

SENATE
STATE OF MINNESOTA
EIGHTY-SEVENTH LEGISLATURE **S.F. No. 2321**

(SENATE AUTHORS: GIMSE)

DATE	D-PG	OFFICIAL STATUS
03/08/2012	4241	Introduction and first reading Referred to Transportation
03/19/2012	4563a	Comm report: To pass as amended and re-refer to Taxes
03/27/2012		Comm report: To pass as amended and re-refer to Finance See SF2243

A bill for an act

1.1 relating to transportation; providing for alternatives for contracting and
1.2 procurement, state aid, traffic regulations and reports, vehicles, vehicle titles,
1.3 school buses, transit fares, and studies; providing penalties; appropriating
1.4 money; amending Minnesota Statutes 2010, sections 13.72, by adding a
1.5 subdivision; 116.06, subdivision 22; 161.14, by adding a subdivision; 161.321;
1.6 162.02, subdivisions 2, 3; 162.09, subdivisions 2, 3, 4; 162.13, subdivision
1.7 1; 162.155; 168.10, subdivision 1a; 168.27, subdivisions 2, 3, 3c; 168A.01,
1.8 subdivisions 6a, 8a, 12a, 16, by adding a subdivision; 168A.04, subdivision
1.9 5; 168A.05, subdivision 3; 168A.09, by adding a subdivision; 168A.15,
1.10 subdivision 2; 168A.151, subdivisions 1, 6; 169.06, subdivision 4; 169.09,
1.11 subdivision 13; 169.222, subdivision 6; 169.4501, subdivisions 1, 2; 169.4503,
1.12 subdivisions 5, 20, by adding subdivisions; 169.4582, subdivision 2; 169.79,
1.13 subdivision 6; 169.86, by adding a subdivision; 169.865, subdivision 4; 169.98,
1.14 subdivisions 1, 3; 174.03, by adding a subdivision; 299D.09; 325F.6641;
1.15 325F.6644, subdivisions 1, 2; Minnesota Statutes 2011 Supplement, sections
1.16 169.86, subdivision 5; 297B.03; Laws 2009, chapter 36, article 3, sections 28;
1.17 29; proposing coding for new law in Minnesota Statutes, chapters 161; 171; 174;
1.18 repealing Minnesota Statutes 2010, sections 169.441, subdivision 5; 169.445,
1.19 subdivision 2; 169.454, subdivision 10.
1.20

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

1.22 Section 1. Minnesota Statutes 2010, section 13.72, is amended by adding a subdivision
1.23 to read:

1.24 Subd. 17. **Construction manager/general contractor data.** When the Department
1.25 of Transportation undertakes a construction manager/general contractor contract, as
1.26 defined and authorized in sections 161.3207 to 161.3209, the provisions of this subdivision
1.27 apply.

1.28 (a) When the commissioner of transportation solicits a request for qualifications:

1.29 (1) the following data are classified as protected nonpublic:

1.30 (i) the statement of qualifications scoring evaluation manual; and

2.1 (ii) the statement of qualifications evaluations;

2.2 (2) the following data are classified as nonpublic: the statement of qualifications
2.3 submitted by a potential construction manager/general contractor; and

2.4 (3) the following data are classified as private data: identifying information
2.5 concerning the members of the technical review committee.

2.6 (b) When the commissioner of transportation announces the short list of qualified
2.7 construction managers/general contractors, the following data become public:

2.8 (1) the statement of qualifications scoring evaluation manual; and

2.9 (2) the statement of qualifications evaluations.

2.10 (c) When the commissioner of transportation solicits a request for proposals:

2.11 (1) the following data are classified as protected nonpublic: the proposal scoring
2.12 manual; and

2.13 (2) the following data are classified as nonpublic data:

2.14 (i) the proposals submitted by a potential construction manager/general contractor;
2.15 and

2.16 (ii) the proposal evaluations.

2.17 (d) When the commissioner of transportation has completed the ranking of proposals
2.18 and announces the selected construction manager/general contractor, the proposal
2.19 evaluation score or rank and proposal evaluations become public.

2.20 (e) When the commissioner of transportation conducts contract negotiations
2.21 with a construction manager/general contractor, government data created, collected,
2.22 stored, and maintained during those negotiations are nonpublic data until a construction
2.23 manager/general contractor contract is fully executed.

2.24 (f) When the construction manager/general contractor contract is fully executed or
2.25 when the commissioner of transportation decides to use another contract procurement
2.26 process other than construction manager/general contractor authority authorized under
2.27 section 161.3209, subdivision 3, paragraph (b), all remaining data not already made public
2.28 under this subdivision become public.

2.29 (g) If the commissioner of transportation rejects all responses to a request for
2.30 proposals before a construction manager/general contractor contract is fully executed,
2.31 all data other than that data made public under this subdivision retains its classification
2.32 until a resolicitation of the request for proposals results in a fully executed construction
2.33 manager/general contractor contract, or a determination is made to abandon the project. If
2.34 a resolicitation of proposals does not occur within one year of the announcement of the
2.35 request for proposals, the remaining data become public.

3.1 EFFECTIVE DATE. This section is effective the day following final enactment
3.2 and expires one year following the acceptance of ten construction manager/general
3.3 contractor contracts.

3.4 Sec. 2. Minnesota Statutes 2010, section 116.06, subdivision 22, is amended to read:

3.5 Subd. 22. **Solid waste.** "Solid waste" means garbage, refuse, sludge from a water
3.6 supply treatment plant or air contaminant treatment facility, and other discarded waste
3.7 materials and sludges, in solid, semisolid, liquid, or contained gaseous form, resulting
3.8 from industrial, commercial, mining, and agricultural operations, and from community
3.9 activities, but does not include hazardous waste; animal waste used as fertilizer; earthen
3.10 fill, boulders, rock; concrete diamond grinding and saw slurry associated with the
3.11 construction, improvement, or repair of a road when deposited on the road project site
3.12 in a manner that is in compliance with general standards and best practices for waters
3.13 of the state under rules of the agency; sewage sludge; solid or dissolved material in
3.14 domestic sewage or other common pollutants in water resources, such as silt, dissolved
3.15 or suspended solids in industrial wastewater effluents or discharges which are point
3.16 sources subject to permits under section 402 of the Federal Water Pollution Control Act,
3.17 as amended, dissolved materials in irrigation return flows; or source, special nuclear, or
3.18 by-product material as defined by the Atomic Energy Act of 1954, as amended.

3.19 Sec. 3. Minnesota Statutes 2010, section 161.14, is amended by adding a subdivision
3.20 to read:

3.21 Subd. 70. **Black and Yellow Trail.** Legislative Route No. 7, signed as Trunk
3.22 Highway 14 as of the effective date of this section, from the border with South Dakota
3.23 to the border with Wisconsin, is designated as the "Black and Yellow Trail." The
3.24 commissioner shall adopt a suitable design to mark this highway and erect appropriate
3.25 signs, subject to section 161.139.

3.26 Sec. 4. **[161.318] CONTINGENT APPROPRIATION TO FUND STATE ROAD**
3.27 **OPERATION, MAINTENANCE, PLANNING, AND CONSTRUCTION.**

3.28 Subdivision 1. **Appropriation for state roads.** If, before July 1 of an odd-numbered
3.29 year, legislation is not enacted to appropriate money to the commissioner of transportation
3.30 for state roads in the next fiscal year, on July 1, an amount sufficient to pay the costs
3.31 described in this subdivision is appropriated from the trunk highway fund to the
3.32 commissioner of transportation for costs of contracts relating to state roads operation
3.33 and maintenance, program planning and delivery, and state road construction. The

4.1 appropriation must be sufficient to pay both the described contract costs and the costs of
4.2 Department of Transportation employees whose work is essential to the administration
4.3 and performance of the contracts. This section applies only to those contracts as to which
4.4 funds were encumbered before the July 1 appropriation date. The commissioner of
4.5 management and budget shall ensure that the commissioner of transportation is able to
4.6 access money under this appropriation. Any subsequent appropriation to the commissioner
4.7 of transportation for a biennium in which this subdivision has been applied shall supersede
4.8 and replace the funding authorized in this subdivision.

4.9 Subd. 2. **Continued operations.** If, by July 1 of an odd-numbered year, legislation
4.10 has not been enacted to appropriate money for the next biennium to the commissioner
4.11 of management and budget for central accounting, procurement, payroll, and human
4.12 resources functions, amounts necessary to operate those functions stated in subdivision
4.13 1 are appropriated for the next biennium from the general fund to the commissioner of
4.14 management and budget. As necessary, the commissioner may transfer a portion of
4.15 this appropriation to other state agencies to support carrying out these functions. Any
4.16 subsequent appropriation to the commissioner of management and budget for a biennium
4.17 in which this section has been applied shall supersede and replace the funding authorized
4.18 in this section.

4.19 Sec. 5. **[161.3207] CONSTRUCTION MANAGER/GENERAL CONTRACTOR**
4.20 **CONTRACTS; DEFINITIONS.**

4.21 Subdivision 1. **Scope.** The terms used in sections 161.3207 to 161.3209 have the
4.22 meanings given them in this section.

4.23 Subd. 2. **Acceptance.** "Acceptance" means an action of the commissioner
4.24 authorizing the execution of a construction manager/general contractor contract.

4.25 Subd. 3. **Commissioner.** "Commissioner" means the commissioner of
4.26 transportation.

4.27 Subd. 4. **Construction manager/general contractor.** "Construction
4.28 manager/general contractor" means a proprietorship, partnership, limited liability
4.29 partnership, joint venture, corporation, any type of limited liability company, professional
4.30 corporation, or any legal entity selected by the commissioner to act as a construction
4.31 manager to manage the construction process, which includes, but is not limited to,
4.32 responsibility for the price, schedule, and execution of preconstruction services or the
4.33 workmanship of construction performed according to section 161.3209, or both.

4.34 Subd. 5. **Construction manager/general contractor contract.** "Construction
4.35 manager/general contractor contract" means a contract for construction of a project

5.1 between a construction manager/general contractor and the commissioner, which
5.2 must include terms providing for a price, construction schedule, and workmanship of
5.3 the construction performed. The construction manager/general contractor contract
5.4 may include provisions for incremental price contracts for specific work packages,
5.5 additional work performed, contingencies, or other contract provisions that will allow the
5.6 commissioner to negotiate time and cost changes to the contract.

5.7 Subd. 6. **Past performance; experience.** "Past performance" or "experience" does
5.8 not include the exercise or assertion of a person's legal rights.

5.9 Subd. 7. **Preconstruction services.** "Preconstruction services" means all
5.10 non-construction-related services that a construction manager/general contractor is
5.11 allowed to perform before execution of a construction manager/general contractor contract
5.12 or work package.

5.13 Subd. 8. **Preconstruction services contract.** "Preconstruction services contract"
5.14 means a contract under which a construction manager/general contractor is paid on the
5.15 basis of the actual cost to perform the work specified in the contract plus an amount for
5.16 overhead and profit for all preconstruction services.

5.17 Subd. 9. **Project.** "Project" means any project selected by the commissioner as a
5.18 construction manager/general contractor project under section 161.3208.

5.19 Subd. 10. **Request for proposals; RFP.** "Request for proposals" or "RFP" means
5.20 the document or publication soliciting proposals for a construction manager/general
5.21 contractor contract.

5.22 Subd. 11. **Request for qualifications; RFQ.** "Request for qualifications" or "RFQ"
5.23 means a document or publication used to prequalify and short-list potential construction
5.24 managers/general contractors.

5.25 Subd. 12. **Work package.** "Work package" means the scope of work for a defined
5.26 portion of a project. A defined portion includes construction services on any project
5.27 aspect, including procuring materials or services.

5.28 **EFFECTIVE DATE.** This section is effective the day following final enactment
5.29 and expires one year following the acceptance of ten construction manager/general
5.30 contractor contracts.

5.31 Sec. 6. **[161.3208] CONSTRUCTION MANAGER/GENERAL CONTRACTOR**
5.32 **AUTHORITY.**

5.33 Subdivision 1. **Selection authority; limitation.** Notwithstanding sections 16C.25,
5.34 161.32, and 161.321, or any other law to the contrary, the commissioner may select a
5.35 construction manager/general contractor as provided in section 161.3209, and award a

6.1 construction manager/general contractor contract. The number of awarded contracts
6.2 shall not exceed four in any calendar year.

6.3 Subd. 2. **Determination.** Final determination to use a construction manager/general
6.4 contractor contracting procedure may be made only by the commissioner.

6.5 Subd. 3. **Cancellation.** The solicitation of construction manager/general contractor
6.6 requests for qualifications or proposals does not obligate the commissioner to enter into a
6.7 construction manager/general contractor contract. The commissioner may accept or reject
6.8 any or all responses received as a result of the request. The solicitation of proposals may
6.9 be canceled at any time at the commissioner's sole discretion if cancellation is considered
6.10 to be in the state's best interest. If the commissioner rejects all responses or cancels the
6.11 solicitation for proposals, the commissioner may resolicit a request for proposals using the
6.12 same or different requirements.

6.13 Subd. 4. **Reporting.** The commissioner shall notify the chairs and ranking minority
6.14 members of the senate and house of representatives committees with jurisdiction over
6.15 transportation policy and transportation finance each time the commissioner decides to
6.16 use the construction manager/general contractor method of procurement and explain why
6.17 that method was chosen.

6.18 **EFFECTIVE DATE.** This section is effective the day following final enactment
6.19 and expires one year following the acceptance of ten construction manager/general
6.20 contractor contracts.

6.21 Sec. 7. **[161.3209] CONSTRUCTION MANAGER/GENERAL CONTRACTOR;**
6.22 **PROCEDURES.**

6.23 Subdivision 1. **Solicitation of proposals.** If the commissioner determines that
6.24 a construction manager/general contractor method of procurement is appropriate for
6.25 a project, the commissioner shall establish a two-phase procedure for awarding the
6.26 construction manager/general contractor contract, as described in subdivisions 2 and 3.

6.27 Subd. 2. **Phase 1 - request for proposals.** (a) The commissioner shall prepare
6.28 or have prepared an RFP for each construction manager/general contractor contract as
6.29 provided in this section. The RFP must contain, at a minimum, the following elements:

6.30 (1) the minimum qualifications of the construction manager/general contractor;

6.31 (2) the procedures for submitting proposals and the criteria for evaluation of
6.32 qualifications and the relative weight for each criteria;

6.33 (3) the form of the contract to be awarded;

6.34 (4) the scope of intended construction work;

6.35 (5) a listing of the types of preconstruction services that will be required;

7.1 (6) an anticipated schedule for commencing and completing the project;
7.2 (7) any applicable budget limits for the project;

7.3 (8) the requirements for insurance, statutorily required performance, and payment
7.4 bonds;

7.5 (9) the requirements that the construction manager/general contractor provide a
7.6 letter from a surety or insurance company stating that the construction manager/general
7.7 contractor is capable of obtaining a performance bond and payment bond covering the
7.8 estimated contract cost;

7.9 (10) the method for how construction manager/general contractor fees for the
7.10 preconstruction services contract will be negotiated;

7.11 (11) a statement that past performance or experience does not include the exercise
7.12 or assertion of a person's legal rights; and

7.13 (12) any other information desired by the commissioner.

7.14 (b) Before receiving any responses to the RFP:

7.15 (1) the commissioner shall appoint a technical review committee of at least five
7.16 individuals, of which one is a Department of Transportation manager who is also a
7.17 licensed professional engineer in Minnesota;

7.18 (2) the technical review committee shall evaluate the construction manager/general
7.19 contractor proposals according to criteria and subcriteria published in the RFP and
7.20 procedures established by the commissioner. The commissioner shall, as designated in
7.21 the RFP, evaluate construction manager/general contractor proposals on the basis of best
7.22 value as defined in section 16C.05, or using the qualifications-based selection process set
7.23 forth in section 16C.095, except that subdivision 1 of section 16C.095 shall not apply. If
7.24 the commissioner does not receive at least two proposals from construction managers,
7.25 the commissioner may:

7.26 (i) solicit new proposals;

7.27 (ii) revise the RFP and thereafter solicit new proposals using the revised RFP;

7.28 (iii) select another allowed procurement method; or

7.29 (iv) reject the proposals; and

7.30 (3) the technical review committee shall evaluate the responses to the request for
7.31 proposals and rank the construction manager/general contractor based on the predefined
7.32 criteria set forth in the RFP in accordance with paragraph (a), clause (2).

7.33 (c) Unless all proposals are rejected, the commissioner shall conduct contract
7.34 negotiations for a preconstruction services contract with the construction manager/general
7.35 contractor with the highest ranking. If the construction manager/general contractor with
7.36 the highest ranking declines or is unable to reach an agreement, the commissioner may

8.1 begin contract negotiations with the next highest ranked construction manager/general
8.2 contractor.

8.3 (d) Before issuing the RFP, the commissioner may elect to issue a request for
8.4 qualifications (RFQ) and short-list the most highly qualified construction managers/general
8.5 contractors. The RFQ must include the procedures for submitting statements of
8.6 qualification, the criteria for evaluation of qualifications, and the relative weight for each
8.7 criterion. The statements of qualifications must be evaluated by the technical review
8.8 committee.

8.9 Subd. 3. **Phase 2 - construction manager/general contractor contract.** (a) Before
8.10 conducting any construction-related services, the commissioner shall:

8.11 (1) conduct an independent cost estimate for the project or each work package; and

8.12 (2) conduct contract negotiations with the construction manager/general contractor
8.13 to develop a construction manager/general contractor contract. This contract must include
8.14 a minimum construction manager/general contractor self-performing requirement of 30
8.15 percent of the negotiated cost. Items designated in the construction manager/general
8.16 contractor contract as specialty items may be subcontracted and the cost of any specialty
8.17 item performed under the subcontract will be deducted from the cost before computing the
8.18 amount of work required to be performed by the contractor.

8.19 (b) If the construction manager/general contractor and the commissioner are unable
8.20 to negotiate a contract, the commissioner may use other contract procurement processes or
8.21 may readvertise the construction manager/general contractor contract. The construction
8.22 manager/general contractor may (1) bid or propose on the project if advertised under
8.23 section 161.32 or 161.3206 or (2) join a design-build team if advertised under sections
8.24 161.3410 to 161.3428.

8.25 (c) The commissioner shall provide to all bidders or design-build teams, all data
8.26 shared between the commissioner and the construction manager/general contractor during
8.27 the contract negotiations under this subdivision.

8.28 **EFFECTIVE DATE.** This section is effective the day following final enactment
8.29 and expires one year following the acceptance of ten construction manager/general
8.30 contractor contracts.

8.31 Sec. 8. Minnesota Statutes 2010, section 161.321, is amended to read:

8.32 **161.321 SMALL BUSINESS CONTRACTS.**

9.1 Subdivision 1. **Definitions.** For purposes of this section the following terms have
9.2 the meanings given them, except where the context clearly indicates a different meaning is
9.3 intended.

9.4 (a) "Award" means the granting of a contract in accordance with all applicable laws
9.5 and rules governing competitive bidding except as otherwise provided in this section.

9.6 (b) "Contract" means an agreement entered into between a business entity and the
9.7 state of Minnesota for the construction of transportation improvements.

9.8 (c) "Subcontractor" means a business entity which enters into a legally binding
9.9 agreement with another business entity which is a party to a contract as defined in
9.10 paragraph (b).

9.11 (d) "Targeted group business" means a business designated under section 16C.16,
9.12 subdivision 5.

9.13 (e) "Veteran-owned small business" means a business designated under section
9.14 16C.16, subdivision 6a.

9.15 Subd. 2. **Small business set-asides; procurement and construction contract**

9.16 **preferences.** (a) The commissioner may award up to a six percent preference in the
9.17 amount bid for specified construction work to small targeted group businesses and
9.18 veteran-owned small businesses.

9.19 (b) The commissioner may designate a contract for construction work for award only
9.20 to small targeted group businesses if the commissioner determines that at least three small
9.21 targeted group businesses are likely to bid. The commissioner may designate a contract for
9.22 construction work for award only to veteran-owned small businesses if the commissioner
9.23 determines that at least three veteran-owned small businesses are likely to bid.

9.24 ~~(c) The commissioner, as a condition of awarding a construction contract, may~~
9.25 ~~set goals that require the prime contractor to subcontract a portion of the contract to~~
9.26 ~~small targeted group businesses and veteran-owned small businesses. The commissioner~~
9.27 ~~must establish a procedure for granting waivers from the subcontracting requirement~~
9.28 ~~when qualified small targeted group businesses and veteran-owned small businesses~~
9.29 ~~are not reasonably available. The commissioner may establish financial incentives for~~
9.30 ~~prime contractors who exceed the goals for use of subcontractors and financial penalties~~
9.31 ~~for prime contractors who fail to meet goals under this paragraph. The subcontracting~~
9.32 ~~requirements of this paragraph do not apply to prime contractors who are small targeted~~
9.33 ~~group businesses or veteran-owned small businesses.~~

9.34 ~~(d)~~ The commissioner may award up to a four percent preference in the amount
9.35 bid on procurement for specified construction work to small businesses located in an
9.36 economically disadvantaged area as defined in section 16C.16, subdivision 7.

10.1 Subd. 2a. **Subcontracting goals.** (a) The commissioner, as a condition of awarding
10.2 a construction contract, may set goals that require the prime contractor to subcontract
10.3 portions of the contract to small targeted group businesses and veteran-owned small
10.4 businesses. Prime contractors must demonstrate good faith efforts to meet the project
10.5 goals. The commissioner shall establish a procedure for granting waivers from the
10.6 subcontracting requirement when either qualified small targeted group businesses or
10.7 veteran-owned small businesses, or both, are not reasonably available. The commissioner
10.8 may establish (1) financial incentives for prime contractors who exceed the goals set for
10.9 the use of subcontractors under this subdivision and (2) sanctions for prime contractors
10.10 who fail to make good faith efforts to meet the goals set under this subdivision.

10.11 (b) The small targeted group business subcontracting requirements of this
10.12 subdivision do not apply to prime contractors who are small targeted group businesses.
10.13 The veteran-owned small business subcontracting requirements of this subdivision do not
10.14 apply to prime contractors who are veteran-owned small businesses.

10.15 Subd. 3. **Subcontract awards to small businesses.** At least 75 percent of
10.16 subcontracts awarded to small targeted group businesses must be performed by the
10.17 business to which the subcontract is awarded or another small targeted group business.
10.18 At least 75 percent of subcontracts awarded to veteran-owned small businesses must be
10.19 performed by the business to which the subcontract is awarded or another veteran-owned
10.20 small business.

10.21 Subd. 4. **Contract awards, limitations.** Contracts awarded pursuant to this
10.22 section are subject to all limitations contained in rules adopted by the commissioner
10.23 of administration.

10.24 Subd. 4a. **Limited duration and reevaluation.** The commissioner shall cooperate
10.25 with the commissioner of administration to periodically reevaluate the targeted group
10.26 businesses to determine that there is a statistical disparity between the percentage of
10.27 construction contracts awarded to businesses owned by targeted group members and the
10.28 representation of businesses owned by targeted group members among all businesses in
10.29 the state in the construction category. The commissioner of administration shall designate
10.30 targeted groups pursuant to section 16C.16, subdivision 5.

10.31 Subd. 5. **Recourse to other businesses.** If the commissioner is unable to award
10.32 a contract pursuant to the provisions of subdivisions 2 ~~and 3~~ to 4a, the award may be
10.33 placed pursuant to the normal solicitation and award provisions set forth in this chapter
10.34 and chapter 16C.

10.35 Subd. 6. **Rules; eligibility.** (a) The rules adopted by the commissioner of
10.36 administration to define small businesses and to set time and other eligibility requirements

11.1 for participation in programs under sections 16C.16 to 16C.19 apply to this section. The
11.2 commissioner may promulgate other rules necessary to carry out this section.

11.3 (b) In addition to other eligibility requirements, a small targeted group business or
11.4 veteran-owned small business is eligible for the bid preferences under this section only
11.5 for eight years following the later of: (1) the effective date of this act; or (2) the date of
11.6 initial designation as a small targeted group business or veteran-owned small business by
11.7 the commissioner of administration under section 16C.16.

11.8 Subd. 7. **Noncompetitive bids.** The commissioner is encouraged to purchase
11.9 from small targeted group businesses and veteran-owned small businesses designated
11.10 under section 16C.16 when making purchases that are not subject to competitive bidding
11.11 procedures.

11.12 Subd. 8. ~~Report by commissioner~~ **Reporting.** (a) The commissioner of
11.13 ~~transportation~~ shall report to the commissioner of administration on compliance with this
11.14 section. The information must be reported at the time and in the manner requested by the
11.15 commissioner of administration.

11.16 (b) By February 1 of each even-numbered year, the commissioner shall submit a
11.17 report to the chairs and ranking minority members of the legislative committees with
11.18 jurisdiction over transportation policy and finance concerning contract awards under this
11.19 section. At a minimum, the report must include:

11.20 (1) a summary of the program;

11.21 (2) a review of the use of preferences for contracting, including frequency of
11.22 establishment of a preference and frequency of contract award to a small targeted group
11.23 business or veteran-owned small business;

11.24 (3) a review of goals and good faith efforts to use small targeted group businesses
11.25 and veteran-owned small businesses in subcontracts, including analysis of methods used
11.26 for, and effectiveness of, good faith efforts;

11.27 (4) a summary of any financial incentives or sanctions imposed;

11.28 (5) information on each reevaluation under subdivision 4a, including details on the
11.29 methodology for reevaluation; and

11.30 (6) any recommendations for legislative or programmatic changes.

11.31 Sec. 9. Minnesota Statutes 2010, section 162.02, subdivision 2, is amended to read:

11.32 Subd. 2. **Rules; advisory committee.** (a) The rules shall be made and promulgated
11.33 by the commissioner acting with the advice of a committee selected by the several county
11.34 boards acting through the officers of the statewide association of county commissioners.
11.35 The committee shall be composed of nine members so selected that each member shall

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12.1 be from a different state highway construction district. Not more than five of the nine
12.2 members of the committee shall be county commissioners. The remaining members shall
12.3 be county highway engineers. In the event that agreement cannot be reached on any rule,
12.4 the commissioner's determination shall be final. The rules shall be printed and copies
12.5 forwarded to the county engineers of the several counties. ~~For the purposes of this section,~~
12.6 ~~the expedited process for adopting rules established in section 14.389 may be used.~~

12.7 (b) Notwithstanding section 15.059, subdivision 5, the committee does not expire.

12.8 Sec. 10. Minnesota Statutes 2010, section 162.02, subdivision 3, is amended to read:

12.9 Subd. 3. **Rules have force of law.** The rules ~~shall~~ have the force and effect of law
12.10 ~~upon compliance with the provisions of sections 14.05 to 14.28~~ as provided in chapter 14.

12.11 Sec. 11. Minnesota Statutes 2010, section 162.09, subdivision 2, is amended to read:

12.12 Subd. 2. **Rules; advisory committee.** (a) The rules shall be made and promulgated
12.13 by the commissioner acting with the advice of a committee selected by the governing
12.14 bodies of such cities, acting through the officers of the statewide association of municipal
12.15 officials. The committee shall be composed of 12 members, so selected that there shall be
12.16 one member from each state highway construction district and in addition one member
12.17 from each city of the first class. Not more than six members of the committee shall be
12.18 elected officials of the cities. The remaining members of the committee shall be city
12.19 engineers. In the event that agreement cannot be reached on any rule the commissioner's
12.20 determination shall be final. The rules shall be printed and copies forwarded to the clerks
12.21 and engineers of the cities. ~~For the purposes of this section, the expedited process for~~
12.22 ~~adopting rules established in section 14.389 may be used.~~

12.23 (b) Notwithstanding section 15.059, subdivision 5, the committee does not expire.

12.24 Sec. 12. Minnesota Statutes 2010, section 162.09, subdivision 3, is amended to read:

12.25 Subd. 3. **Rules have force of law.** The rules ~~shall~~ have the force and effect of law
12.26 ~~upon compliance with the provisions of sections 14.05 to 14.28~~ as provided in chapter 14.

12.27 Sec. 13. Minnesota Statutes 2010, section 162.09, subdivision 4, is amended to read:

12.28 Subd. 4. **Federal census is conclusive.** (a) In determining whether any city has
12.29 a population of 5,000 or more, the last federal census shall be conclusive, except as
12.30 otherwise provided in this subdivision.

12.31 (b) The governing body of a city may contract with the United States Bureau of the
12.32 Census to take a special census. A certified copy of the results of the census shall be filed

13.1 with the appropriate state authorities by the city. The result of the census shall be the
13.2 population of the city for the purposes of any law providing that population is a required
13.3 qualification for distribution of highway aids under chapter 162. The special census shall
13.4 remain in effect until the next federal census is completed and filed. The expense of taking
13.5 the special census shall be paid by the city.

13.6 (c) If an entire area not heretofore incorporated as a city is incorporated as such
13.7 during the interval between federal censuses, its population shall be determined by its
13.8 incorporation census. The incorporation census shall be determinative of the population of
13.9 the city only until the next federal census.

13.10 (d) The population of a city created by the consolidation of two or more previously
13.11 incorporated cities shall be determined by the most recent population estimate of the
13.12 Metropolitan Council or state demographer, until the first federal decennial census or
13.13 special census taken after the consolidation.

13.14 (e) The population of a city that is not receiving a municipal state-aid street fund
13.15 apportionment shall be determined, upon request of the city, by the most recent population
13.16 estimate of the Metropolitan Council or state demographer. A municipal state-aid street
13.17 fund apportionment received by the city must be based on this population estimate until
13.18 the next federal decennial census or special census.

13.19 (f) A city that is found in the most recent federal decennial census to have fewer
13.20 than 5,000 population is deemed for the purposes of this chapter and the Minnesota
13.21 Constitution, article XIV, to have a population of 5,000 or more under the following
13.22 circumstances: (1) immediately before the most recent federal decennial census, the city
13.23 was receiving municipal state-aid street fund distributions; and (2) the population of
13.24 the city was found in the most recent federal decennial census to be fewer than 5,000.
13.25 Following the end of the first calendar year that ends in "4" after the decennial census and
13.26 until the next decennial census, the population of any city must be determined under
13.27 paragraphs (a) to (e).

13.28 **EFFECTIVE DATE.** This section is effective July 1, 2012.

13.29 Sec. 14. Minnesota Statutes 2010, section 162.13, subdivision 1, is amended to read:

13.30 Subdivision 1. **Factors in formula.** After deducting for administrative costs and
13.31 for the disaster fund and research account as heretofore provided, and for any allocation
13.32 made under section 162.125, the remainder of the total sum provided for in subdivision 1
13.33 of section 162.12 shall be identified as the apportionment sum, and shall be apportioned
13.34 by the commissioner to the cities having a population of 5,000 or more, in accordance
13.35 with the following formula:

14.1 (1) An amount equal to 50 percent of such apportionment sum shall be apportioned
14.2 among the cities having a population of 5,000 or more so that each such city shall receive
14.3 of such amount the percentage that its money needs bears to the total money needs of
14.4 all such cities.

14.5 (2) An amount equal to 50 percent of such apportionment sum shall be apportioned
14.6 among the cities having a population of 5,000 or more so that each such city shall receive
14.7 of such amount the percentage that its population bears to the total population of all such
14.8 cities. For purposes of this subdivision, population of a city is the greater of 5,000 or the
14.9 number calculated under section 162.09, subdivision 4, paragraph (a), (b), (c), (d), or (e).

14.10 **EFFECTIVE DATE.** This section is effective July 1, 2012.

14.11 Sec. 15. Minnesota Statutes 2010, section 162.155, is amended to read:

14.12 **162.155 RULES FOR VARIANCES RULEMAKING.**

14.13 (a) The commissioner shall adopt rules, no later than January 1, 1980, in accordance
14.14 with sections 15.041 to 15.052, setting forth the criteria to be considered by the
14.15 commissioner in evaluating requests for variances under sections 162.02, subdivision 3a
14.16 and 162.09, subdivision 3a. The rules shall must include, but are not limited to, economic,
14.17 engineering and safety guidelines.

14.18 (b) The commissioner shall adopt rules establishing the engineering standards
14.19 adopted pursuant to section for cost estimation under sections 162.07, subdivision 2,
14.20 or and 162.13, subdivision 2, shall be adopted pursuant to the requirements of chapter
14.21 15 by July 1, 1980.

14.22 (c) The rules adopted by the commissioner under this section, and sections
14.23 162.02; 162.07, subdivision 2; 162.09; and 162.13, subdivision 2, are exempt from the
14.24 rulemaking provisions of chapter 14. The rules are subject to section 14.386, except that,
14.25 notwithstanding paragraph (b) of that section, the rules continue in effect until repealed or
14.26 superseded by other law or rule.

14.27 Sec. 16. Minnesota Statutes 2010, section 168.10, subdivision 1a, is amended to read:

14.28 Subd. 1a. **Collector's vehicle, pioneer plate.** (a) Any motor vehicle that: (1) was
14.29 manufactured prior to 1936 or is a restored pioneer vehicle, as defined in section 168A.01,
14.30 subdivision 16a; and (2) is owned and operated solely as a collector's item shall be listed
14.31 for taxation and registration as follows: as provided by paragraph (b).

14.32 (b) An affidavit shall be executed stating the name and address of the owner, the
14.33 name and address of the person from whom purchased, the make of the motor vehicle,

15.1 year and number of the model, the manufacturer's identification number and that the
15.2 vehicle is owned and operated solely as a collector's item and not for general transportation
15.3 purposes. If the commissioner is satisfied that the affidavit is true and correct and the
15.4 owner pays a \$25 tax and the plate fee authorized under section 168.12, the commissioner
15.5 shall list such vehicle for taxation and registration and shall issue a single number plate.

15.6 ~~(b)~~ (c) The number plate so issued shall bear the inscription "Pioneer," "Minnesota"
15.7 and the registration number or other combination of characters authorized under section
15.8 168.12, subdivision 2a, but no date. The number plate is valid without renewal as long as
15.9 the vehicle is in existence in Minnesota. The commissioner has the power to revoke said
15.10 plate for failure to comply with this subdivision.

15.11 Sec. 17. Minnesota Statutes 2010, section 168.27, subdivision 2, is amended to read:

15.12 Subd. 2. **New motor vehicle dealer.** (a) A new motor vehicle dealer licensee may
15.13 sell, broker, wholesale, or auction and solicit and advertise the sale, brokerage, wholesale,
15.14 or auction of new motor vehicles covered by the franchise and any used motor vehicles,
15.15 and may lease and solicit and advertise the lease of new motor vehicles and any used
15.16 motor vehicles. New motor vehicle dealer sales or leases may be either for consumer
15.17 use at retail or for resale to a dealer. A new motor vehicle dealer may engage in the
15.18 business of buying or otherwise acquiring vehicles for dismantling the vehicles and
15.19 selling used parts and remaining scrap materials under chapter 168A, except that a new
15.20 motor vehicle dealer may not purchase a junked vehicle from a salvage pool, insurance
15.21 company, or its agent unless the dealer is also licensed as a used vehicle parts dealer or
15.22 licensed as a scrap metal processor. Nothing in this subdivision requires an applicant for
15.23 a dealer license who proposes to deal in: (1) new and unused motor vehicle bodies; or
15.24 (2) type A, B, or C motor homes as defined in section 168.002, subdivision 27, to have
15.25 a bona fide contract or franchise in effect with either the first-stage manufacturer of the
15.26 motor home or the manufacturer or distributor of any motor vehicle chassis upon which
15.27 the new and unused motor vehicle body is mounted. The modification or conversion
15.28 of a new van-type vehicle into a multipurpose passenger vehicle which is not a motor
15.29 home does not constitute dealing in new or unused motor vehicle bodies, and a person
15.30 engaged in the business of selling these van-type vehicles must have a bona fide contract
15.31 or franchise with the appropriate manufacturer under subdivision 10. A van converter
15.32 or modifier who owns these modified or converted van-type vehicles may sell them at
15.33 wholesale to new motor vehicle dealers having a bona fide contract or franchise with the
15.34 first-stage manufacturer of the vehicles.

16.1 (b) The requirements pertaining to franchises do not apply to persons who remodel
16.2 or convert motor vehicles for medical purposes. For purposes of this subdivision, "medical
16.3 purpose" means certification by a licensed physician that remodeling or conversion of a
16.4 motor vehicle is necessary to enable a disabled person to use the vehicle.

16.5 (c) A new motor vehicle dealer shall not deliver a manufacturer's or importer's
16.6 certificate of origin for a passenger automobile, pickup truck, or van requiring a certificate
16.7 of title according to chapter 168A to any person in conjunction with the sale of a vehicle
16.8 except to the department, another new motor vehicle dealer licensed to sell the same
16.9 line or make, or a person whose primary business is picking up and delivering motor
16.10 vehicle title documents.

16.11 (d) If a new motor vehicle dealer agrees to sell or lease a new motor vehicle using
16.12 the services of a motor vehicle broker, the new motor vehicle dealer may not refuse to
16.13 deliver possession of the vehicle to the buyer or lessee. This paragraph does not require
16.14 delivery unless all arrangements have been properly completed for payment, insurance
16.15 required by law, titling, transfer, and registration of the new vehicle and any trade-in
16.16 vehicle. Delivery may take place at or away from the dealership.

16.17 Sec. 18. Minnesota Statutes 2010, section 168.27, subdivision 3, is amended to read:

16.18 Subd. 3. **Used motor vehicle dealer.** A used motor vehicle dealer licensee may sell,
16.19 lease, broker, wholesale, or auction and solicit and advertise the sale, lease, brokerage,
16.20 wholesale, or auction of any used motor vehicles for consumer use at retail or for resale to
16.21 a dealer. A used motor vehicle dealer may engage in the business of buying or otherwise
16.22 acquiring vehicles for dismantling the vehicles and selling used parts and remaining scrap
16.23 materials under chapter 168A, except that a used motor vehicle dealer may not acquire a
16.24 junked vehicle from a salvage pool, insurance company, or its agent, unless the dealer is
16.25 also licensed as a used vehicle parts dealer or licensed as a scrap metal processor.

16.26 Sec. 19. Minnesota Statutes 2010, section 168.27, subdivision 3c, is amended to read:

16.27 Subd. 3c. **Vehicle salvage pool.** A vehicle salvage pool licensee may store and
16.28 display and may solicit and advertise the storing and displaying, for sale, of damaged or
16.29 junked vehicles as an agent or escrow agent of an insurance company. A vehicle salvage
16.30 pool licensee shall not sell junked vehicles to any party other than a licensed used parts
16.31 dealer or a licensed scrap metal processor.

16.32 Sec. 20. Minnesota Statutes 2010, section 168A.01, subdivision 6a, is amended to read:

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17.1 Subd. 6a. **High-value vehicle.** "High-value vehicle" means a vehicle ~~manufactured~~
17.2 ~~six or more years before the start of the current model year~~ that had an actual cash value in
17.3 excess of ~~\$5,000~~ \$9,000 before being damaged, or a vehicle with a manufacturer's rating
17.4 of over 26,000 pounds gross vehicle weight that is not a late-model vehicle.

17.5 Sec. 21. Minnesota Statutes 2010, section 168A.01, subdivision 8a, is amended to read:

17.6 Subd. 8a. **Late-model vehicle.** "Late-model vehicle" means a vehicle ~~manufactured~~
17.7 ~~in the current model year or the five model years~~ with a manufacturer's designated model
17.8 year equal to or greater than the fifth calendar year immediately preceding the current
17.9 ~~model~~ calendar year.

17.10 Sec. 22. Minnesota Statutes 2010, section 168A.01, subdivision 12a, is amended to
17.11 read:

17.12 Subd. 12a. **Older model vehicle.** "Older model vehicle" means a vehicle
17.13 ~~manufactured in the sixth model year immediately preceding the current model year or~~
17.14 ~~earlier that is not a high-value vehicle~~ that is not a late-model vehicle.

17.15 Sec. 23. Minnesota Statutes 2010, section 168A.01, subdivision 16, is amended to read:

17.16 Subd. 16. **Reconstructed vehicle.** (a) "Reconstructed vehicle" means a vehicle of a
17.17 type for which a certificate of title is required hereunder materially altered from its original
17.18 construction by the removal, addition, or substitution of essential parts, new or used.

17.19 (b) Reconstructed vehicle does not include a restored pioneer vehicle.

17.20 Sec. 24. Minnesota Statutes 2010, section 168A.01, is amended by adding a
17.21 subdivision to read:

17.22 Subd. 16a. **Restored pioneer vehicle.** (a) "Restored pioneer vehicle" means
17.23 a vehicle:

17.24 (1) for which a certificate of title is required under this chapter;

17.25 (2) originally manufactured prior to 1919;

17.26 (3) for which one or more essential parts, whether new or used, are replaced; and

17.27 (4) for which each essential part under clause (3) is replaced:

17.28 (i) only as necessary in order to restore or retain the character and appearance of the
17.29 vehicle as originally manufactured;

17.30 (ii) in a manner which reasonably restores or retains the character and appearance of
17.31 the vehicle as originally manufactured; and

18.1 (iii) in a manner which substantially conforms to the fit, form, and function of the
18.2 original essential part.

18.3 (b) A vehicle meeting both the requirements under paragraph (a) and subdivision 16
18.4 for a reconstructed vehicle is a restored pioneer vehicle.

18.5 (c) For purposes of this subdivision, replacement of an essential part includes, but is
18.6 not limited to, removal, addition, modification, or substitution of the essential part.

18.7 Sec. 25. Minnesota Statutes 2010, section 168A.04, subdivision 5, is amended to read:

18.8 Subd. 5. ~~Specially constructed or reconstructed vehicle~~ **Certain unconventional**
18.9 **vehicles; additional information; identifying number.** (a) Except as provided in
18.10 subdivision 6, if the application refers to a specially constructed vehicle ~~or~~ a reconstructed
18.11 vehicle, or a restored pioneer vehicle, the application shall so state and shall contain or
18.12 be accompanied by:

18.13 (1) any information and documents the department reasonably requires to establish
18.14 the ownership of the vehicle and the existence or nonexistence and priority of security
18.15 interests in it;

18.16 (2) the certificate of a person authorized by the department that the identifying
18.17 number of the vehicle has been inspected and found to conform to the description given in
18.18 the application, or any other proof of the identity of the vehicle the department reasonably
18.19 requires; and

18.20 (3) at the time of application, a written certification to the department that the vehicle
18.21 to be titled meets the requirements of chapter 169 for vehicles in its class regarding safety
18.22 and acceptability to operate on public roads and highways.

18.23 (b) As part of the application for certificate of title on a restored pioneer vehicle, the
18.24 applicant shall supply evidence of the manufacturer's year, make, model, and identifying
18.25 number of the vehicle. A manufacturer's identifying number is valid under this paragraph
18.26 if it matches a number permanently affixed, stamped, or otherwise assigned to at least one
18.27 essential part of the motor vehicle, including but not limited to the engine block or the
18.28 vehicle body. In the case of an insufficient application, the commissioner may require
18.29 additional documentation, including, but not limited to, photographic proof, copies of
18.30 original vehicle catalogs, or certification letters from antique car collector organizations to
18.31 confirm the manufacturer's identifying number on the vehicle.

18.32 Sec. 26. Minnesota Statutes 2010, section 168A.05, subdivision 3, is amended to read:

18.33 Subd. 3. **Content of certificate.** (a) Each certificate of title issued by the department
18.34 shall contain:

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- 19.1 (1) the date issued;
- 19.2 (2) the first, middle, and last names and the dates of birth of all owners who are
19.3 natural persons, and the full names of all other owners;
- 19.4 (3) the residence address of the owner listed first if that owner is a natural person or
19.5 the address if that owner is not a natural person;
- 19.6 (4) the names of any secured parties, and the address of the first secured party,
19.7 listed in the order of priority (i) as shown on the application, or (ii) if the application is
19.8 based on a certificate of title, as shown on the certificate, or (iii) as otherwise determined
19.9 by the department;
- 19.10 (5) any liens filed pursuant to a court order or by a public agency responsible for
19.11 child support enforcement against the owner;
- 19.12 (6) the title number assigned to the vehicle;
- 19.13 (7) a description of the vehicle including, so far as the following data exists, its
19.14 make, model, year, identifying number, type of body, whether new or used, and if a new
19.15 vehicle, the date of the first sale of the vehicle for use;
- 19.16 (8) with respect to a motor vehicle subject to section 325E.15, (i) the true cumulative
19.17 mileage registered on the odometer or (ii) that the actual mileage is unknown if the
19.18 odometer reading is known by the owner to be different from the true mileage;
- 19.19 (9) with respect to a vehicle subject to sections 325F.6641 and 325F.6642, the
19.20 appropriate term "flood damaged," "rebuilt," "prior salvage," or "reconstructed";
- 19.21 (10) with respect to a vehicle contaminated by methamphetamine production, if the
19.22 registrar has received the certificate of title and notice described in section 152.0275,
19.23 subdivision 2, paragraph (g), the term "hazardous waste contaminated vehicle";
- 19.24 (11) with respect to a vehicle subject to section 325F.665, the term "lemon law
19.25 vehicle"; and
- 19.26 (12) any other data the department prescribes.
- 19.27 (b) For a certificate of title on a vehicle that is a restored pioneer vehicle:
- 19.28 (1) the identifying number must be the valid identifying number as provided under
19.29 section 168A.04, subdivision 5;
- 19.30 (2) the year of the vehicle must be the year of original vehicle manufacture and
19.31 not the year of restoration; and
- 19.32 (3) the title must not bear a "reconstructed vehicle" brand.

19.33 Sec. 27. Minnesota Statutes 2010, section 168A.09, is amended by adding a
19.34 subdivision to read:

20.1 Subd. 4. Restored pioneer vehicle; replacement title. (a) The owner of a vehicle
20.2 may apply to the commissioner for a replacement title if:

20.3 (1) a Minnesota title has been issued prior to the effective date of this section; and

20.4 (2) the vehicle meets the requirements for a restored pioneer vehicle under section
20.5 168A.01, subdivision 16a.

20.6 (b) The commissioner shall establish and make publicly available requirements for
20.7 an application under this subdivision, and shall make reasonable efforts to minimize
20.8 burden on the title applicant. Among the application requirements, a person applying for a
20.9 replacement title shall surrender the original title.

20.10 (c) The commissioner shall impose a fee for a replacement title issued under this
20.11 subdivision that is equal to the fee for issuing a duplicate certificate of title under section
20.12 168A.29. Fee proceeds must be allocated in the same manner as the fee for a duplicate
20.13 certificate of title.

20.14 Sec. 28. Minnesota Statutes 2010, section 168A.15, subdivision 2, is amended to read:

20.15 Subd. 2. **Certain unconventional vehicles; requirements to obtain certificate for**
20.16 **reconstructed vehicle.** If a vehicle is altered so as to become a reconstructed vehicle or
20.17 restored pioneer vehicle, the owner shall apply for a certificate of title ~~to the reconstructed~~
20.18 ~~vehicle~~ in the manner provided in section 168A.04, and any existing certificate of title to
20.19 the vehicle shall be surrendered for cancellation.

20.20 Sec. 29. Minnesota Statutes 2010, section 168A.151, subdivision 1, is amended to read:

20.21 Subdivision 1. **Salvage titles.** (a) When an insurer, licensed to conduct business in
20.22 Minnesota, acquires ownership of a late-model or high-value vehicle through payment
20.23 of damages, the insurer shall immediately apply for a salvage certificate of title or shall
20.24 stamp the existing certificate of title with the legend "SALVAGE CERTIFICATE OF
20.25 TITLE" in a manner prescribed by the department. ~~Within 48 hours of taking possession~~
20.26 ten days of obtaining the title of a vehicle through payment of damages, an insurer must
20.27 notify the department in a manner prescribed by the department.

20.28 (b) A person shall immediately apply for a salvage certificate of title if the person
20.29 acquires a damaged late-model or high-value ~~motor~~ vehicle with an out-of-state title
20.30 and the vehicle:

20.31 (1) is a vehicle that was acquired by an insurer through payment of damages;

20.32 (2) is a vehicle for which the cost of repairs exceeds the value of the damaged
20.33 vehicle; or

20.34 (3) has an out-of-state salvage certificate of title as proof of ownership.

21.1 (c) A self-insured owner of a late-model or high-value vehicle ~~who~~ that sustains
21.2 damage by collision or other occurrence which exceeds ~~70~~ 80 percent of its actual cash
21.3 value shall immediately apply for a salvage certificate of title. ~~Damage, for the purpose of~~
21.4 ~~this calculation, does not include the actual cost incurred to repair, replace, or reinstall~~
21.5 ~~inflatable safety restraints and other vehicle components that must be replaced due to the~~
21.6 ~~deployment of the inflatable safety restraints.~~

21.7 Sec. 30. Minnesota Statutes 2010, section 168A.151, subdivision 6, is amended to read:

21.8 Subd. 6. **Authority under junking certificate.** A junking certificate authorizes the
21.9 holder only to possess and transport the vehicle, except that a salvage pool or insurance
21.10 company, or its agent, may sell an unrepairable total loss vehicle with a junking certificate
21.11 to a licensed used parts dealer or a licensed scrap metal processor.

21.12 Sec. 31. Minnesota Statutes 2010, section 169.06, subdivision 4, is amended to read:

21.13 Subd. 4. **Obedience to traffic-control signal or flagger; presumptions.** (a) The
21.14 driver of any vehicle shall obey the instructions of any official traffic-control device
21.15 applicable thereto placed in accordance with the provisions of this chapter, unless
21.16 otherwise directed by a police officer or by a ~~certified overdimensional load escort driver~~
21.17 flagger authorized under this subdivision, subject to the exceptions granted the driver of
21.18 an authorized emergency vehicle in this chapter.

21.19 (b) No provision of this chapter for which official traffic-control devices are required
21.20 shall be enforced against an alleged violator if at the time and place of the alleged
21.21 violation an official device is not in proper position and sufficiently legible to be seen by
21.22 an ordinarily observant person. Whenever a particular section does not state that official
21.23 traffic-control devices are required, such section shall be effective even though no devices
21.24 are erected or in place.

21.25 (c) Whenever official traffic-control devices are placed in position approximately
21.26 conforming to the requirements of this chapter, such devices shall be presumed to have
21.27 been so placed by the official act or direction of lawful authority, unless the contrary
21.28 shall be established by competent evidence.

21.29 (d) Any official traffic-control device placed pursuant to the provisions of this
21.30 chapter and purporting to conform to the lawful requirements pertaining to such devices
21.31 shall be presumed to comply with the requirements of this chapter, unless the contrary
21.32 shall be established by competent evidence.

21.33 (e) A flagger in a designated work zone may stop vehicles and hold vehicles in place
21.34 until it is safe for the vehicles to proceed. A person operating a motor vehicle that has

22.1 been stopped by a flagger in a designated work zone may proceed after stopping only on
22.2 instruction by the flagger.

22.3 (f) An overdimensional load escort driver with a certificate issued under section
22.4 299D.085, while acting as a flagger escorting a legal overdimensional load, may stop
22.5 vehicles and hold vehicles in place until it is safe for the vehicles to proceed. A person
22.6 operating a motor vehicle that has been stopped by an escort driver acting as a flagger may
22.7 proceed only on instruction by the flagger or a police officer.

22.8 (g) A person may stop and hold vehicles in place until it is safe for the vehicles
22.9 to proceed, if the person: (1) holds a motorcycle road guard certificate issued under
22.10 section 171.60; (2) meets the safety and equipment standards for operating under the
22.11 certificate; and (3) is acting as a flagger escorting a motorcycle group ride. A flagger
22.12 operating as provided under this paragraph may direct operators of motorcycles within a
22.13 motorcycle group ride or other vehicle traffic, notwithstanding any contrary indication of a
22.14 traffic-control device, including stop signs or traffic-control signals. A person operating
22.15 a vehicle that has been stopped by a flagger under this paragraph may proceed only on
22.16 instruction by the flagger or a police officer.

22.17 (h) A person representing a motorcycle group ride in any city of the first class may
22.18 no later than seven days before the ride request of the city's police chief that traffic and
22.19 traffic signals be controlled or modified to allow the ride to proceed through a specified
22.20 route at a specified time without stopping. The police chief shall no later than three days
22.21 before the ride notify the organizer as to whether the city will control traffic as requested
22.22 at no cost to the organizer. If the city chooses not to control traffic as requested at no cost
22.23 to the organizer, traffic may be controlled by persons authorized under paragraph (g)
22.24 within the limits of that authority.

22.25 **EFFECTIVE DATE.** This section is effective one year after publication in the State
22.26 Register of rules adopted under section 171.60, subdivision 5.

22.27 Sec. 32. Minnesota Statutes 2010, section 169.09, subdivision 13, is amended to read:

22.28 Subd. 13. **Reports confidential; evidence, fee, penalty, appropriation.** (a) All
22.29 reports and supplemental information required under this section must be for the use of the
22.30 commissioner of public safety and other appropriate state, federal, county, and municipal
22.31 governmental agencies for accident analysis purposes, except:

22.32 (1) the commissioner of public safety or any law enforcement agency shall, upon
22.33 written request of any individual involved in an accident or upon written request of the
22.34 representative of the individual's estate, surviving spouse, or one or more surviving next
22.35 of kin, or a trustee appointed under section 573.02, or other person injured in person,

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23.1 property, or means of support, or who incurs other pecuniary loss by virtue of the accident,
23.2 disclose to the requester, the requester's legal counsel, or a representative of the requester's
23.3 insurer the report required under subdivision 8;

23.4 (2) the commissioner of public safety shall, upon written request, provide the driver
23.5 filing a report under subdivision 7 with a copy of the report filed by the driver;

23.6 (3) the commissioner of public safety may verify with insurance companies vehicle
23.7 insurance information to enforce sections 65B.48, 169.792, 169.793, 169.796, and
23.8 169.797;

23.9 (4) the commissioner of public safety shall provide the commissioner of
23.10 transportation the information obtained for each traffic accident involving a commercial
23.11 motor vehicle, for purposes of administering commercial vehicle safety regulations; ~~and~~

23.12 (5) upon request, the commissioner of public safety shall provide the commissioner
23.13 of transportation the information obtained for each traffic accident involving damage
23.14 to state-owned infrastructure, for purposes of debt collection under section 161.20,
23.15 subdivision 4; and

23.16 ~~(5)~~ (6) the commissioner of public safety may give to the United States Department
23.17 of Transportation commercial vehicle accident information in connection with federal
23.18 grant programs relating to safety.

23.19 (b) Accident reports and data contained in the reports are not discoverable under any
23.20 provision of law or rule of court. No report shall be used as evidence in any trial, civil or
23.21 criminal, or any action for damages or criminal proceedings arising out of an accident.
23.22 However, the commissioner of public safety shall furnish, upon the demand of any person
23.23 who has or claims to have made a report or upon demand of any court, a certificate
23.24 showing that a specified accident report has or has not been made to the commissioner
23.25 solely to prove compliance or failure to comply with the requirements that the report be
23.26 made to the commissioner.

23.27 (c) Nothing in this subdivision prevents any individual who has made a report under
23.28 this section from providing information to any individuals involved in an accident or their
23.29 representatives or from testifying in any trial, civil or criminal, arising out of an accident,
23.30 as to facts within the individual's knowledge. It is intended by this subdivision to render
23.31 privileged the reports required, but it is not intended to prohibit proof of the facts to
23.32 which the reports relate.

23.33 (d) Disclosing any information contained in any accident report, except as provided
23.34 in this subdivision, section 13.82, subdivision 3 or 6, or other statutes, is a misdemeanor.

23.35 (e) The commissioner of public safety shall charge authorized persons as described
23.36 in paragraph (a) a \$5 fee for a copy of an accident report. Ninety percent of the \$5 fee

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24.1 collected under this paragraph must be deposited in the special revenue fund and credited
24.2 to the driver services operating account established in section 299A.705 and ten percent
24.3 must be deposited in the general fund. The commissioner may also furnish an electronic
24.4 copy of the database of accident records, which must not contain personal or private data
24.5 on an individual, to private agencies as provided in paragraph (g), for not less than the cost
24.6 of preparing the copies on a bulk basis as provided in section 13.03, subdivision 3.

24.7 (f) The fees specified in paragraph (e) notwithstanding, the commissioner and law
24.8 enforcement agencies shall charge commercial users who request access to response or
24.9 incident data relating to accidents a fee not to exceed 50 cents per record. "Commercial
24.10 user" is a user who in one location requests access to data in more than five accident
24.11 reports per month, unless the user establishes that access is not for a commercial purpose.
24.12 Of the money collected by the commissioner under this paragraph, 90 percent must be
24.13 deposited in the special revenue fund and credited to the driver services operating account
24.14 established in section 299A.705 and ten percent must be deposited in the general fund.

24.15 (g) The fees in paragraphs (e) and (f) notwithstanding, the commissioner shall
24.16 provide an electronic copy of the accident records database to the public on a case-by-case
24.17 basis using the cost-recovery charges provided for under section 13.03, subdivision
24.18 3. The database provided must not contain personal or private data on an individual.
24.19 However, unless the accident records database includes the vehicle identification number,
24.20 the commissioner shall include the vehicle registration plate number if a private agency
24.21 certifies and agrees that the agency:

24.22 (1) is in the business of collecting accident and damage information on vehicles;

24.23 (2) will use the vehicle registration plate number only for identifying vehicles that
24.24 have been involved in accidents or damaged, to provide this information to persons
24.25 seeking access to a vehicle's history and not for identifying individuals or for any other
24.26 purpose; and

24.27 (3) will be subject to the penalties and remedies under sections 13.08 and 13.09.

24.28 Sec. 33. Minnesota Statutes 2010, section 169.222, subdivision 6, is amended to read:

24.29 Subd. 6. **Bicycle equipment.** (a) No person shall operate a bicycle at nighttime
24.30 unless the bicycle or its operator is equipped with a lamp which shall emit a white light
24.31 visible from a distance of at least 500 feet to the front and with a red reflector of a type
24.32 approved by the Department of Public Safety which is visible from all distances from 100
24.33 feet to 600 feet to the rear when directly in front of lawful lower beams of headlamps on a
24.34 motor vehicle. No person may operate a bicycle at any time when there is not sufficient
24.35 light to render persons and vehicles on the highway clearly discernible at a distance of 500

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25.1 feet ahead unless the bicycle or its operator is equipped with reflective surfaces that shall
25.2 be visible during the hours of darkness from 600 feet when viewed in front of lawful lower
25.3 beams of headlamps on a motor vehicle. The reflective surfaces shall include reflective
25.4 materials on each side of each pedal to indicate their presence from the front or the rear
25.5 and with a minimum of 20 square inches of reflective material on each side of the bicycle
25.6 or its operator. Any bicycle equipped with side reflectors as required by regulations for
25.7 new bicycles prescribed by the United States Consumer Product Safety Commission
25.8 shall be considered to meet the requirements for side reflectorization contained in this
25.9 subdivision. A bicycle may be equipped with a front lamp that emits a white flashing
25.10 signal or a rear lamp that emits a red flashing signal.

25.11 (b) Bicycle tires may be equipped with studs or other protuberances designed
25.12 to increase traction.

25.13 (c) No person shall operate a bicycle unless it is equipped with a brake which will
25.14 enable the operator to make the braked wheels skid on dry, level, clean pavement.

25.15 ~~(e)~~ (d) No person shall operate upon a highway any bicycle equipped with handlebars
25.16 so raised that the operator must elevate the hands above the level of the shoulders in
25.17 order to grasp the normal steering grip area.

25.18 ~~(d)~~ (e) No person shall operate upon a highway any bicycle which is of such a size
25.19 as to prevent the operator from stopping the bicycle, supporting it with at least one foot
25.20 on the highway surface and restarting in a safe manner.

25.21 Sec. 34. Minnesota Statutes 2010, section 169.4501, subdivision 1, is amended to read:

25.22 Subdivision 1. **National standards adopted.** Except as provided in sections
25.23 169.4502 and 169.4503, the construction, design, equipment, and color of types A, B, C,
25.24 D school buses and multifunction school activity buses used for the transportation of
25.25 school children shall meet the requirements of the ~~"bus chassis standards" and "bus body~~
25.26 ~~standards and chassis specifications"~~ in the ~~2005~~ 2010 edition of the "National School
25.27 Transportation Specifications and Procedures" adopted by the National Congress on
25.28 School Transportation. Except as provided in section 169.4504, the construction, design,
25.29 and equipment of types A, B, C, D school buses and multifunction school activity buses
25.30 used for the transportation of students with disabilities also shall meet the requirements of
25.31 the "specially equipped school bus ~~standards specifications"~~ in the ~~2005~~ 2010 National
25.32 School Transportation Specifications and Procedures. The ~~"bus chassis standards," "bus~~
25.33 ~~body standards, and chassis specifications"~~ and "specially equipped school bus ~~standards~~
25.34 specifications" sections of the ~~2005~~ 2010 edition of the "National School Transportation

26.1 Specifications and Procedures," adopted by the Fifteenth National Congress on School
26.2 Transportation, are incorporated by reference in this chapter.

26.3 Sec. 35. Minnesota Statutes 2010, section 169.4501, subdivision 2, is amended to read:

26.4 Subd. 2. **Applicability.** (a) The standards adopted in this section and sections
26.5 169.4502 and 169.4503, govern the construction, design, equipment, and color of school
26.6 buses used for the transportation of school children, when owned or leased and operated
26.7 by a school or privately owned or leased and operated under a contract with a school.
26.8 Each school, its officers and employees, and each person employed under the contract is
26.9 subject to these standards.

26.10 (b) The standards apply to school buses manufactured after December 31, ~~2007~~
26.11 2012. Buses complying with the standards when manufactured need not comply with
26.12 standards established later except as specifically provided for by law.

26.13 (c) A school bus manufactured on or before December 31, ~~2007~~ 2012, must conform
26.14 to the Minnesota standards in effect on the date the vehicle was manufactured except as
26.15 specifically provided for in law.

26.16 (d) A new bus body may be remounted on a used chassis provided that the remounted
26.17 vehicle meets state and federal standards for new buses which are current at the time of the
26.18 remounting. Permission must be obtained from the commissioner of public safety before
26.19 the remounting is done. A used bus body may not be remounted on a new or used chassis.

26.20 Sec. 36. Minnesota Statutes 2010, section 169.4503, subdivision 5, is amended to read:

26.21 Subd. 5. **Colors.** Fenderettes may be black. The beltline may be painted yellow
26.22 over black or black over yellow. The rub rails shall be black. The area around the lenses
26.23 of alternately flashing signal lamps extending outward from the edge of the lamp three
26.24 inches, plus or minus one-quarter inch, to the sides and top and at least one inch to the
26.25 bottom, shall be black. Visors or hoods, black in color, with a minimum of four inches
26.26 may be provided.

26.27 Sec. 37. Minnesota Statutes 2010, section 169.4503, subdivision 20, is amended to
26.28 read:

26.29 Subd. 20. **Seat and crash barriers.** (a) All restraining barriers and passenger seats
26.30 shall be covered with a material that has fire retardant or fire block characteristics.

26.31 ~~(b) All seats must have a minimum cushion depth of 15 inches and a seat back~~
26.32 ~~height of at least 20 inches above the seating reference point, and beginning October 21,~~

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27.1 ~~2009, must also conform to the Federal Motor Vehicle Safety Standard in Code of Federal~~
27.2 ~~Regulations, title 49, section 571.222.~~

27.3 Sec. 38. Minnesota Statutes 2010, section 169.4503, is amended by adding a
27.4 subdivision to read:

27.5 Subd. 28. **Auxiliary fans.** Additional auxiliary fans are required for school buses
27.6 manufactured on or after December 31, 2012, and shall meet the following requirements:

27.7 (1) fans for the left and right sides of the windshields shall be placed in a location
27.8 where they can be adjusted for maximum effectiveness and where they do not obstruct
27.9 vision to any mirror. Type A buses may be equipped with one fan;

27.10 (2) fans shall be a minimum of six inches in diameter;

27.11 (3) fan blades shall be covered with a protective cage; and

27.12 (4) each fan shall be controlled by a separate switch.

27.13 Sec. 39. Minnesota Statutes 2010, section 169.4503, is amended by adding a
27.14 subdivision to read:

27.15 Subd. 29. **Video/mobile surveillance systems.** Camera heads for video/mobile
27.16 surveillance may be mounted in the driver compartment area, mid-bus, or on a rear interior
27.17 bulkhead in the student passenger area. For buses manufactured or retrofitted with a
27.18 surveillance system after December 31, 2012, cameras mounted mid-bus must be parallel
27.19 to a seat back, must not have any sharp edges, must not extend outward more than three
27.20 inches, and must be located within 24 inches of the top of the side window of the bus.

27.21 Sec. 40. Minnesota Statutes 2010, section 169.4582, subdivision 2, is amended to read:

27.22 **Subd. 2. Duty to report; school official.** Consistent with the school bus safety
27.23 policy under section 123B.91, subdivision 1, the school principal, the school transportation
27.24 safety director, or other designated school official shall immediately report to the local
27.25 law enforcement agency having jurisdiction where the misbehavior occurred and to the
27.26 school superintendent if the reporting school official knows or has reason to believe that
27.27 a student has committed a reportable offense on a school bus or in a bus loading or
27.28 unloading area. The reporting school official shall issue a report to the commissioner of
27.29 public safety concerning the incident ~~on a form developed by the commissioner for that~~
27.30 ~~purpose~~ upon request of the commissioner.

27.31 Sec. 41. Minnesota Statutes 2010, section 169.79, subdivision 6, is amended to read:

28.1 Subd. 6. **Other motor vehicles.** If the motor vehicle is any kind of motor vehicle
28.2 other than those provided for in subdivisions 2 to 4, ~~one plate~~ two plates must be displayed
28.3 ~~on~~. One plate must be displayed at the front and one on the rear of the vehicle and one
28.4 at the back. The two plates must either be mounted on the front and rear bumpers of
28.5 the vehicle or on the front and back of the vehicle exterior in places designed to hold a
28.6 license plate.

28.7 Sec. 42. Minnesota Statutes 2011 Supplement, section 169.86, subdivision 5, is
28.8 amended to read:

28.9 Subd. 5. **Fees; proceeds deposited; appropriation.** The commissioner, with
28.10 respect to highways under the commissioner's jurisdiction, may charge a fee for each
28.11 permit issued. Unless otherwise specified, all such fees for permits issued by the
28.12 commissioner of transportation shall be deposited in the state treasury and credited to
28.13 the trunk highway fund. Except for those annual permits for which the permit fees are
28.14 specified elsewhere in this chapter, the fees shall be:

28.15 (a) \$15 for each single trip permit.

28.16 (b) \$36 for each job permit. A job permit may be issued for like loads carried on
28.17 a specific route for a period not to exceed two months. "Like loads" means loads of the
28.18 same product, weight, and dimension.

28.19 (c) \$60 for an annual permit to be issued for a period not to exceed 12 consecutive
28.20 months. Annual permits may be issued for:

28.21 (1) motor vehicles used to alleviate a temporary crisis adversely affecting the safety
28.22 or well-being of the public;

28.23 (2) motor vehicles which travel on interstate highways and carry loads authorized
28.24 under subdivision 1a;

28.25 (3) motor vehicles operating with gross weights authorized under section 169.826,
28.26 subdivision 1a;

28.27 (4) special pulpwood vehicles described in section 169.863;

28.28 (5) motor vehicles bearing snowplow blades not exceeding ten feet in width;

28.29 (6) noncommercial transportation of a boat by the owner or user of the boat;

28.30 (7) motor vehicles carrying bales of agricultural products authorized under section
28.31 169.862; and

28.32 (8) special milk-hauling vehicles authorized under section 169.867.

28.33 (d) \$120 for an oversize annual permit to be issued for a period not to exceed 12
28.34 consecutive months. Annual permits may be issued for:

28.35 (1) mobile cranes;

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- 29.1 (2) construction equipment, machinery, and supplies;
- 29.2 (3) manufactured homes and manufactured storage buildings;
- 29.3 (4) implements of husbandry;
- 29.4 (5) double-deck buses;
- 29.5 (6) commercial boat hauling and transporting waterfront structures, including, but
- 29.6 not limited to, portable boat docks and boat lifts;
- 29.7 (7) three-vehicle combinations consisting of two empty, newly manufactured trailers
- 29.8 for cargo, horses, or livestock, not to exceed 28-1/2 feet per trailer; provided, however,
- 29.9 the permit allows the vehicles to be moved from a trailer manufacturer to a trailer dealer
- 29.10 only while operating on twin-trailer routes designated under section 169.81, subdivision 3,
- 29.11 paragraph (c); and
- 29.12 (8) vehicles operating on that portion of marked Trunk Highway 36 described in
- 29.13 section 169.81, subdivision 3, paragraph (e).

29.14 (e) For vehicles which have axle weights exceeding the weight limitations of

29.15 sections 169.823 to 169.829, an additional cost added to the fees listed above. However,

29.16 this paragraph applies to any vehicle described in section 168.013, subdivision 3,

29.17 paragraph (b), but only when the vehicle exceeds its gross weight allowance set forth in

29.18 that paragraph, and then the additional cost is for all weight, including the allowance

29.19 weight, in excess of the permitted maximum axle weight. The additional cost is equal

29.20 to the product of the distance traveled times the sum of the overweight axle group cost

29.21 factors shown in the following chart:

Overweight Axle Group Cost Factors			
Weight (pounds) exceeding weight limitations on axles	Cost Per Mile For Each Group Of:		
	Two consecutive axles spaced within 8 feet or less	Three consecutive axles spaced within 9 feet or less	Four consecutive axles spaced within 14 feet or less
0-2,000	.12	.05	.04
2,001-4,000	.14	.06	.05
4,001-6,000	.18	.07	.06
6,001-8,000	.21	.09	.07
8,001-10,000	.26	.10	.08
10,001-12,000	.30	.12	.09
12,001-14,000	Not permitted	.14	.11
14,001-16,000	Not permitted	.17	.12
16,001-18,000	Not permitted	.19	.15

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30.1		Not	Not	
30.2	18,001-20,000	permitted	permitted	.16
30.3		Not	Not	
30.4	20,001-22,000	permitted	permitted	.20

30.5 The amounts added are rounded to the nearest cent for each axle or axle group. The
 30.6 additional cost does not apply to paragraph (c), clauses (1) and (3).

30.7 For a vehicle found to exceed the appropriate maximum permitted weight, a cost-per-mile
 30.8 fee of 22 cents per ton, or fraction of a ton, over the permitted maximum weight is imposed
 30.9 in addition to the normal permit fee. Miles must be calculated based on the distance
 30.10 already traveled in the state plus the distance from the point of detection to a transportation
 30.11 loading site or unloading site within the state or to the point of exit from the state.

30.12 (f) As an alternative to paragraph (e), an annual permit may be issued for overweight,
 30.13 or oversize and overweight, mobile cranes; construction equipment, machinery, and
 30.14 supplies; implements of husbandry; and commercial boat hauling. The fees for the permit
 30.15 are as follows:

30.16	Gross Weight (pounds) of Vehicle	Annual Permit Fee
30.17	90,000 or less	\$200
30.18	90,001 - 100,000	\$300
30.19	100,001 - 110,000	\$400
30.20	110,001 - 120,000	\$500
30.21	120,001 - 130,000	\$600
30.22	130,001 - 140,000	\$700
30.23	140,001 - 145,000	\$800

30.24 If the gross weight of the vehicle is more than 145,000 pounds the permit fee is determined
 30.25 under paragraph (e).

30.26 (g) For vehicles which exceed the width limitations set forth in section 169.80 by
 30.27 more than 72 inches, an additional cost equal to \$120 added to the amount in paragraph (a)
 30.28 when the permit is issued while seasonal load restrictions pursuant to section 169.87 are
 30.29 in effect.

30.30 (h) \$85 for an annual permit to be issued for a period not to exceed 12 months, for
 30.31 refuse-compactor vehicles that carry a gross weight of not more than: 22,000 pounds on
 30.32 a single rear axle; 38,000 pounds on a tandem rear axle; or, subject to section 169.828,
 30.33 subdivision 2, 46,000 pounds on a tridem rear axle. A permit issued for up to 46,000
 30.34 pounds on a tridem rear axle must limit the gross vehicle weight to not more than 62,000
 30.35 pounds.

30.36 (i) \$300 for a motor vehicle described in section 169.8261. The fee under this
 30.37 paragraph must be deposited as follows:

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31.1 ~~(1) in fiscal years 2005 through 2010:~~

31.2 ~~(i) (1) the first \$50,000 in each fiscal year must be deposited in the trunk highway~~
31.3 ~~fund for costs related to administering the permit program and inspecting and posting~~
31.4 ~~bridges; and~~

31.5 ~~(ii) (2) all remaining money in each fiscal year must be deposited in a the bridge~~
31.6 ~~inspection and signing account in the special revenue fund as provided under subdivision~~
31.7 ~~5a. Money in the account is appropriated to the commissioner for:~~

31.8 ~~(A) inspection of local bridges and identification of local bridges to be posted,~~
31.9 ~~including contracting with a consultant for some or all of these functions; and~~

31.10 ~~(B) erection of weight-posting signs on local bridges; and~~

31.11 ~~(2) in fiscal year 2011 and subsequent years must be deposited in the trunk highway~~
31.12 ~~fund.~~

31.13 (j) Beginning August 1, 2006, \$200 for an annual permit for a vehicle operating
31.14 under authority of section 169.824, subdivision 2, paragraph (a), clause (2).

31.15 Sec. 43. Minnesota Statutes 2010, section 169.86, is amended by adding a subdivision
31.16 to read:

31.17 Subd. 5a. **Bridge inspection and signing account; appropriation.** (a) A bridge
31.18 inspection and signing account is established in the special revenue fund. The account
31.19 consists of fees for special permits as specified under this chapter, and any other money
31.20 donated, allotted, transferred, or otherwise provided to the account.

31.21 (b) The revenue in the bridge inspection and signing account under this subdivision
31.22 is annually appropriated to the commissioner for:

31.23 (1) inspection of local bridges and identification of local bridges to be posted,
31.24 including contracting with a consultant for some or all of these functions; and

31.25 (2) erection of weight-posting signs on local bridges.

31.26 Sec. 44. Minnesota Statutes 2010, section 169.865, subdivision 4, is amended to read:

31.27 Subd. 4. **Deposit of revenues; appropriation.** (a) Revenue from the permits issued
31.28 by the commissioner under this section must be deposited:

31.29 ~~(1) in fiscal years 2008 through 2011, in the bridge inspection and signing account~~
31.30 ~~in the special revenue fund; and~~

31.31 ~~(2) in fiscal year 2012 and subsequent years, in the trunk highway fund as provided~~
31.32 ~~under section 169.86, subdivision 5a.~~

31.33 ~~(b) The revenue in the bridge inspection and signing account under this section is~~
31.34 ~~annually appropriated to the commissioner for:~~

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32.1 ~~(1) inspection of local bridges and identification of local bridges to be posted,~~
32.2 ~~including contracting with a consultant for some or all of these functions; and~~
32.3 ~~(2) erection of weight-posting signs on local bridges.~~

32.4 Sec. 45. Minnesota Statutes 2010, section 169.98, subdivision 1, is amended to read:

32.5 Subdivision 1. **Colors and markings.** (a) Except as provided in subdivisions 2 and
32.6 2a, all motor vehicles which are primarily used in the enforcement of highway traffic rules
32.7 by the State Patrol or for general uniform patrol assignment by any municipal police
32.8 department or other law enforcement agency, except conservation officers, shall have
32.9 uniform colors and markings as provided in this subdivision. Motor vehicles of:

32.10 (1) municipal police departments, including the University of Minnesota Police
32.11 Department and park police units, shall be predominantly blue, brown, green, black,
32.12 or white;

32.13 (2) the State Patrol shall be predominantly maroon; and

32.14 (3) the county sheriff's office shall be predominantly brown, black, gold, or white.

32.15 (b) The identity of the governmental unit operating the vehicle shall be displayed on
32.16 both front door panels and on the rear of the vehicle. The identity may be in the form of
32.17 a shield or emblem, or may be the word "police," "sheriff," or the words "State Patrol"
32.18 or "conservation officer," as appropriate, with letters not less than 2-1/2 inches high,
32.19 one-inch wide and of a three-eighths inch brush stroke. The identity shall be of a color
32.20 contrasting with the background color so that the motor vehicle is easily identifiable as
32.21 belonging to a specific type of law enforcement agency. Each vehicle shall be marked
32.22 with its own identifying number on the rear of the vehicle. The number shall be printed
32.23 in the same size and color required pursuant to this subdivision for identifying words
32.24 which may be displayed on the vehicle.

32.25 Sec. 46. Minnesota Statutes 2010, section 169.98, subdivision 3, is amended to read:

32.26 Subd. 3. **Security guard vehicle.** (a) All motor vehicles which are used by security
32.27 guards in the course of their employment may have any color other than those specified in
32.28 subdivision 1 for law enforcement vehicles. The identity of the security service shall be
32.29 displayed on the motor vehicle as required for law enforcement vehicles.

32.30 (b) Notwithstanding subdivision 1, paragraph (a), clause (1), a security guard may
32.31 continue to use a motor vehicle that is predominantly black in the course of the guard's
32.32 employment if the vehicle was being used in this manner before August 1, 2002.

33.1 (c) Notwithstanding subdivision 1, paragraph (a), clause (3), a security guard may
33.2 continue to use a motor vehicle that is predominantly gold in the course of the guard's
33.3 employment if the vehicle was being used in this manner before August 1, 2012.

33.4 Sec. 47. **[171.60] MOTORCYCLE ROAD GUARD CERTIFICATE.**

33.5 Subdivision 1. **Certificate required.** No person may perform traffic control as a
33.6 motorcycle road guard as provided under chapter 169 without a valid motorcycle road
33.7 guard certificate issued by the commissioner.

33.8 Subd. 2. **Certification qualifications and standards; fee.** Through the Minnesota
33.9 Motorcycle Safety Center, the commissioner of public safety shall:

33.10 (1) establish qualifications and requirements for a person to obtain a motorcycle road
33.11 guard certificate under this section, which must include:

33.12 (i) a minimum 18 years of age;

33.13 (ii) possession of a valid driver's license; and

33.14 (iii) successful completion of a motorcycle road guard certification course;

33.15 (2) develop and offer, whether by the Minnesota Motorcycle Safety Center or
33.16 authorized agents, a motorcycle road guard certification course; and

33.17 (3) establish safety and equipment standards for a person who operates under a
33.18 motorcycle road guard certificate, including but not limited to specifying requirements
33.19 for a reflective safety vest.

33.20 Subd. 3. **Fee.** The commissioner of public safety shall assess a fee for each applicant
33.21 for a motorcycle road guard certificate, calculated to cover the commissioner's cost of
33.22 establishing and administering the program.

33.23 Subd. 4. **Penalty.** A person who violates any provision of this section is guilty
33.24 of a petty misdemeanor.

33.25 Subd. 5. **Rulemaking.** The commissioner of public safety shall adopt rules to carry
33.26 out the provisions of this section. Notwithstanding section 16A.1283, the rules must
33.27 specify the fee to be assessed under subdivision 3.

33.28 **EFFECTIVE DATE.** Subdivisions 1 to 4 are effective one year after publication
33.29 in the State Register of rules adopted under subdivision 5. Subdivision 5 is effective the
33.30 day following final enactment.

33.31 Sec. 48. Minnesota Statutes 2010, section 174.03, is amended by adding a subdivision
33.32 to read:

33.33 Subd. 1d. **Statewide freight plan.** (a) The commissioner of transportation, in
33.34 cooperation with the commissioner of the Department of Employment and Economic

34.1 Development, shall conduct a freight rail economic development study. The study will
34.2 assess the economic impact of freight railroads in the state and identify opportunities to
34.3 expand business development and enhance economic competitiveness through improved
34.4 utilization of freight rail options. Findings from the study shall be incorporated as an
34.5 amendment to the statewide freight and passenger rail plan.

34.6 (b) The commissioner of transportation shall provide an interim progress report on
34.7 the study by January 15, 2013, and a final report on September 1, 2013, to the chairs
34.8 and ranking minority members of the legislative committees with jurisdiction over
34.9 transportation policy and finance and over employment and economic development. The
34.10 reports shall include any recommended legislative initiatives.

34.11 (c) The commissioner of transportation may expend up to \$216,000 in fiscal year
34.12 2013 under section 222.50, subdivision 7, to pay the costs of this study and report.

34.13 **EFFECTIVE DATE.** This section is effective the day following final enactment.

34.14 Sec. 49. **[174.40] SAFE ROUTES TO SCHOOL PROGRAM.**

34.15 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms
34.16 have the meanings given them.

34.17 (b) "Bond eligible cost" means expenditures under this section for acquisition of
34.18 land or permanent easements, predesign, design, preliminary and final engineering,
34.19 environmental analysis, construction, and reconstruction of publicly owned infrastructure
34.20 in this state with a useful life of at least ten years that provides for nonmotorized
34.21 transportation to and from a school; preparation of land for which a route to school
34.22 is established, including demolition of structures and remediation of any hazardous
34.23 conditions on the land; and the unpaid principal on debt issued by a political subdivision
34.24 for a safe routes to school project.

34.25 (c) "Federal program" means the safe routes to school program under Title I, section
34.26 1404 of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy
34.27 for Users (SAFETEA-LU) of 2005, Public Law 109-59.

34.28 (d) "School" means a school, as defined in section 120A.22, subdivision 4, excluding
34.29 a home school.

34.30 Subd. 2. **Program creation.** (a) A safe routes to school program is established
34.31 to provide assistance in capital investments for safe and appealing nonmotorized
34.32 transportation to and from a school. The commissioner shall develop and implement the
34.33 safe routes to school program as provided in this section. Financial assistance under
34.34 this section is to supplement or replace aid for infrastructure projects under the federal
34.35 program.

35.1 (b) The commissioner may provide grants or other financial assistance for a safe
35.2 routes to school project at the commissioner's discretion, subject to the requirements
35.3 of this section.

35.4 Subd. 3. **Safe routes to school accounts.** (a) A safe routes to school account is
35.5 established in the bond proceeds fund. The account consists of state bond proceeds
35.6 appropriated to the commissioner. Money in the account may only be expended on
35.7 bond-eligible costs of a project receiving financial assistance as provided under this
35.8 section. All uses of funds from the account must be for publicly owned property.

35.9 (b) A safe routes to school account is established in the general fund. The account
35.10 consists of funds as provided by law, and any other money donated, allotted, transferred,
35.11 or otherwise provided to the account. Money in the account may only be expended on a
35.12 project receiving financial assistance as provided under this section.

35.13 Subd. 4. **State general obligation bond funds.** Minnesota Constitution, article XI,
35.14 section 5, clause (a), requires that state general obligation bonds be issued to finance only
35.15 the acquisition or betterment of public land, buildings, and other public improvements
35.16 of a capital nature. The legislature has determined that many school transportation
35.17 infrastructure projects will constitute betterments and capital improvements within the
35.18 meaning of the Minnesota Constitution and capital expenditures under generally accepted
35.19 accounting principles, and will be financed more efficiently and economically under this
35.20 section than by direct appropriations for specific projects.

35.21 Subd. 5. **Program administration.** (a) The commissioner shall establish general
35.22 program requirements and a competitive process for financial assistance, including but
35.23 not limited to eligibility requirements for grant recipients and projects; procedures for
35.24 solicitation of grants; application requirements; procedures for payment of financial
35.25 assistance awards; and a schedule for application, evaluation, and award of financial
35.26 assistance.

35.27 (b) An application must include:

35.28 (1) a detailed and specific description of the project;

35.29 (2) an estimate, along with necessary supporting evidence, of the total costs for the
35.30 project and the allocation of identified and proposed funding sources for the project;

35.31 (3) an assessment of the need for and benefits of the project;

35.32 (4) a resolution adopted by the governing body of the school for which a safe routes
35.33 to school grant is requested, certifying that: (i) the governing body of the school supports
35.34 the project; and (ii) funds, if any, required to be supplied by the school to complete the
35.35 project are available and committed;

36.1 (5) a timeline indicating the major milestones of the project and their anticipated
36.2 completion dates; and

36.3 (6) any additional information or material the commissioner prescribes.

36.4 (c) The commissioner shall make reasonable efforts to (1) publicize each solicitation
36.5 for applications among all eligible recipients, and (2) provide technical and informational
36.6 assistance in creating and submitting applications.

36.7 (d) By January 1, 2013, the commissioner of transportation shall publish and
36.8 maintain a manual on the safe routes to school program that assists applicants for and
36.9 recipients of financial assistance. The manual must include identification of eligibility
36.10 and general program requirements, explanation of the application process, and review of
36.11 criteria for evaluation of projects.

36.12 Subd. 6. **Evaluation criteria.** The commissioner shall establish criteria for
36.13 evaluation of applications and selection of projects. The criteria must include:

36.14 (1) establishment or capital improvement of transportation infrastructure that
36.15 improves safety and encourages nonmotorized transportation to and from a school;

36.16 (2) compliance with all applicable requirements for capital infrastructure projects
36.17 established by the Federal Highway Administration, U.S. Department of Transportation,
36.18 for the federal program; and

36.19 (3) other components as determined by the commissioner.

36.20 Subd. 7. **Grant cancellation.** If, five years after execution of a grant agreement,
36.21 the commissioner determines that the grantee has not proceeded in a timely manner
36.22 with implementation of the project funded, the commissioner must cancel the grant
36.23 and the grantee must repay to the commissioner all grant money paid to the grantee.

36.24 Section 16A.642 applies to any appropriations made from the bond proceeds fund to the
36.25 commissioner under this section that have not been awarded as financial assistance.

36.26 Subd. 8. **Legislative report.** By November 1 annually, the commissioner shall
36.27 submit a report on the safe routes to school program to the chairs and ranking minority
36.28 members of the house of representatives and senate committees with jurisdiction over
36.29 transportation policy and finance. The report must at a minimum:

36.30 (1) summarize program implementation;

36.31 (2) provide an overview of grant evaluation and criteria used in project selection;

36.32 (3) provide a brief description of each project funded in the previous fiscal year,
36.33 including the amount of money provided from each safe routes to school account under
36.34 this section and the amount provided under the federal program;

36.35 (4) summarize the status of the federal program or successor legislation; and

37.1 (5) identify any recommendations for legislative changes, including proposals to
37.2 improve program effectiveness.

37.3 **EFFECTIVE DATE.** This section is effective the day following final enactment.

37.4 Sec. 50. Minnesota Statutes 2011 Supplement, section 297B.03, is amended to read:

37.5 **297B.03 EXEMPTIONS.**

37.6 There is specifically exempted from the provisions of this chapter and from
37.7 computation of the amount of tax imposed by it the following:

37.8 (1) purchase or use, including use under a lease purchase agreement or installment
37.9 sales contract made pursuant to section 465.71, of any motor vehicle by the United States
37.10 and its agencies and instrumentalities and by any person described in and subject to the
37.11 conditions provided in section 297A.67, subdivision 11;

37.12 (2) purchase or use of any motor vehicle by any person who was a resident of
37.13 another state or country at the time of the purchase and who subsequently becomes a
37.14 resident of Minnesota, provided the purchase occurred more than 60 days prior to the date
37.15 such person began residing in the state of Minnesota and the motor vehicle was registered
37.16 in the person's name in the other state or country;

37.17 (3) purchase or use of any motor vehicle by any person making a valid election to be
37.18 taxed under the provisions of section 297A.90;

37.19 (4) purchase or use of any motor vehicle previously registered in the state of
37.20 Minnesota when such transfer constitutes a transfer within the meaning of section 118,
37.21 331, 332, 336, 337, 338, 351, 355, 368, 721, 731, 1031, 1033, or 1563(a) of the Internal
37.22 Revenue Code;

37.23 (5) purchase or use of any vehicle owned by a resident of another state and leased
37.24 to a Minnesota-based private or for-hire carrier for regular use in the transportation of
37.25 persons or property in interstate commerce provided the vehicle is titled in the state of
37.26 the owner or secured party, and that state does not impose a sales tax or sales tax on
37.27 motor vehicles used in interstate commerce;

37.28 (6) purchase or use of a motor vehicle by a private nonprofit or public educational
37.29 institution for use as an instructional aid in automotive training programs operated by the
37.30 institution. "Automotive training programs" includes motor vehicle body and mechanical
37.31 repair courses but does not include driver education programs;

37.32 (7) purchase of a motor vehicle by an ambulance service licensed under section
37.33 144E.10 when that vehicle is equipped and specifically intended for emergency response
37.34 or for providing ambulance service;

38.1 (8) purchase of a motor vehicle by or for a public library, as defined in section
38.2 134.001, subdivision 2, as a bookmobile or library delivery vehicle;

38.3 (9) purchase of a ready-mixed concrete truck;

38.4 (10) purchase or use of a motor vehicle by a town for use exclusively for road
38.5 maintenance, including snowplows and dump trucks, but not including automobiles,
38.6 vans, or pickup trucks;

38.7 (11) purchase or use of a motor vehicle by a corporation, society, association,
38.8 foundation, or institution organized and operated exclusively for charitable, religious,
38.9 or educational purposes, except a public school, university, or library, but only if the
38.10 vehicle is:

38.11 (i) a truck, as defined in section 168.002, a bus, as defined in section 168.002, or a
38.12 passenger automobile, as defined in section 168.002, if the automobile is designed and
38.13 used for carrying more than nine persons including the driver; and

38.14 (ii) intended to be used primarily to transport tangible personal property or
38.15 individuals, other than employees, to whom the organization provides service in
38.16 performing its charitable, religious, or educational purpose;

38.17 (12) purchase of a motor vehicle for use by a transit provider exclusively to provide
38.18 transit service is exempt if the transit provider is either (i) receiving financial assistance or
38.19 reimbursement under section 174.24 or 473.384, or (ii) operating under section 174.29,
38.20 473.388, or 473.405;

38.21 (13) purchase or use of a motor vehicle by a qualified business, as defined in section
38.22 469.310, located in a job opportunity building zone, if the motor vehicle is principally
38.23 garaged in the job opportunity building zone and is primarily used as part of or in direct
38.24 support of the person's operations carried on in the job opportunity building zone. The
38.25 exemption under this clause applies to sales, if the purchase was made and delivery
38.26 received during the duration of the job opportunity building zone. The exemption under
38.27 this clause also applies to any local sales and use tax; ~~and~~

38.28 (14) purchase of a leased vehicle by the lessee who was a participant in a
38.29 lease-to-own program from a charitable organization that is:

38.30 (i) described in section 501(c)(3) of the Internal Revenue Code; and

38.31 (ii) licensed as a motor vehicle lessor under section 168.27, subdivision 4; and

38.32 (15) purchase of a motor vehicle used exclusively as a mobile medical unit for the
38.33 provision of medical or dental services by a federally qualified health center, as defined
38.34 under title 19 of the Social Security Act, as amended by section 4161 of the Omnibus
38.35 Budget Reconciliation Act of 1990.

39.1 EFFECTIVE DATE. This section is effective retroactively for sales and purchases
39.2 made after December 31, 2010.

39.3 Sec. 51. Minnesota Statutes 2010, section 299D.09, is amended to read:

39.4 **299D.09 ESCORT SERVICE; APPROPRIATION; RECEIPTS.**

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

39.7 The ~~fees~~ fee charged for services provided by the State Patrol with a vehicle ~~are~~
39.8 ~~\$73.60~~ is \$79.28 an hour ~~in fiscal year 2008~~ and ~~\$75.76~~ an hour ~~in fiscal year 2009~~ and
39.9 ~~thereafter~~. The ~~fees~~ fee charged for services provided without a vehicle ~~are \$54~~ is \$59.28
39.10 an hour ~~in fiscal year 2008~~ and ~~\$56.16~~ an hour ~~in fiscal year 2009~~ and thereafter.

39.11 The fees charged for State Patrol flight services are \$140 an hour for a fixed wing
39.12 aircraft, \$490 an hour for a helicopter, and \$600 an hour for the Queen Air in fiscal year
39.13 2012, and \$139.64 an hour for a fixed wing aircraft, \$560.83 an hour for a helicopter, and
39.14 \$454.84 an hour for the Queen Air in fiscal year 2013 and in fiscal year 2014.

39.15 EFFECTIVE DATE. This section is effective July 1, 2012.

39.16 Sec. 52. Minnesota Statutes 2010, section 325F.6641, is amended to read:

39.17 **325F.6641 DISCLOSURE OF MOTOR VEHICLE DAMAGE.**

39.18 Subdivision 1. **Damage.** (a) If a ~~motor~~ late-model vehicle, as defined in section
39.19 168A.01, subdivision 8a, has sustained damage by collision or other occurrence which
39.20 exceeds ~~70~~ 80 percent of its actual cash value immediately prior to sustaining damage, the
39.21 seller must disclose that fact to the buyer, if the seller has actual knowledge of the damage.
39.22 The amount of damage is determined by the retail cost of repairing the vehicle based on a
39.23 complete written retail repair estimate or invoice, ~~exclusive of the actual cost incurred to~~
39.24 ~~repair, replace, or reinstall inflatable safety restraints and other vehicle components that~~
39.25 ~~must be replaced due to the deployment of the inflatable safety restraints.~~

39.26 (b) The disclosure required under this subdivision must be made in writing on the
39.27 application for title and registration or other transfer document, in a manner prescribed
39.28 by the registrar of motor vehicles. The registrar shall revise the certificate of title form,
39.29 including the assignment by seller (transferor) and reassignment by licensed dealer
39.30 sections of the form, the separate application for title forms, and other transfer documents
39.31 to accommodate this disclosure. If the seller is a motor vehicle dealer licensed pursuant to
39.32 section 168.27, the disclosure required by this section must be made orally by the dealer to
39.33 the prospective buyer in the course of the sales presentation.

40.1 (c) Upon transfer and application for title to a vehicle covered by this subdivision,
40.2 the registrar shall record the term "rebuilt" on the first Minnesota certificate of title and all
40.3 subsequent Minnesota certificates of title used for that vehicle.

40.4 Subd. 2. **Form of disclosure.** The disclosure required in this section must be made
40.5 in substantially the following form: "To the best of my knowledge, this vehicle has
40.6 has not sustained damage, ~~exclusive of any costs to repair, replace, or reinstall air bags~~
40.7 ~~and other components that were replaced due to deployment of air bags,~~ in excess of
40.8 ~~70~~ 80 percent actual cash value."

40.9 Sec. 53. Minnesota Statutes 2010, section 325F.6644, subdivision 1, is amended to
40.10 read:

40.11 Subdivision 1. **Damage disclosure.** Section 325F.6641 does not apply to ~~vehicles~~
40.12 ~~that are six years old or older as calculated from the first day of January of the designated~~
40.13 ~~model year or to~~ commercial motor vehicles with a gross vehicle weight rating of 16,000
40.14 pounds or more or to motorcycles.

40.15 Sec. 54. Minnesota Statutes 2010, section 325F.6644, subdivision 2, is amended to
40.16 read:

40.17 Subd. 2. **Title branding.** Section 325F.6642 does not apply to commercial motor
40.18 vehicles with a gross vehicle weight rating of 16,000 pounds or more or to motorcycles,
40.19 other than reconstructed vehicles, as defined in section 168A.01, subdivision 16, and
40.20 restored pioneer vehicles, as defined in section 168A.01, subdivision 16a.

40.21 Sec. 55. Laws 2009, chapter 36, article 3, section 28, is amended to read:

40.22 Sec. 28. **~~DESIGN-BUILD PROJECT SELECTION COUNCIL~~ LOCAL**
40.23 **PROJECTS.**

40.24 ~~Subdivision 1. **Establishment of council.** A Design-Build Project Selection~~
40.25 ~~Council is established to select, evaluate, and support county and municipal transportation~~
40.26 ~~projects on the state-aid system that are conducive to use of the design-build method of~~
40.27 ~~contracting and to report to the legislature.~~

40.28 Subd. 1a. **Selection authority.** The commissioner of transportation or the
40.29 commissioner's designee from the Department of Transportation State Aid for Local
40.30 Transportation Division shall select, evaluate, and support county and municipal
40.31 transportation projects on the state-aid system that are conducive to use of the design-build
40.32 method of contracting.

41.1 Subd. 2. **Duties of ~~council~~ commissioner.** In order to accomplish these purposes,
41.2 the ~~council~~ commissioner shall:

41.3 (1) review applications for participation received by the commissioner from counties
41.4 and cities;

41.5 (2) select projects for participation in ~~the pilot program a maximum of 15 projects~~
41.6 ~~on the state-aid system, no more than ten of which may be on the county state-aid highway~~
41.7 ~~system, and no more than ten of which may be on the municipal state-aid street system~~
41.8 each calendar year;

41.9 (3) determine that the use of design-build in the selected projects would serve the
41.10 public interest, after considering, at a minimum:

41.11 (i) the extent to which the municipality can adequately define the project
41.12 requirements in a proposed scope of the design and construction desired;

41.13 (ii) the time constraints for delivery of the project;

41.14 (iii) the capability of potential contractors with the design-build method of project
41.15 delivery;

41.16 (iv) the suitability of the project for use of the design-build method of project
41.17 delivery with respect to time, schedule, costs, and quality factors;

41.18 (v) the capability of the municipality to manage the project, including the
41.19 employment of experienced personnel or outside consultants; and

41.20 (vi) the original character of the product or the services; and

41.21 (4) periodically review and evaluate the use of design-build in the selected projects;
41.22 **and**

41.23 ~~(5) assist the commissioner in preparing a report to the legislature at the conclusion~~
41.24 ~~of the pilot program.~~

41.25 Subd. 3. **Membership.** ~~(a) The council is composed of the following members:~~

41.26 ~~(1) two contractors, at least one of whom represents a small contracting firm,~~
41.27 ~~selected by the Associated General Contractors, Minnesota chapter;~~

41.28 ~~(2) two project designers selected by the American Council of Engineering~~
41.29 ~~Companies, Minnesota chapter;~~

41.30 ~~(3) one representative of a metropolitan area county selected by the Association~~
41.31 ~~of Minnesota Counties;~~

41.32 ~~(4) one representative of a greater Minnesota county selected by the Association~~
41.33 ~~of Minnesota Counties;~~

41.34 ~~(5) one representative of a metropolitan area city selected by the League of~~
41.35 ~~Minnesota Cities;~~

42.1 ~~(6) one representative of a greater Minnesota city selected by the League of~~
42.2 ~~Minnesota Cities; and~~

42.3 ~~(7) the commissioner of transportation or a designee from the Minnesota Department~~
42.4 ~~of Transportation Division of State Aid for Local Transportation.~~

42.5 ~~(b) All appointments required by paragraph (a) must be completed by August~~
42.6 ~~1, 2009.~~

42.7 ~~(c) The commissioner or the commissioner's designee shall convene the first meeting~~
42.8 ~~of the council within two weeks after the members have been appointed to the council and~~
42.9 ~~shall serve as chair of the council.~~

42.10 ~~Subd. 4. **Report to legislature.** Annually, by January 15, the council shall submit~~
42.11 ~~a report to the chairs and ranking minority members of the legislative committees with~~
42.12 ~~jurisdiction over transportation budget and policy, and to the legislature as provided under~~
42.13 ~~Minnesota Statutes, section 15.059. The report must summarize the design-build pilot~~
42.14 ~~program selection process, including the number of applications considered; the proposal~~
42.15 ~~process for each project that was selected; the contracting process for each project that was~~
42.16 ~~completed; and project costs. The report must evaluate the process and results applying~~
42.17 ~~the performance-based measures with which the commissioner evaluates trunk highway~~
42.18 ~~design-build projects. The report must include any recommendations for future legislation.~~

42.19 **EFFECTIVE DATE.** This section is effective the day following final enactment
42.20 and expires upon completion of nine design-build projects.

42.21 Sec. 56. Laws 2009, chapter 36, article 3, section 28, the effective date, is amended to
42.22 read:

42.23 ~~**EFFECTIVE DATE.** This section is effective the day following final enactment~~
42.24 ~~and expires on October 1, 2012, or upon completion of nine design-build projects under~~
42.25 ~~this pilot program, whichever occurs first.~~

42.26 Sec. 57. Laws 2009, chapter 36, article 3, section 29, is amended to read:

42.27 Sec. 29. **DESIGN-BUILD CONTRACTING PILOT PROGRAM.**

42.28 Subdivision 1. **Definitions.** The following terms have the meanings given:

42.29 (1) "commissioner" means the commissioner of transportation;

42.30 (2) "municipality" means a county or statutory or home rule charter city;

42.31 (3) "design-build contract" means a single contract between a municipality and a

42.32 design-build company or firm to furnish the architectural or engineering and related design

43.1 services as well as the labor, material, supplies, equipment, and construction services for
43.2 the transportation project;

43.3 (4) "design-build firm" means a proprietorship, partnership, limited liability
43.4 partnership, joint venture, corporation, any type of limited liability company, professional
43.5 corporation, or any legal entity;

43.6 (5) "design professional" means a person who holds a license under Minnesota
43.7 Statutes, chapter 326B, that is required to be registered under Minnesota law;

43.8 (6) "design-build transportation project" means the procurement of both the design
43.9 and construction of a transportation project in a single contract with a company or
43.10 companies capable of providing the necessary engineering services and construction;

43.11 (7) "design-builder" means the design-build firm that proposes to design and build a
43.12 transportation project governed by the procedures of this section;

43.13 (8) "request for proposals" or "RFP" means the document by which the municipality
43.14 solicits proposals from qualified design-build firms to design and construct the
43.15 transportation project;

43.16 (9) "request for qualifications" or "RFQ" means a document to qualify potential
43.17 design-build firms; and

43.18 (10) "responsive proposal" means a technical proposal of which no major component
43.19 (i) contradicts the goals of the project, (ii) materially violates an RFP requirement so as
43.20 to give the proposer a competitive advantage, or (iii) places conditions on a proposal
43.21 inconsistent with the requirements of the RFP.

43.22 Subd. 2. **Establishment of ~~pilot~~ the program.** (a) The commissioner of
43.23 transportation shall conduct a design-build contracting ~~pilot~~ program to select local
43.24 transportation projects for participation in the program, to conduct information sessions
43.25 for engineers and contractors, to support and evaluate the use of the design-build method
43.26 of contracting by counties and statutory and home rule charter cities in constructing,
43.27 improving, and maintaining streets and highways on the state-aid system, ~~and to report to~~
43.28 ~~the legislature.~~

43.29 (b) The commissioner must concur in the RFQ and RFP prior to solicitation.

43.30 (c) The selection of design-build projects under the ~~pilot~~ program must be as made
43.31 by the ~~Design-Build Project Selection Council established~~ commissioner as provided in
43.32 section 28.

43.33 Subd. 3. **Licensing requirements.** (a) Each design-builder shall employ, or have
43.34 as a partner, member, officer, coventurer, or subcontractor, a person duly licensed and
43.35 registered to provide the design services required to complete the project and do business

44.1 in the state, including the provision of sureties of sufficient amount to protect the interests
44.2 of the awarding municipality.

44.3 (b) A design-builder may enter into a contract to provide professional or construction
44.4 services for a project that the design-builder is not licensed, registered, or qualified to
44.5 perform, so long as the design-builder provides those services through subcontractors with
44.6 duly licensed, registered, or otherwise qualified individuals in accordance with Minnesota
44.7 Statutes, sections 161.3410 to 161.3428.

44.8 (c) Nothing in this section authorizing design-build contracts is intended to limit or
44.9 eliminate the responsibility or liability owed by a professional on a design-build project to
44.10 the state, municipality, or other third party under existing law.

44.11 (d) The design service portion of a design-build contract must be considered a
44.12 service and not a product.

44.13 Subd. 4. **Information session for municipal engineer.** After a project is selected
44.14 for participation in the design-build contracting ~~pilot~~ program, the commissioner or the
44.15 commissioner's designee with design-build experience shall conduct an information
44.16 session for the municipality's engineer for each selected project, in which issues unique
44.17 to design-build must be discussed, including, but not limited to, writing an RFP, project
44.18 oversight requirements, assessing risk, and communication with the design-build firm.
44.19 After participation in the information session, the municipality's engineer is qualified to
44.20 post the selected project, along with any future design-build project RFP in the ~~pilot~~
44.21 program.

44.22 Subd. 5. **Technical Review Committee.** During the phase one RFQ and before
44.23 solicitation, the municipality shall appoint a Technical Review Committee of at least
44.24 five individuals. The Technical Review Committee must include an individual whose
44.25 name and qualifications are submitted to the municipality by the Minnesota chapter of
44.26 the Associated General Contractors, after consultation with other commercial contractor
44.27 associations in the state. Members of the Technical Review Committee who are not state
44.28 employees are subject to the Minnesota Government Data Practices Act and Minnesota
44.29 Statutes, section 16C.06, to the same extent that state agencies are subject to those
44.30 provisions. A Technical Review Committee member may not participate in the review or
44.31 discussion of responses to the RFQ or RFP when a design-build firm in which the member
44.32 has a financial interest has responded to the RFQ or RFP. "Financial interest" includes,
44.33 but is not limited to, being or serving as an owner, employee, partner, limited liability
44.34 partner, shareholder, joint venturer, family member, officer, or director of a design-build
44.35 firm responding to an RFQ or RFP for a specific project, or having any other economic
44.36 interest in that design-build firm. The members of the Technical Review Committee must

45.1 be treated as municipal employees in the event of litigation resulting from any action
45.2 arising out of their service on the committee.

45.3 Subd. 6. **Phase one; design-build RFQ.** The municipality shall prepare an RFQ,
45.4 which must include the following:

45.5 (1) the minimum qualifications of design-builders necessary to meet the requirements
45.6 for acceptance;

45.7 (2) a scope of work statement and schedule;

45.8 (3) documents defining the project requirements;

45.9 (4) the form of contract to be awarded;

45.10 (5) the weighted selection criteria for compiling a short list and the number of firms
45.11 to be included in the short list, which must be at least two but not more than five;

45.12 (6) a description of the request for proposals (RFP) requirements;

45.13 (7) the maximum time allowed for design and construction;

45.14 (8) the municipality's estimated cost of design and construction;

45.15 (9) requirements for construction experience, design experience, financial,
45.16 personnel, and equipment resources available from potential design-builders for the
45.17 project and experience in other design-build transportation projects or similar projects,
45.18 provided that these requirements may not unduly restrict competition; and

45.19 (10) a statement that "past performance" or "experience" or other criteria used in the
45.20 RFQ evaluation process does not include the exercise or assertion of a person's legal rights.

45.21 Subd. 7. **Information session for prospective design-build firms.** After a
45.22 design-build project is advertised, any prospective design-build firm shall attend a
45.23 design-build information session conducted by the commissioner or the commissioner's
45.24 designee with design-build experience. The information must include information about
45.25 design-build contracts, including, but not limited to, communication with partner firms,
45.26 project oversight requirements, assessing risk, and communication with the municipality's
45.27 engineer. After participation in the information session, the design-build firm is eligible to
45.28 bid on the design-build project and any future design-build ~~pilot~~ program projects.

45.29 Subd. 8. **Evaluation.** The selection team shall evaluate the design-build
45.30 qualifications of responding firms and shall compile a short list of no more than five
45.31 most highly qualified firms in accordance with qualifications criteria described in the
45.32 RFQ. If only one design-build firm responds to the RFQ or remains on the short list, the
45.33 municipality may readvertise or cancel the project as the municipality deems necessary.

45.34 Subd. 9. **Phase two; design-build RFP.** The municipality shall prepare an RFP,
45.35 which must include:

- 46.1 (1) the scope of work, including (i) performance and technical requirements, (ii)
46.2 conceptual design, (iii) specifications consistent with state standards and specifications,
46.3 and (iv) functional and operational elements for the delivery of the completed project, all
46.4 of which must be prepared by a registered or licensed professional engineer;
- 46.5 (2) copies of the contract documents that the successful proposer will be expected to
46.6 sign;
- 46.7 (3) the maximum time allowable for design and construction;
- 46.8 (4) the road authority's estimated cost of design and construction;
- 46.9 (5) the requirement that a submitted proposal be segmented into two parts, a
46.10 technical proposal and a price proposal;
- 46.11 (6) the requirement that each proposal be in a separately sealed, clearly identified
46.12 package and include the date and time of the submittal deadline;
- 46.13 (7) the requirement that the technical proposal include a critical path method,
46.14 bar schedule of the work to be performed, or similar schematic; preliminary design
46.15 plans and specifications; technical reports; calculations; permit requirements; applicable
46.16 development fees; and other data requested in the RFP;
- 46.17 (8) the requirement that the price proposal contain all design, construction,
46.18 engineering, inspection, and construction costs of the proposed project;
- 46.19 (9) the requirement that surety be submitted equal to the total amount of the proposal;
- 46.20 (10) a description of the qualifications required of the design-builder and the
46.21 selection criteria, including the weight of each criterion and subcriterion;
- 46.22 (11) the date, time, and location of the public opening of the sealed price proposals;
- 46.23 (12) the amount of, and eligibility for, a stipulated fee;
- 46.24 (13) other information relevant to the project; and
- 46.25 (14) a statement that "past performance," "experience," or other criteria used in the
46.26 RFP evaluation process does not include the exercise or assertion of a person's legal rights.

46.27 **Subd. 10. Design-build award; computation; announcement.** A design-build
46.28 contract shall be awarded as follows:

- 46.29 (a) The Technical Review Committee shall score the technical proposals of the
46.30 proposers selected under subdivision 8 using the selection criteria in the RFP. The
46.31 Technical Review Committee shall then submit a technical proposal score for each
46.32 design-builder to the municipality. The Technical Review Committee shall reject any
46.33 nonresponsive proposal, including those unable to provide sufficient surety to guarantee
46.34 project completion. The municipality shall review the technical proposal scores.

47.1 (b) The commissioner or the commissioner's designee shall review the technical
47.2 proposal scores. The commissioner shall submit the final technical proposal scores to the
47.3 municipality.

47.4 (c) The municipality shall announce the technical proposal score for each
47.5 design-builder and shall publicly open the sealed price proposals and shall divide each
47.6 design-builder's price by the technical score that the commissioner has given to it to obtain
47.7 an adjusted score. The design-builder selected must be that responsive and responsible
47.8 design-builder whose adjusted score is the lowest.

47.9 (d) If a time factor is included with the selection criteria in the RFP package, the
47.10 municipality may use a value of the time factor established by the municipality as a
47.11 criterion in the RFP.

47.12 (e) Unless all proposals are rejected, the municipality shall award the contract
47.13 to the responsive and responsible design-builder with the lowest adjusted score. The
47.14 municipality shall reserve the right to reject all proposals.

47.15 (f) The municipality shall award a stipulated fee not less than two-tenths of one
47.16 percent of the municipality's estimated cost of design and construction to each short-listed,
47.17 responsible proposer who provides a responsive but unsuccessful proposal. If the
47.18 municipality does not award a contract, all short-listed proposers must receive the
47.19 stipulated fee. If the municipality cancels the contract before reviewing the technical
47.20 proposals, the municipality shall award each design-builder on the short list a stipulated
47.21 fee of not less than two-tenths of one percent of the municipality's estimated cost of
47.22 design and construction. The municipality shall pay the stipulated fee to each proposer
47.23 within 90 days after the award of the contract or the decision not to award a contract.
47.24 In consideration for paying the stipulated fee, the municipality may use any ideas or
47.25 information contained in the proposals in connection with any contract awarded for the
47.26 project or in connection with a subsequent procurement, without any obligation to pay
47.27 any additional compensation to the unsuccessful proposers. Notwithstanding the other
47.28 provisions of this subdivision, an unsuccessful short-list proposer may elect to waive
47.29 the stipulated fee. If an unsuccessful short-list proposer elects to waive the stipulated
47.30 fee, the municipality may not use ideas and information contained in that proposer's
47.31 proposal. Upon the request of the municipality, a proposer who waived a stipulated fee
47.32 may withdraw the waiver, in which case the municipality shall pay the stipulated fee to the
47.33 proposer and thereafter may use ideas and information in the proposer's proposal.

47.34 (g) The municipality shall not limit the ability of design-builders that have submitted
47.35 proposals to protest a contemplated or actual award by the commissioner by, among
47.36 other things, unreasonably restricting the time to protest; restricting the right to seek

48.1 judicial review of the commissioner's actions; attempting to change the judicial standard
48.2 of review; or requiring the protestor to pay attorney fees for an unsuccessful, nonfrivolous
48.3 protest. Unless all design-builders that have submitted proposals agree to execution of
48.4 a contract for the project without a waiting period beforehand, the municipality shall
48.5 wait at least seven days after both the award of the project and public disclosure of the
48.6 Technical Review Committee's scoring data and the successful proposal before executing
48.7 a contract for the project.

48.8 Subd. 11. **Low-bid design-build process.** (a) The municipality may also use
48.9 low-bid, design-build procedures to award a design-build contract where the scope of
48.10 the work can be clearly defined.

48.11 (b) Low-bid design-build projects may require an RFQ and short-listing, and must
48.12 require an RFP.

48.13 (c) Submitted proposals under this subdivision must include separately a technical
48.14 proposal and a price proposal. The low-bid, design-build procedures must follow a
48.15 two-step process for review of the responses to the RFP as follows:

48.16 (1) the first step is the review of the technical proposal by the Technical Review
48.17 Committee as provided in subdivision 5. The Technical Review Committee must open
48.18 the technical proposal first and must determine if it complies with the requirements of the
48.19 RFP and is responsive. The Technical Review Committee may not perform any ranking
48.20 or scoring of the technical proposals; and

48.21 (2) the second step is the determination of the low bidder based on the price
48.22 proposal. The municipality may not open the price proposal until the review of the
48.23 technical proposal is complete.

48.24 (d) The contract award under low-bid, design-build procedures must be made to the
48.25 proposer whose sealed bid is responsive to the technical requirements as determined by
48.26 the Technical Review Committee and that is also the lowest bid.

48.27 (e) A stipulated fee may be paid for unsuccessful bids on low-bid, design-build
48.28 projects only when the municipality has required an RFQ and short-listed the most highly
48.29 qualified responsive bidders.

48.30 **EFFECTIVE DATE.** This section is effective the day following final enactment
48.31 and expires upon completion of nine design-build projects.

48.32 Sec. 58. Laws 2009, chapter 36, article 3, section 29, the effective date, is amended to
48.33 read:

49.1 ~~EFFECTIVE DATE. This section is effective the day following final enactment~~
49.2 ~~and expires on October 1, 2012, or upon completion of nine design-build projects under~~
49.3 ~~this pilot program, whichever occurs first.~~

49.4 Sec. 59. **PUBLIC-PRIVATE PARTNERSHIP PILOT PROGRAM.**

49.5 (a) The commissioner of transportation is authorized to consider and utilize
49.6 public-private partnership procurement methods for up to three pilot projects if objective
49.7 analysis demonstrates that it provides better long-term value for the state than traditional
49.8 procurement methods.

49.9 (b) Notwithstanding Minnesota Statutes, section 160.845, 160.98, or any other law
49.10 to the contrary, the commissioner may consider for use in the pilot program any existing
49.11 public-private partnership mechanism or any proposed mechanism that proves the best
49.12 available option for the state. Mechanisms the commissioner may consider include, but
49.13 are not limited to, toll facilities, BOT facilities, or BTO facilities. For the purposes of this
49.14 paragraph, toll facilities, BOT facilities, and BTO facilities have the meanings given
49.15 under section 160.84.

49.16 (c) Among the projects the commissioner may consider is the construction of the
49.17 Interstate 94/U.S. Highway 10 River Crossing near marked Trunk Highway 24.

49.18 Sec. 60. **PILOT PROGRAM RESTRICTIONS.**

49.19 (a) The commissioner may not receive, consider, evaluate, or accept unsolicited
49.20 proposals for a public-private initiative.

49.21 (b) The commissioner shall select a private entity or entities for a public-private
49.22 partnership on a competitive basis to the maximum extent possible.

49.23 (c) When entering into a public-private partnership, the commissioner may not enter
49.24 into any noncompete agreement that inhibits the state's ability to address ongoing or
49.25 future infrastructure needs.

49.26 (d) If the commissioner enters into a public-private partnership agreement that
49.27 includes a temporary transfer of ownership or control of a road, bridge, or other
49.28 infrastructure investment to the private entity, the agreement must include a provision
49.29 requiring the return of the road, bridge, or other infrastructure investment to the state
49.30 after a specified period of time.

49.31 Sec. 61. **CONSIDERATIONS IN SELECTING PRIVATE ENTITY.**

49.32 In soliciting, evaluating, and selecting a private entity with which to enter into a
49.33 public-private project, the commissioner must consider:

- 50.1 (1) the ability of the proposed project to improve safety, reduce congestion, increase
50.2 capacity, and promote economic growth;
- 50.3 (2) the proposed cost of and financial plan for the project;
- 50.4 (3) the general reputation, qualifications, industry experience, and financial capacity
50.5 of the private entity;
- 50.6 (4) the project's proposed design, operation, and feasibility;
- 50.7 (5) comments from local citizens and affected jurisdictions;
- 50.8 (6) benefits to the public;
- 50.9 (7) the safety record of the private entity; and
- 50.10 (8) any other criteria the commissioner deems appropriate.

50.11 Sec. 62. **PUBLIC-PRIVATE AGREEMENT.**

- 50.12 (a) A public-private agreement between the commissioner and a private entity shall,
50.13 at a minimum, specify:
- 50.14 (1) the planning, acquisition, financing, development, design, construction,
50.15 reconstruction, replacement, improvement, maintenance, management, repair, leasing, or
50.16 operation of the project;
- 50.17 (2) the term of the public-private agreement;
- 50.18 (3) the type of property interest, if any, that the private entity will have in the project;
- 50.19 (4) a description of the actions the commissioner may take to ensure proper
50.20 maintenance of the project;
- 50.21 (5) whether user fees will be collected on the project and the basis by which the
50.22 user fees shall be determined and modified;
- 50.23 (6) compliance with applicable federal, state, and local laws;
- 50.24 (7) grounds for termination of the public-private agreement by the commissioner; and
- 50.25 (8) procedures for amendment of the agreement.
- 50.26 (b) A public-private agreement between the commissioner and a private entity
50.27 may provide for:
- 50.28 (1) review and approval by the commissioner of the private entity's plans for the
50.29 development and operation of the project;
- 50.30 (2) inspection by the commissioner of construction and improvements to the project;
- 50.31 (3) maintenance by the private entity of a liability insurance policy;
- 50.32 (4) filing of appropriate financial statements by the private entity on a periodic basis;
- 50.33 (5) filing of traffic reports by the private entity on a periodic basis;
- 50.34 (6) financing obligations of the commissioner and the private entity;
- 50.35 (7) apportionment of expenses between the commissioner and the private entity;

- 51.1 (8) the rights and remedies available in the event of a default or delay;
51.2 (9) the rights and duties of the private entity, the commissioner, and other state or
51.3 local governmental entities with respect to the use of the project;
51.4 (10) the terms and conditions of indemnification of the private entity by the
51.5 commissioner;
51.6 (11) assignment, subcontracting, or other delegations of responsibilities of the
51.7 private entity or commissioner under agreement to third parties, including other private
51.8 entities or state agencies;
51.9 (12) if applicable, sale or lease to the private entity of private property related to
51.10 the project;
51.11 (13) traffic enforcement and other policing issues; and
51.12 (14) any other terms and conditions the commissioner deems appropriate.

51.13 Sec. 63. **FUNDING FROM FEDERAL GOVERNMENT.**

51.14 (a) The commissioner may accept from the United States or any of its agencies
51.15 funds that are available to the state for carrying out the pilot program, whether the funds
51.16 are available by grant, loan, or other financial assistance.

51.17 (b) The commissioner may enter into agreements or other arrangements with the
51.18 United States or any of its agencies as necessary for carrying out the pilot program.

51.19 (c) The commissioner may combine federal, state, local, and private funds to finance
51.20 a public-private partnership pilot project.

51.21 Sec. 64. **REPORTING ON PUBLIC-PRIVATE PILOT PROGRAM.**

51.22 By August 1, 2014, and annually by August 1 thereafter, the commissioner shall
51.23 submit to the chairs and ranking minority members of the house of representatives and
51.24 senate committees having jurisdiction over transportation policy and finance a listing of
51.25 all agreements executed under the pilot program authority. The listing must identify
51.26 each agreement, the contracting entities, contract amount and duration, any repayment
51.27 requirements, and provide an update on the project's progress. The listing may be
51.28 submitted electronically and is subject to Minnesota Statutes, section 3.195, subdivision 1.

51.29 Sec. 65. **DISTANCE-BASED FARE SURCHARGE; PILOT PROGRAM.**

51.30 Subdivision 1. **Pilot program authorized.** Notwithstanding Minnesota Statutes,
51.31 section 473.408, subdivision 2a, or any other law to the contrary, replacement service
51.32 transit providers operating under Minnesota Statutes, section 473.388, may establish a
51.33 pilot program that adds a distance-based surcharge to standard transit fares.

52.1 Subd. 2. **Pilot program restrictions.** (a) A replacement service transit provider
52.2 exercising its authority under subdivision 1 may only impose a distance-based surcharge
52.3 on routes with a total length greater than 15 miles.

52.4 (b) Any distance-based surcharge imposed must be prorated on the basis of the
52.5 distance traveled by the rider paying the surcharge.

52.6 Subd. 3. **Reporting requirements.** By August 1 of each year a pilot program is
52.7 in effect, the replacement service transit provider imposing the distance-based surcharge
52.8 shall submit to the chairs and ranking minority members of the house of representatives
52.9 and senate committees having jurisdiction over transportation policy and finance a
52.10 report detailing the activities of the pilot program. The report shall include information
52.11 specifying the total revenue collected from the distance-based surcharge and the average
52.12 surcharge collected per rider, analyzing any impact the surcharge has had on the fare
52.13 policy considerations under Minnesota Statutes, section 473.408, subdivision 2, and any
52.14 other information requested by the chairs of the house of representatives and senate
52.15 committees having jurisdiction over transportation policy and finance.

52.16 **EFFECTIVE DATE.** This section is effective the day following final enactment
52.17 and expires on January 1, 2016.

52.18 Sec. 66. **REPORTS ON USE OF CONSTRUCTION MANAGER/GENERAL**
52.19 **CONTRACTOR METHOD.**

52.20 Subdivision 1. **Submission of reports.** The commissioner shall report on experience
52.21 with and evaluation of the construction manager/general contractor method of contracting
52.22 authorized in Minnesota Statutes, sections 161.3207 to 161.3209. The reports must be
52.23 submitted to the chairs and ranking minority members of the legislative committees with
52.24 jurisdiction over transportation policy or transportation finance and in compliance with
52.25 Minnesota Statutes, sections 3.195 and 3.197. An interim report must be submitted
52.26 no later than 12 months following the commissioner's acceptance of five construction
52.27 manager/general contractor contracts. A final report must be submitted no later than 12
52.28 months following the commissioner's acceptance of ten construction manager/general
52.29 contractor contracts.

52.30 Subd. 2. **Content of reports.** The reports must include: (1) a description of
52.31 circumstances of any projects as to which construction manager/general contractor
52.32 requests for qualifications or requests for proposals were solicited, followed by a
52.33 cancellation of the solicitation; (2) a description of projects as to which construction
52.34 manager/general contractor method was utilized; (3) a comparison of project cost
52.35 estimates with final project costs, if available; and (4) evaluation of the construction

53.1 manager/general contractor method of procurement with respect to implications for
53.2 project cost, use of innovative techniques, completion time, and obtaining maximum
53.3 value. The final report must also include recommendations as to continued use of the
53.4 program and desired modifications to the program, and recommended legislation to
53.5 continue, discontinue, or modify the program.

53.6 **EFFECTIVE DATE.** This section is effective the day following final enactment
53.7 and expires one year following the acceptance of ten construction manager/general
53.8 contractor contracts.

53.9 Sec. 67. **MUNICIPAL STATE-AID STREET FUND 2013 ALLOCATION.**

53.10 (a) Notwithstanding Minnesota Statutes, section 162.13, subdivision 1, the
53.11 commissioner of transportation shall allocate the apportionment sum available in the
53.12 municipal state-aid street fund, following the deductions under Minnesota Statutes, section
53.13 162.12, as provided in this section.

53.14 (b) The commissioner shall identify a remuneration sum for each city that:

53.15 (1) qualifies for municipal state-aid street funds under Minnesota Statutes, section
53.16 162.09, subdivision 4a; and

53.17 (2) was not allocated municipal state-aid street funds for calendar year 2012.

53.18 (c) The remuneration sum for each city equals the amount the city received under
53.19 the allocation of municipal state-aid street funds for calendar year 2011.

53.20 (d) For the calendar year 2013 allocation only, the commissioner shall:

53.21 (1) allocate to the appropriate city an amount from the apportionment sum equal
53.22 to the remuneration sum calculated in paragraph (c); and

53.23 (2) allocate the remaining apportionment sum as provided under Minnesota Statutes,
53.24 section 162.13, subdivision 1.

53.25 **EFFECTIVE DATE.** This section is effective the day following final enactment.

53.26 Sec. 68. **TRANSFER OF MONEY FROM MUNICIPAL STATE-AID STREET**
53.27 **FUND FOR MUNICIPAL BOND DEBT SERVICE.**

53.28 Subdivision 1. **Definitions.** For purposes of this section, the following definitions
53.29 apply:

53.30 (1) "bonds" means municipal general obligation bonds dated July 17, 2008, of which
53.31 the original principal amount of \$1,055,000 applies to state-aid streets; and

53.32 (2) "city" means a city that:

53.33 (i) issued bonds;

54.1 (ii) received municipal state-aid distributions immediately before the 2010 federal
54.2 decennial census; and

54.3 (iii) was found in the 2010 federal decennial census to have fewer than 5,000
54.4 population.

54.5 Subd. 2. **Population.** In any calendar year in which the city is not eligible, other than
54.6 as provided by this section, to receive a municipal state-aid street fund apportionment, the
54.7 city is deemed to have a population of 5,000 or more solely for the purposes of Minnesota
54.8 Statutes, section 162.18, and solely with respect to the bonds defined in this section.

54.9 Subd. 3. **Deposit in sinking fund.** The commissioner of management and budget
54.10 shall, until the bonds are retired, issue a warrant annually in the amount certified by the
54.11 commissioner of transportation as needed by the city for the principal and interest, to the
54.12 fiscal officer of the city, and the amount must be deposited by the fiscal officer in the
54.13 sinking fund from which the principal and interest on the bonds are payable.

54.14 Subd. 4. **Transfer from municipal state-aid street fund.** In each year in which
54.15 the city is not eligible to receive a municipal state-aid street fund apportionment, other
54.16 than as provided by this section, the commissioner of transportation shall, following the
54.17 deductions under Minnesota Statutes, section 162.12, transfer from the municipal state-aid
54.18 street fund to the city's maintenance account money sufficient to pay the principal and
54.19 interest on the bonds as they become due.

54.20 Subd. 5. **Allocation of remaining municipal state-aid apportionment sum.**
54.21 The commissioner of transportation shall allocate the remaining apportionment sum as
54.22 provided under Minnesota Statutes, section 162.13, subdivision 1.

54.23 **EFFECTIVE DATE.** This section is effective the day following final enactment
54.24 and expires on the earlier of the day after the bonds are retired or the day after the
54.25 commissioner of management and budget has, under this section or under Minnesota
54.26 Statutes, section 162.18, transferred to the city's sinking fund an amount that will be
54.27 sufficient to retire the bonds.

54.28 Sec. 69. **WATER PERMITTING PROCESSES FOR TRANSPORTATION**
54.29 **PROJECTS; REPORT.**

54.30 By November 15, 2012, the commissioners of transportation, natural resources, and
54.31 the Pollution Control Agency, in consultation with local road authorities and the Board of
54.32 Water and Soil Resources, shall submit recommendations to the house of representatives
54.33 and senate committees and divisions with primary jurisdiction over environment and
54.34 natural resources policy and finance and transportation policy and finance on how

55.1 water-related permitting for transportation projects can best be streamlined through
55.2 creation of a single point of issuance system. The recommendations shall specifically:

55.3 (1) outline a single point of issuance system in which road authorities applying
55.4 for state water permits would interact with a single state agency serving as the sole
55.5 intermediary on behalf of all state agencies with an interest in a road authority's water
55.6 permit application;

55.7 (2) provide a goal for the maximum number of days that the state believes are
55.8 necessary to issue final water permitting decisions;

55.9 (3) identify how state entities with current oversight authority over water permitting
55.10 decisions would allocate resources to accommodate a single point of issuance system; and

55.11 (4) suggest strategies to enhance the coordination of federal and state water
55.12 permitting information gathering and decision-making.

55.13 Sec. 70. **RULE CHANGE.**

55.14 The commissioner shall amend Minnesota Rules, part 7400.5300, subpart 3, to
55.15 remove the words "from Minnesota" and to allow a dealer to sell a junked vehicle as
55.16 described in subpart 3 to a purchaser whom the dealer verifies is a licensed scrap metal
55.17 processor. The commissioner must comply with Minnesota Statutes, section 14.389,
55.18 subdivision 5, in adopting the amendment.

55.19 Sec. 71. **REVISOR'S INSTRUCTION.**

55.20 The revisor of statutes shall renumber the provisions of Minnesota Statutes listed
55.21 in column A to the references listed in column B. The revisor shall also make necessary
55.22 cross-reference changes in Minnesota Statutes consistent with the renumbering.

	<u>Column A</u>	<u>Column B</u>
55.23		
55.24	<u>169.011, subdivision 83</u>	<u>168B.011, subdivision 12a</u>
55.25	<u>169.041</u>	<u>168B.035</u>
55.26	<u>169.64, subdivision 5</u>	<u>168B.16</u>
55.27	<u>169.86, subdivision 8</u>	<u>168B.15</u>
55.28	<u>465.75</u>	<u>168B.14</u>
55.29	<u>514.18, subdivision 1a</u>	<u>168B.045</u>

55.30 Sec. 72. **REPEALER.**

55.31 Minnesota Statutes 2010, sections 169.441, subdivision 5; 169.445, subdivision 2;
55.32 and 169.454, subdivision 10, are repealed.

169.441 SCHOOL BUS IDENTIFICATION.

Subd. 5. **Optional markings; rules.** A school district may elect to show on the front and rear of the school buses that it owns or contracts for, a plainly visible, summary message explaining section 169.444, subdivisions 1 and 2. If the school district elects to display the message, it must conform with the rules of the commissioner of public safety. The commissioner shall adopt rules governing the size, type, design, display, and content of the summary message that may be shown.

**169.445 COOPERATION WITH LAW ENFORCEMENT; INFORMATION;
RULES.**

Subd. 2. **Information; rules.** The commissioner shall compile information regarding violations, prosecutions, convictions or other disposition, and penalties imposed under sections 169.443 and 169.444. At the request of the commissioner, local school authorities shall provide this information. The commissioner may adopt rules governing the content and providing procedures for the school authorities to provide this information.

169.454 TYPE III VEHICLE STANDARDS.

Subd. 10. **Warning device.** A type III vehicle must contain at least three red reflectorized triangle road warning devices. Liquid burning "pot type" flares are not allowed.