the trunk highway
16.30 revolving loan account in the transportation revolving loan fund. Money in the trunk
16.31 highway revolving loan account is annually appropriated to the commissioner and does
16.32 not lapse. Interest earned from investment of money in this account must be deposited in
16.33 the trunk highway revolving loan account.

16.34 Sec. 3. Minnesota Statutes 2006, section 297A.70, subdivision 2, is amended to read:

Subd. 2. **Sales to government.** (a) All sales, except those listed in paragraph (b), to the following governments and political subdivisions, or to the listed agencies or instrumentalities of governments and political subdivisions, are exempt:

(1) the United States and its agencies and instrumentalities;

(2) school districts, the University of Minnesota, state universities, community colleges, technical colleges, state academies, the Perpich Minnesota Center for Arts Education, and an instrumentality of a political subdivision that is accredited as an optional/special function school by the North Central Association of Colleges and Schools;

(3) hospitals and nursing homes owned and operated by political subdivisions of the state of tangible personal property and taxable services used at or by hospitals and nursing homes;

(4) the Metropolitan Council, for its purchases of vehicles and repair parts to equip operations provided for in section 473.4051;

(5) other states or political subdivisions of other states, if the sale would be exempt from taxation if it occurred in that state; ~~and~~

(6) sales to public libraries, public library systems, multicounty, multitype library systems as defined in section 134.001, county law libraries under chapter 134A, state agency libraries, the state library under section 480.09, and the Legislative Reference Library; and

(7) the Department of Transportation, for purchases that are made from the trunk highway fund.

(b) This exemption does not apply to the sales of the following products and services:

(1) building, construction, or reconstruction materials purchased by a contractor or a subcontractor as a part of a lump-sum contract or similar type of contract with a guaranteed maximum price covering both labor and materials for use in the construction, alteration, or repair of a building or facility;

(2) construction materials purchased by tax exempt entities or their contractors to be used in constructing buildings or facilities which will not be used principally by the tax exempt entities;

(3) the leasing of a motor vehicle as defined in section 297B.01, subdivision 5, except for leases entered into by the United States or its agencies or instrumentalities; or

(4) lodging as defined under section 297A.61, subdivision 3, paragraph (g), clause (2), and prepared food, candy, and soft drinks, except for lodging, prepared food, candy, and soft drinks purchased directly by the United States or its agencies or instrumentalities.

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18.1 (c) As used in this subdivision, "school districts" means public school entities and
18.2 districts of every kind and nature organized under the laws of the state of Minnesota, and
18.3 any instrumentality of a school district, as defined in section 471.59.

18.4 Sec. 4. Minnesota Statutes 2006, section 297A.815, is amended by adding a
18.5 subdivision to read:

18.6 Subd. 3. **Deposit of revenues.** Notwithstanding section 297A.94 or any law to
18.7 the contrary, money collected and received under this section must be deposited in the
18.8 same manner and in the same proportions as provided for revenues collected under
18.9 chapter 297B.

18.10 **EFFECTIVE DATE.** This section is effective beginning with revenues collected
18.11 and remitted beginning July 1, 2007.

18.12 Sec. 5. Minnesota Statutes 2006, section 297A.94, is amended to read:

18.13 **297A.94 DEPOSIT OF REVENUES.**

18.14 (a) Except as provided in this section, the commissioner shall deposit the revenues,
18.15 including interest and penalties, derived from the taxes imposed by this chapter in the state
18.16 treasury and credit them to the general fund.

18.17 (b) The commissioner shall deposit taxes in the Minnesota agricultural and economic
18.18 account in the special revenue fund if:

18.19 (1) the taxes are derived from sales and use of property and services purchased for
18.20 the construction and operation of an agricultural resource project; and

18.21 (2) the purchase was made on or after the date on which a conditional commitment
18.22 was made for a loan guaranty for the project under section 41A.04, subdivision 3.

18.23 The commissioner of finance shall certify to the commissioner the date on which the
18.24 project received the conditional commitment. The amount deposited in the loan guaranty
18.25 account must be reduced by any refunds and by the costs incurred by the Department of
18.26 Revenue to administer and enforce the assessment and collection of the taxes.

18.27 (c) The commissioner shall deposit the revenues, including interest and penalties,
18.28 derived from the taxes imposed on sales and purchases included in section 297A.61,
18.29 subdivision 3, paragraph (g), clauses (1) and (4), in the state treasury, and credit them
18.30 as follows:

18.31 (1) first to the general obligation special tax bond debt service account in each fiscal
18.32 year the amount required by section 16A.661, subdivision 3, paragraph (b); and

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19.1 (2) after the requirements of clause (1) have been met, the balance to the general
19.2 fund.

19.3 (d) The commissioner shall deposit the revenues, including interest and penalties,
19.4 collected under section 297A.64, subdivision 5, in the state treasury and credit them to the
19.5 general fund. By July 15 of each year the commissioner shall transfer to the highway user
19.6 tax distribution fund an amount equal to the excess fees collected under section 297A.64,
19.7 subdivision 5, for the previous calendar year.

19.8 (e) For fiscal year 2001, 97 percent; for fiscal years 2002 and 2003, 87 percent; and
19.9 for fiscal year 2004 and thereafter, 72.43 percent of the revenues, including interest and
19.10 penalties, transmitted to the commissioner under section 297A.65, must be deposited by
19.11 the commissioner in the state treasury as follows:

19.12 (1) 50 percent of the receipts must be deposited in the heritage enhancement account
19.13 in the game and fish fund, and may be spent only on activities that improve, enhance, or
19.14 protect fish and wildlife resources, including conservation, restoration, and enhancement
19.15 of land, water, and other natural resources of the state;

19.16 (2) 22.5 percent of the receipts must be deposited in the natural resources fund, and
19.17 may be spent only for state parks and trails;

19.18 (3) 22.5 percent of the receipts must be deposited in the natural resources fund, and
19.19 may be spent only on metropolitan park and trail grants;

19.20 (4) three percent of the receipts must be deposited in the natural resources fund, and
19.21 may be spent only on local trail grants; and

19.22 (5) two percent of the receipts must be deposited in the natural resources fund,
19.23 and may be spent only for the Minnesota Zoological Garden, the Como Park Zoo and
19.24 Conservatory, and the Duluth Zoo.

19.25 (f) The revenue dedicated under paragraph (e) may not be used as a substitute
19.26 for traditional sources of funding for the purposes specified, but the dedicated revenue
19.27 shall supplement traditional sources of funding for those purposes. Land acquired with
19.28 money deposited in the game and fish fund under paragraph (e) must be open to public
19.29 hunting and fishing during the open season, except that in aquatic management areas or
19.30 on lands where angling easements have been acquired, fishing may be prohibited during
19.31 certain times of the year and hunting may be prohibited. At least 87 percent of the money
19.32 deposited in the game and fish fund for improvement, enhancement, or protection of fish
19.33 and wildlife resources under paragraph (e) must be allocated for field operations.

19.34 (g) The revenues, including interest and penalties, collected under section 297A.815
19.35 must be deposited as provided for in that section.

EFFECTIVE DATE. This section is effective beginning with revenues collected and remitted beginning July 1, 2007.

Sec. 6. Minnesota Statutes 2006, section 297B.09, subdivision 1, is amended to read:

Subdivision 1. **Deposit of revenues.** (a) Money collected and received under this chapter must be deposited as provided in this subdivision.

~~(b) From July 1, 2002, to June 30, 2003, 32 percent of the money collected and received must be deposited in the highway user tax distribution fund, 20.5 percent must be deposited in the metropolitan area transit fund under section 16A.88, and 1.25 percent must be deposited in the greater Minnesota transit fund under section 16A.88. The remaining money must be deposited in the general fund.~~

~~(c) From July 1, 2003, to June 30, 2007, 30 percent of the money collected and received must be deposited in the highway user tax distribution fund, 21.5 percent must be deposited in the metropolitan area transit fund under section 16A.88, 1.43 percent must be deposited in the greater Minnesota transit fund under section 16A.88, 0.65 percent must be deposited in the county state-aid highway fund, and 0.17 percent must be deposited in the municipal state-aid street fund. The remaining money must be deposited in the general fund.~~

~~(d) On and after~~ From July 1, 2007, 32 through June 30, 2008, 38.25 percent of the money collected and received must be deposited in the highway user tax distribution fund, 20.5 23.95 percent must be deposited in the metropolitan area transit fund account under section 16A.88, and 1.25 1.55 percent must be deposited in the greater Minnesota transit fund account under section 16A.88. The remaining money must be deposited in the general fund.

(c) From July 1, 2008, through June 30, 2009, 44.25 percent of the money collected and received must be deposited in the highway user tax distribution fund, 27.85 percent must be deposited in the metropolitan area transit account under section 16A.88, 1.65 percent must be deposited in the greater Minnesota transit account under section 16A.88, and the remaining money must be deposited in the general fund.

(d) From July 1, 2009, through June 30, 2010, 50.25 percent of the money collected and received must be deposited in the highway user tax distribution fund, 31.75 percent must be deposited in the metropolitan area transit account under section 16A.88, 1.75 percent must be deposited in the greater Minnesota transit account under section 16A.88, and the remaining money must be deposited in the general fund.

(e) From July 1, 2010, through June 30, 2011, 56.25 percent of the money collected and received must be deposited in the highway user tax distribution fund, 35.6 percent

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21.1 must be deposited in the metropolitan area transit account under section 16A.88, 1.9
21.2 percent must be deposited in the greater Minnesota transit account under section 16A.88,
21.3 and the remaining money must be deposited in the general fund.

21.4 (f) On and after July 1, 2011, 60 percent of the money collected and received must
21.5 be deposited in the highway user tax distribution fund, 38 percent must be deposited in the
21.6 metropolitan area transit account under section 16A.88, and two percent must be deposited
21.7 in the greater Minnesota transit account under section 16A.88.

21.8 **EFFECTIVE DATE.** This section is effective July 1, 2007.

21.9 Sec. 7. Minnesota Statutes 2006, section 473.388, subdivision 4, is amended to read:

21.10 Subd. 4. **Financial assistance.** (a) The council must grant the requested financial
21.11 assistance if it determines that the proposed service is intended to replace the service to
21.12 the applying city or town or combination thereof by the council and that the proposed
21.13 service will meet the needs of the applicant at least as efficiently and effectively as the
21.14 existing service.

21.15 (b) The amount of assistance which the council must provide to a system under this
21.16 section may not be less than the sum of the amounts determined for each municipality
21.17 comprising the system as follows:

21.18 (1) the transit operating assistance grants received under this subdivision by the
21.19 municipality in calendar year 2001 or the tax revenues for transit services levied by the
21.20 municipality for taxes payable in 2001, including that portion of the levy derived from
21.21 the areawide pool under section 473F.08, subdivision 3, clause (a), plus the portion of
21.22 the municipality's aid under section 273.1398, subdivision 2, attributable to the transit
21.23 levy; times

21.24 (2) the ratio of (i) ~~the appropriation from the transit fund to the council for nondebt~~
21.25 ~~transit operations~~ an amount equal to 3.623 percent of the state revenues generated from
21.26 the taxes imposed under section 297A.815 and chapter 297B for the current fiscal year to
21.27 (ii) ~~the total levy certified by the council under section 473.446 and the opt-out transit~~
21.28 operating assistance grants received under this subdivision in calendar year 2001 or the
21.29 tax revenues for transit services levied by all replacement service municipalities under
21.30 this section for taxes payable in 2001, including that portion of the levy derived from
21.31 the areawide pool under section 473F.08, subdivision 3, clause (a), plus the portion of
21.32 homestead and agricultural credit aid under section 273.1398, subdivision 2, attributable
21.33 to nondebt transit levies, times

21.34 (3) the ratio of (i) the municipality's total taxable market value for taxes payable in
21.35 ~~the most recent year for which data is available~~ 2007 divided by the municipality's total

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22.1 taxable market value for taxes payable in 2001, to (ii) the total taxable market value of
22.2 all property ~~in the metropolitan area~~ located in replacement service municipalities for
22.3 taxes payable in ~~the most recent year for which data is available~~ 2007 divided by the
22.4 total taxable market value of all property ~~in the metropolitan area~~ located in replacement
22.5 service municipalities for taxes payable in 2001.

22.6 (c) The council shall pay the amount to be provided to the recipient from the funds
22.7 the council ~~would otherwise use to fund its transit operations~~ receives in the metropolitan
22.8 area transit account under section 16A.88.

22.9 Sec. 8. **REPEALER.**

22.10 Minnesota Statutes 2006, section 174.32, is repealed.

22.11 **ARTICLE 4**

22.12 **PUBLIC SAFETY DEPARTMENT SERVICES FEES**

22.13 Section 1. Minnesota Statutes 2006, section 168.017, subdivision 3, is amended to read:

22.14 Subd. 3. **Exceptions.** (a) The registrar shall register all vehicles subject to
22.15 registration under the monthly series system for a period of 12 consecutive calendar
22.16 months, unless:

22.17 (1) the application is an original rather than renewal application; or

22.18 (2) the applicant is a licensed motor vehicle lessor under section 168.27, in which
22.19 case the applicant may apply for initial ~~or renewed~~ registration of a vehicle for a period
22.20 of four or more months, the month of expiration to be designated by the applicant at the
22.21 time of registration. However, to qualify for this exemption, the applicant must pay a \$10
22.22 administrative fee and present the application to the registrar at St. Paul, or at a designated
22.23 deputy registrar offices as the registrar may designate. office. At the end of the initial
22.24 registration period, the applicant may only renew the registration on the vehicle for the
22.25 remainder of the period prescribed under subdivision 1 had the applicant not utilized the
22.26 exception in this subdivision. Upon the renewal of registration, the applicant shall pay
22.27 1/12 of the annual tax for each calendar month remaining in the registration period in
22.28 addition to a \$10 administrative fee. Nothing in this subdivision prohibits the applicant
22.29 from purchasing registration for an additional full registration period in conjunction with
22.30 the purchase of the remainder portion.

22.31 (b) In any instance except that of a licensed motor vehicle lessor, the registrar shall
22.32 not approve registering the vehicle subject to the application for a period of less than three
22.33 months, except when the registrar determines that to do otherwise will help to equalize
22.34 the registration and renewal work load of the department.

(c) The fee collected under paragraph (a), clause (2), must be deposited in the vehicle services operating account in the special revenue fund as specified in section 299A.705.

Sec. 2. Minnesota Statutes 2006, section 168.12, subdivision 5, is amended to read:

Subd. 5. **Additional fee.** (a) In addition to any fee otherwise authorized or any tax otherwise imposed upon any vehicle, the payment of which is required as a condition to the issuance of any plate or plates, the commissioner shall impose the fee specified in paragraph (b) that is calculated to cover the cost of manufacturing and issuing the plate or plates, except for plates issued to disabled veterans as defined in section 168.031 and plates issued pursuant to section 168.124, 168.125, or 168.27, subdivisions 16 and 17, for passenger automobiles. ~~The commissioner shall issue graphic design plates only for vehicles registered pursuant to section 168.017 and recreational vehicles registered pursuant to section 168.013, subdivision 1g.~~

(b) Unless otherwise specified or exempted by statute, the following plate and validation sticker fees apply for the original, duplicate, or replacement issuance of a plate in a plate year:

Sequential Regular Double Plate	\$	4.25	
Sequential Special Plate-Double	\$	7.00	
Sequential Regular Single Plate	\$	3.00	
Sequential Special Plate-Single	\$	5.50	
Utility Trailer Self-Adhesive Plate	\$	2.50	
Nonsequential Double Plate	\$	14.00	
Nonsequential Single Plate	\$	10.00	
Duplicate Sticker	\$	1.00	
<u>License Plate</u>		<u>Single</u>	<u>Double</u>
<u>Regular and Disability</u>	\$	<u>4.50</u>	\$ <u>6.00</u>
<u>Special</u>	\$	<u>8.50</u>	\$ <u>10.00</u>
<u>Personalized (Replacement)</u>	\$	<u>10.00</u>	\$ <u>14.00</u>
<u>Collector Category</u>	\$	<u>13.50</u>	\$ <u>15.00</u>
<u>Emergency Vehicle Display</u>	\$	<u>3.00</u>	\$ <u>6.00</u>
<u>Utility Trailer Self-Adhesive</u>	\$	<u>2.50</u>	
<u>Stickers</u>			
<u>Duplicate year</u>	\$	<u>1.00</u>	\$ <u>1.00</u>
<u>International Fuel Tax Agreement</u>	\$	<u>2.50</u>	

(c) For vehicles that require two of the categories above, the registrar shall only charge the higher of the two fees and not a combined total.

Sec. 3. Minnesota Statutes 2006, section 168A.29, subdivision 1, is amended to read:

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24.1 Subdivision 1. **Amounts.** (a) The department must be paid the following fees:

24.2 (1) for filing an application for and the issuance of an original certificate of title, the
24.3 sum of ~~\$5.50~~ \$6.25 of which ~~\$2.50~~ \$3.25 must be paid into the vehicle services operating
24.4 account of the special revenue fund under section 299A.705;

24.5 (2) for each security interest when first noted upon a certificate of title, including the
24.6 concurrent notation of any assignment thereof and its subsequent release or satisfaction,
24.7 the sum of \$2, except that no fee is due for a security interest filed by a public authority
24.8 under section 168A.05, subdivision 8;

24.9 (3) for the transfer of the interest of an owner and the issuance of a new certificate of
24.10 title, the sum of \$5.50 of which \$2.50 must be paid into the vehicle services operating
24.11 account of the special revenue fund under section 299A.705;

24.12 (4) for each assignment of a security interest when first noted on a certificate of title,
24.13 unless noted concurrently with the security interest, the sum of \$1;

24.14 (5) for issuing a duplicate certificate of title, the sum of ~~\$6.50~~ \$7.25 of which ~~\$2.50~~
24.15 \$3.25 must be paid into the vehicle services operating account of the special revenue fund
24.16 under section 299A.705.

24.17 (b) After June 30, 1994, in addition to each of the fees required under paragraph (a),
24.18 clauses (1) and (3), the department must be paid \$3.50. The additional \$3.50 fee collected
24.19 under this paragraph must be deposited in the special revenue fund and credited to the
24.20 public safety motor vehicle account established in section 299A.70.

24.21 Sec. 4. Minnesota Statutes 2006, section 171.02, subdivision 3, is amended to read:

24.22 Subd. 3. **Motorized bicycle.** (a) A motorized bicycle may not be operated on any
24.23 public roadway by any person who does not possess a valid driver's license, unless the
24.24 person has obtained a motorized bicycle operator's permit or motorized bicycle instruction
24.25 permit from the commissioner of public safety. The operator's permit may be issued to
24.26 any person who has attained the age of 15 years and who has passed the examination
24.27 prescribed by the commissioner. The instruction permit may be issued to any person who
24.28 has attained the age of 15 years and who has successfully completed an approved safety
24.29 course and passed the written portion of the examination prescribed by the commissioner.

24.30 (b) This course must consist of, but is not limited to, a basic understanding of:

24.31 (1) motorized bicycles and their limitations;

24.32 (2) motorized bicycle laws and rules;

24.33 (3) safe operating practices and basic operating techniques;

24.34 (4) helmets and protective clothing;

24.35 (5) motorized bicycle traffic strategies; and

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25.1 (6) effects of alcohol and drugs on motorized bicycle operators.

(c) The commissioner may adopt rules prescribing the content of the safety course, examination, and the information to be contained on the permits. A person operating a motorized bicycle under a motorized bicycle permit is subject to the restrictions imposed by section 169.974, subdivision 2, on operation of a motorcycle under a two-wheel instruction permit.

25.7 (d) The fees for motorized bicycle operator's permits are as follows:

25.8	(1) Examination and operator's permit, valid for one year	\$ 6 <u>6.75</u>
25.9	(2) Duplicate	\$ 3 <u>3.75</u>
25.10	(3) Renewal permit before age 21 and valid until age 21	\$ 9 <u>9.75</u>
25.11	(4) Renewal permit age 21 or older and valid for four years	\$ 15 <u>15.75</u>
25.12	(5) Duplicate of any renewal permit	\$ 4.50 <u>5.25</u>
25.13	(6) Written examination and instruction permit, valid for 30	
25.14	days	\$ 6 <u>6.75</u>

25.15 Sec. 5. Minnesota Statutes 2006, section 171.06, subdivision 2, is amended to read:

25.16 Subd. 2. **Fees.** (a) The fees for a license and Minnesota identification card are
25.17 as follows:

25.18	Classified Driver's				
25.19	License	D-\$21.50	C-\$25.50	B-\$32.50	A-\$40.50
25.20	Classified Under -21 D.L.	D-\$21.50	C-\$25.50	B-\$32.50	A-\$20.50
25.21	<u>Classified Driver's</u>				
25.22	<u>License</u>	<u>D-\$22.25</u>	<u>C-\$26.25</u>	<u>B-\$33.25</u>	<u>A-\$41.25</u>
25.23	<u>Classified Under-21 D.L.</u>	<u>D-\$22.25</u>	<u>C-\$26.25</u>	<u>B-\$33.25</u>	<u>A-\$21.25</u>
25.24					<u>\$9.50</u>
25.25	Instruction Permit				<u>\$10.25</u>
25.26					<u>\$12.50</u>
25.27	Provisional License				<u>\$13.25</u>
25.28	Duplicate License or				
25.29	duplicate identification				<u>\$11.00</u>
25.30	card				<u>\$11.75</u>
25.31	Minnesota identification				
25.32	card or Under-21				
25.33	Minnesota identification				
25.34	card, other than duplicate,				
25.35	except as otherwise				
25.36	provided in section				
25.37	171.07, subdivisions 3				<u>\$15.50</u>
25.38	and 3a				<u>\$16.25</u>

25.39 (b) Notwithstanding paragraph (a), an individual who holds a provisional license and
25.40 has a driving record free of (1) convictions for a violation of section 169A.20, 169A.33,
25.41 169A.35, or sections 169A.50 to 169A.53, (2) convictions for crash-related moving
25.42 violations, and (3) convictions for moving violations that are not crash related, shall have a

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26.1 \$3.50 credit toward the fee for any classified under-21 driver's license. "Moving violation"
26.2 has the meaning given it in section 171.04, subdivision 1.

26.3 (c) In addition to the driver's license fee required under paragraph (a), the
26.4 commissioner shall collect an additional \$4 processing fee from each new applicant
26.5 or individual renewing a license with a school bus endorsement to cover the costs for
26.6 processing an applicant's initial and biennial physical examination certificate. The
26.7 department shall not charge these applicants any other fee to receive or renew the
26.8 endorsement.

26.9 Sec. 6. Minnesota Statutes 2006, section 171.07, subdivision 3a, is amended to read:

26.10 Subd. 3a. **Identification cards for seniors.** A Minnesota identification card issued
26.11 to an applicant 65 years of age or over shall be of a distinguishing color and plainly
26.12 marked "senior." The fee for the card issued to an applicant 65 years of age or over shall
26.13 be one-half the required fee for a class D driver's license rounded down to the nearest
26.14 quarter dollar. A Minnesota identification card or a Minnesota driver's license issued to a
26.15 person 65 years of age or over shall be valid identification for the purpose of qualifying
26.16 for reduced rates, free licenses or services provided by any board, commission, agency or
26.17 institution that is wholly or partially funded by state appropriations.

26.18 Sec. 7. Minnesota Statutes 2006, section 171.07, subdivision 11, is amended to read:

26.19 Subd. 11. **Standby or temporary custodian.** (a) Upon the written request of the
26.20 applicant and upon payment of an additional fee of ~~\$3.50~~ \$4.25, the department shall issue
26.21 a driver's license or Minnesota identification card bearing a symbol or other appropriate
26.22 identifier indicating that the license holder has appointed an individual to serve as a
26.23 standby or temporary custodian under chapter 257B.

26.24 (b) The request must be accompanied by a copy of the designation executed under
26.25 section 257B.04.

26.26 (c) The department shall maintain a computerized records system of all individuals
26.27 listed as standby or temporary custodians by driver's license and identification card
26.28 applicants. This data must be released to appropriate law enforcement agencies under
26.29 section 13.69. Upon a parent's request and payment of a fee of ~~\$3.50~~ \$4.25, the
26.30 department shall revise its list of standby or temporary custodians to reflect a change
26.31 in the appointment.

26.32 (d) At the request of the license or cardholder, the department shall cancel the
26.33 standby or temporary custodian indication without additional charge. However, this
26.34 paragraph does not prohibit a fee that may be applicable for a duplicate or replacement

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27.1 license or card, renewal of a license, or other service applicable to a driver's license or
27.2 identification card.

27.3 (e) Notwithstanding sections 13.08, subdivision 1, and 13.69, the department
27.4 and department employees are conclusively presumed to be acting in good faith when
27.5 employees rely on statements made, in person or by telephone, by persons purporting to be
27.6 law enforcement and subsequently release information described in paragraph (b). When
27.7 acting in good faith, the department and department personnel are immune from civil
27.8 liability and not subject to suit for damages resulting from the release of this information.

27.9 (f) The department and its employees:

27.10 (1) have no duty to inquire or otherwise determine whether a designation submitted
27.11 under this subdivision is legally valid and enforceable; and

27.12 (2) are immune from all civil liability and not subject to suit for damages resulting
27.13 from a claim that the designation was not legally valid and enforceable.

27.14 (g) Of the fees received by the department under this subdivision:

27.15 (1) Up to \$61,000 received must be deposited in the general fund.

27.16 (2) All other fees must be deposited in the driver services operating account in the
27.17 special revenue fund specified in section 299A.705.

27.18 Sec. 8. Minnesota Statutes 2006, section 171.20, subdivision 4, is amended to read:

27.19 Subd. 4. **Reinstatement fee.** (a) Before the license is reinstated, (1) an individual
27.20 whose driver's license has been suspended under section 171.16, subdivisions 2 and 3;
27.21 171.175; 171.18; or 171.182, or who has been disqualified from holding a commercial
27.22 driver's license under section 171.165, and (2) an individual whose driver's license has
27.23 been suspended under section 171.186 and who is not exempt from such a fee, must
27.24 pay a fee of \$20.

27.25 (b) Before the license is reinstated, an individual whose license has been suspended
27.26 under sections 169.791 to 169.798 must pay a \$20 reinstatement fee.

27.27 (c) When fees are collected by a licensing agent appointed under section 171.061, a
27.28 handling charge is imposed in the amount specified under section 171.061, subdivision 4.
27.29 The reinstatement fee and surcharge must be deposited in an approved state depository as
27.30 directed under section 171.061, subdivision 4.

27.31 (d) Reinstatement fees collected under paragraph (a) for suspensions under sections
27.32 171.16, subdivision 3, and 171.18, subdivision 1, clause (10), must be deposited in the
27.33 special revenue fund and are appropriated to the Peace Officer Standards and Training
27.34 Board for peace officer training reimbursement to local units of government.

27.35 (e) A suspension may be rescinded without fee for good cause.

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28.1 Sec. 9. Minnesota Statutes 2006, section 299D.09, is amended to read:

28.2 **299D.09 ESCORT SERVICE; APPROPRIATION; RECEIPTS.**

28.3 Fees charged for escort services provided by the State Patrol are annually
28.4 appropriated to the commissioner of public safety to administer and provide these services.

28.5 The fees charged for services provided by the State Patrol with a vehicle are \$73.60
28.6 an hour in fiscal year 2008 and \$75.76 an hour in fiscal year 2009 and thereafter. The fees
28.7 charged for services provided without a vehicle are \$54.00 an hour in fiscal year 2008 and
28.8 \$56.16 an hour in fiscal year 2009 and thereafter.

28.9 The fees charged for State Patrol flight services are \$140 an hour for a fixed wing
28.10 aircraft, \$490 an hour for a helicopter, and \$600 an hour for the Queen Air.

APPENDIX
Article locations in 07-4217

ARTICLE 1	TRANSPORTATION APPROPRIATIONS	Page.Ln 1.17
ARTICLE 2	HIGHWAY BONDS	Page.Ln 15.1
ARTICLE 3	TRANSPORTATION FINANCE	Page.Ln 15.25
ARTICLE 4	PUBLIC SAFETY DEPARTMENT SERVICES FEES	Page.Ln 22.11

174.32 TRANSIT ASSISTANCE PROGRAM.

Subdivision 1. **Establishment; purpose.** A transit assistance program is established to provide transit assistance within the state from the fund created in subdivision 2 to eligible recipients for transit service activities as provided in this section.

Subd. 2. **Transit assistance fund; distribution.** The transit assistance fund receives money distributed under section 297B.09. Eighty percent of the receipts of the fund must be placed into a metropolitan account for distribution to recipients located in the metropolitan area and 20 percent into a separate account for distribution to recipients located outside of the metropolitan area. Except as otherwise provided in this subdivision, the Metropolitan Council is responsible for distributing assistance from the metropolitan account, and the commissioner is responsible for distributing assistance from the other account.

Subd. 3. **Eligible recipient.** A legislatively established public transit commission; a public authority organized and existing under chapter 398A; a county or statutory or home rule charter city operating, intending to operate, or providing financial assistance to a transit service; a rail authority; or a private operator of public transit is eligible for assistance under the program. The National Railroad Passenger Corporation, known as Amtrak, and any trolley system outside the metropolitan area are not eligible for assistance under the program.

Subd. 4. **Eligible service.** Transit services eligible for assistance under the program include but are not limited to:

- (1) public transit;
- (2) light rail transit;
- (3) commuter van, car pool, ride share, and park and ride; and
- (4) other services that further the purposes of section 174.21.

Subd. 5. **Eligible activity.** Activities eligible for assistance under the program include but are not limited to:

- (1) planning and engineering design for transit services;
- (2) capital assistance to purchase or refurbish transit vehicles, purchase rail lines and associated facilities for light rail transit, purchase rights-of-way, and other capital expenditures necessary to provide a transit service; and
- (3) other assistance for public transit services.

Subd. 6. **Investment of transit assistance fund money.** For money deposited in the transit assistance fund on or after January 15, 1985, the commissioner of transportation shall certify to the State Board of Investment the amount of the transit assistance fund that in the judgment of the commissioner is not required for immediate use. The certified amount of the transit assistance fund not currently needed shall be invested by the State Board of Investment subject to section 11A.25. All investment income and all investment losses attributable to the investments must be credited to the transit assistance fund. The commissioner of finance is the custodian of securities purchased under this section.