

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	5178a	Comm report: To pass as amended and re-refer to Finance
03/29/2012		Comm report: To pass as amended Second reading 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, overweight vehicles, fuel tax and motor vehicle sales tax
1.4 exemptions, transit fares, and studies; providing penalties; appropriating money;
1.5 amending Minnesota Statutes 2010, sections 13.72, by adding a subdivision;
1.6 116.06, subdivision 22; 161.14, by adding a subdivision; 161.321; 162.02,
1.7 subdivisions 2, 3; 162.09, subdivisions 2, 3, 4; 162.13, subdivision 1; 162.155;
1.8 168.013, subdivision 3; 168.10, subdivision 1a; 168.27, subdivisions 2, 3, 3c;
1.9 168A.01, subdivisions 6a, 8a, 12a, 16, by adding a subdivision; 168A.04,
1.10 subdivision 5; 168A.05, subdivision 3; 168A.09, by adding a subdivision;
1.11 168A.15, subdivision 2; 168A.151, subdivisions 1, 6; 169.06, subdivision 4;
1.12 169.09, subdivision 13; 169.222, subdivision 6; 169.4501, subdivisions 1, 2;
1.13 169.4503, subdivisions 5, 20, by adding subdivisions; 169.4582, subdivision 2;
1.14 169.79, subdivision 6; 169.86, by adding a subdivision; 169.865, subdivisions
1.15 1, 2, 4; 169.872, subdivision 1a; 169.98, subdivisions 1, 3; 174.03, by adding
1.16 a subdivision; 221.091, subdivision 2; 296A.07, subdivision 4; 296A.08,
1.17 subdivision 3; 297A.68, subdivision 19; 299D.09; 325F.6641; 325F.6644,
1.18 subdivisions 1, 2; Minnesota Statutes 2011 Supplement, sections 169.86,
1.19 subdivision 5; 297B.03; Laws 2009, chapter 36, article 3, sections 28; 29;
1.20 proposing coding for new law in Minnesota Statutes, chapters 161; 171; 174;
1.21 repealing Minnesota Statutes 2010, sections 169.441, subdivision 5; 169.445,
1.22 subdivision 2; 169.454, subdivision 10.

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

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

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

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

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

- 2.1 (i) the statement of qualifications scoring evaluation manual; and
2.2 (ii) the statement of qualifications evaluations;
2.3 (2) the following data are classified as nonpublic: the statement of qualifications
2.4 submitted by a potential construction manager/general contractor; and
2.5 (3) the following data are classified as private data: identifying information
2.6 concerning the members of the technical review committee.
- 2.7 (b) When the commissioner of transportation announces the short list of qualified
2.8 construction managers/general contractors, the following data become public:
2.9 (1) the statement of qualifications scoring evaluation manual; and
2.10 (2) the statement of qualifications evaluations.
- 2.11 (c) When the commissioner of transportation solicits a request for proposals:
2.12 (1) the following data are classified as protected nonpublic: the proposal scoring
2.13 manual; and
2.14 (2) the following data are classified as nonpublic data:
2.15 (i) the proposals submitted by a potential construction manager/general contractor;
2.16 and
2.17 (ii) the proposal evaluations.
- 2.18 (d) When the commissioner of transportation has completed the ranking of proposals
2.19 and announces the selected construction manager/general contractor, the proposal
2.20 evaluation score or rank and proposal evaluations become public.
- 2.21 (e) When the commissioner of transportation conducts contract negotiations
2.22 with a construction manager/general contractor, government data created, collected,
2.23 stored, and maintained during those negotiations are nonpublic data until a construction
2.24 manager/general contractor contract is fully executed.
- 2.25 (f) When the construction manager/general contractor contract is fully executed or
2.26 when the commissioner of transportation decides to use another contract procurement
2.27 process other than construction manager/general contractor authority authorized under
2.28 section 161.3209, subdivision 3, paragraph (b), all remaining data not already made public
2.29 under this subdivision become public.
- 2.30 (g) If the commissioner of transportation rejects all responses to a request for
2.31 proposals before a construction manager/general contractor contract is fully executed,
2.32 all data other than that data made public under this subdivision retains its classification
2.33 until a resolicitation of the request for proposals results in a fully executed construction
2.34 manager/general contractor contract, or a determination is made to abandon the project. If
2.35 a resolicitation of proposals does not occur within one year of the announcement of the
2.36 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 best practices and general standards for waters of
3.13 the state under rules and best practices of the agency; sewage sludge; solid or dissolved
3.14 material in domestic sewage or other common pollutants in water resources, such as silt,
3.15 dissolved or suspended solids in industrial wastewater effluents or discharges which are
3.16 point sources subject to permits under section 402 of the Federal Water Pollution Control
3.17 Act, as amended, dissolved materials in irrigation return flows; or source, special nuclear,
3.18 or 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 168.013, subdivision 3, is amended to read:

14.28 Subd. 3. **Application; cancellation; excessive gross weight forbidden.** (a) The
14.29 applicant for all licenses based on gross weight shall state the unloaded weight of the
14.30 motor vehicle, trailer, or semitrailer and the maximum load the applicant proposes to carry
14.31 on it, the sum of which constitutes the gross weight upon which the license tax must be
14.32 paid. However, the declared gross weight upon which the tax is paid must not be less than
14.33 1-1/4 times the declared unloaded weight of the motor vehicle, trailer, or semitrailer

15.1 to be registered, except recreational vehicles taxed under subdivision 1g, school buses
15.2 taxed under subdivision 18, and tow trucks or towing vehicles defined in section 169.011,
15.3 subdivision 83. The gross weight of a tow truck or towing vehicle is the actual weight
15.4 of the tow truck or towing vehicle fully equipped, but does not include the weight of a
15.5 wrecked or disabled vehicle towed or drawn by the tow truck or towing vehicle.

15.6 (b) The gross weight of a motor vehicle, trailer, or semitrailer must not exceed
15.7 the gross weight upon which the license tax has been paid by more than four percent or
15.8 1,000 pounds, whichever is greater; provided that, a vehicle transporting unfinished forest
15.9 products on a highway, other than a highway that is part of the system of interstate and
15.10 defense highways, unless a federal exemption is granted, in accordance with paragraph
15.11 (d)(3):

15.12 (1) shall not exceed its gross vehicle weight upon which the license tax has been
15.13 paid, or gross axle weight on any axle, by more than five percent and, notwithstanding
15.14 other law to the contrary, is not subject to any fee, fine, or other assessment or penalty for
15.15 exceeding a gross vehicle or axle weight by up to five percent; and

15.16 (2) between the dates set by the commissioner in accordance with section 169.826,
15.17 subdivision 1, is not subject to any provision of paragraph (d) or chapter 169 limiting
15.18 the gross axle weight of any individual axle unless the entire vehicle also exceeds its
15.19 gross vehicle weight plus its weight allowance allowed in clause (1) and plus any weight
15.20 allowance permitted under section 169.826, in which case the vehicle is subject to all
15.21 applicable penalties for excess weight violations.

15.22 (c) The gross weight of the motor vehicle, trailer, or semitrailer for which the
15.23 license tax is paid must be indicated by a distinctive character on the license plate or
15.24 plates except as provided in subdivision 12 and the plate or plates must be kept clean
15.25 and clearly visible at all times.

15.26 (d) The owner, driver, or user of a motor vehicle, trailer, or semitrailer, upon
15.27 conviction for transporting a gross weight in excess of the gross weight for which it was
15.28 registered or for operating a vehicle with an axle weight exceeding the maximum lawful
15.29 axle load weight, is guilty of a misdemeanor and subject to increased registration or
15.30 reregistration according to the following schedule:

15.31 (1) Upon conviction for transporting a gross weight in excess of the gross weight
15.32 for which a motor vehicle, trailer, or semitrailer is registered by more than the allowance
15.33 set forth in paragraph (b) but less than 25 percent, or for operating or using a motor
15.34 vehicle, trailer, or semitrailer with an axle weight exceeding the maximum lawful axle
15.35 load as provided in sections 169.822 to 169.829 by more than the allowance set forth in
15.36 paragraph (b) but less than 25 percent, the owner, driver, or user of the motor vehicle,

16.1 trailer, or semitrailer used to commit the violation, in addition to any penalty imposed for
16.2 the misdemeanor, shall apply to the registrar to increase the authorized gross weight to
16.3 be carried on the vehicle to a weight equal to or greater than the gross weight the owner,
16.4 driver, or user was convicted of carrying. The increase is computed for the balance of
16.5 the calendar year on the basis of 1/12 of the annual tax for each month remaining in the
16.6 calendar year beginning with the first day of the month in which the violation occurred.
16.7 If the additional registration tax computed upon that weight, plus the tax already paid,
16.8 amounts to more than the regular tax for the maximum gross weight permitted for the
16.9 vehicle under sections 169.822 to 169.829, that additional amount must nevertheless be
16.10 paid into the highway fund, but the additional tax thus paid does not authorize or permit
16.11 any person to operate the vehicle with a gross weight in excess of the maximum legal
16.12 weight as provided by sections 169.822 to 169.829. Unless the owner within 30 days
16.13 after a conviction applies to increase the authorized weight and pays the additional tax
16.14 as provided in this section, the registrar shall revoke the registration on the vehicle and
16.15 demand the return of the registration card and plates issued on that registration.

16.16 (2) Upon conviction of an owner, driver, or user of a motor vehicle, trailer, or
16.17 semitrailer for transporting a gross weight in excess of the gross weight for which the
16.18 motor vehicle, trailer, or semitrailer was registered by 25 percent or more or for operating
16.19 or using the vehicle or trailer with an axle weight exceeding the maximum lawful axle load
16.20 as provided in sections 169.822 to 169.829 by 25 percent or more, and in addition to any
16.21 penalty imposed for the misdemeanor, the registrar shall either (i) cancel the reciprocity
16.22 privileges on the vehicle involved if the vehicle is being operated under reciprocity
16.23 or (ii) if the vehicle is not being operated under reciprocity, cancel the certificate of
16.24 registration on the vehicle operated and demand the return of the registration certificate
16.25 and registration plates. The registrar may not cancel the registration or reciprocity
16.26 privileges for any vehicle found in violation of seasonal load restrictions imposed under
16.27 section 169.87 unless the axle weight exceeds the year-round weight limit for the highway
16.28 on which the violation occurred. The registrar may investigate any allegation of gross
16.29 weight violations and demand that the operator show cause why all future operating
16.30 privileges in the state should not be revoked unless the additional tax assessed is paid.

16.31 (3) Clause (1) does not apply to the first haul of unprocessed or raw farm products
16.32 or unfinished forest products, when the registered gross weight is not exceeded by more
16.33 than ten percent. For purposes of this clause, "first haul" means (i) the first, continuous
16.34 transportation of unprocessed or raw farm products from the place of production or
16.35 on-farm storage site to any other location within ~~50~~ 100 miles of the place of production or
16.36 on-farm storage site, or (ii) the continuous or noncontinuous transportation of unfinished

17.1 forest products from the place of production to the place of final processing or manufacture
17.2 located within 200 miles of the place of production.

17.3 (4) When the registration on a motor vehicle, trailer, or semitrailer is revoked by the
17.4 registrar according to this section, the vehicle must not be operated on the highways of the
17.5 state until it is registered or reregistered, as the case may be, and new plates issued, and
17.6 the registration fee is the annual tax for the total gross weight of the vehicle at the time of
17.7 violation. The reregistration pursuant to this subdivision of any vehicle operating under
17.8 reciprocity agreements pursuant to section 168.181 or 168.187 must be at the full annual
17.9 registration fee without regard to the percentage of vehicle miles traveled in this state.

17.10 Sec. 17. Minnesota Statutes 2010, section 168.10, subdivision 1a, is amended to read:

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

17.15 (b) An affidavit shall be executed stating the name and address of the owner, the
17.16 name and address of the person from whom purchased, the make of the motor vehicle,
17.17 year and number of the model, the manufacturer's identification number and that the
17.18 vehicle is owned and operated solely as a collector's item and not for general transportation
17.19 purposes. If the commissioner is satisfied that the affidavit is true and correct and the
17.20 owner pays a \$25 tax and the plate fee authorized under section 168.12, the commissioner
17.21 shall list such vehicle for taxation and registration and shall issue a single number plate.

17.22 ~~(b)~~ (c) The number plate so issued shall bear the inscription "Pioneer," "Minnesota"
17.23 and the registration number or other combination of characters authorized under section
17.24 168.12, subdivision 2a, but no date. The number plate is valid without renewal as long as
17.25 the vehicle is in existence in Minnesota. The commissioner has the power to revoke said
17.26 plate for failure to comply with this subdivision.

17.27 Sec. 18. Minnesota Statutes 2010, section 168.27, subdivision 2, is amended to read:

17.28 Subd. 2. **New motor vehicle dealer.** (a) A new motor vehicle dealer licensee may
17.29 sell, broker, wholesale, or auction and solicit and advertise the sale, brokerage, wholesale,
17.30 or auction of new motor vehicles covered by the franchise and any used motor vehicles,
17.31 and may lease and solicit and advertise the lease of new motor vehicles and any used
17.32 motor vehicles. New motor vehicle dealer sales or leases may be either for consumer
17.33 use at retail or for resale to a dealer. A new motor vehicle dealer may engage in the
17.34 business of buying or otherwise acquiring vehicles for dismantling the vehicles and

18.1 selling used parts and remaining scrap materials under chapter 168A, except that a new
18.2 motor vehicle dealer may not purchase a junked vehicle from a salvage pool, insurance
18.3 company, or its agent unless the dealer is also licensed as a used vehicle parts dealer or
18.4 licensed as a scrap metal processor. Nothing in this subdivision requires an applicant for
18.5 a dealer license who proposes to deal in: (1) new and unused motor vehicle bodies; or
18.6 (2) type A, B, or C motor homes as defined in section 168.002, subdivision 27, to have
18.7 a bona fide contract or franchise in effect with either the first-stage manufacturer of the
18.8 motor home or the manufacturer or distributor of any motor vehicle chassis upon which
18.9 the new and unused motor vehicle body is mounted. The modification or conversion
18.10 of a new van-type vehicle into a multipurpose passenger vehicle which is not a motor
18.11 home does not constitute dealing in new or unused motor vehicle bodies, and a person
18.12 engaged in the business of selling these van-type vehicles must have a bona fide contract
18.13 or franchise with the appropriate manufacturer under subdivision 10. A van converter
18.14 or modifier who owns these modified or converted van-type vehicles may sell them at
18.15 wholesale to new motor vehicle dealers having a bona fide contract or franchise with the
18.16 first-stage manufacturer of the vehicles.

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

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

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

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

18.34 Subd. 3. **Used motor vehicle dealer.** A used motor vehicle dealer licensee may sell,
18.35 lease, broker, wholesale, or auction and solicit and advertise the sale, lease, brokerage,

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19.1 wholesale, or auction of any used motor vehicles for consumer use at retail or for resale to
19.2 a dealer. A used motor vehicle dealer may engage in the business of buying or otherwise
19.3 acquiring vehicles for dismantling the vehicles and selling used parts and remaining scrap
19.4 materials under chapter 168A, except that a used motor vehicle dealer may not acquire a
19.5 junked vehicle from a salvage pool, insurance company, or its agent, unless the dealer is
19.6 also licensed as a used vehicle parts dealer or licensed as a scrap metal processor.

19.7 Sec. 20. Minnesota Statutes 2010, section 168.27, subdivision 3c, is amended to read:

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

19.13 Sec. 21. Minnesota Statutes 2010, section 168A.01, subdivision 6a, is amended to read:

19.14 Subd. 6a. **High-value vehicle.** "High-value vehicle" means a vehicle ~~manufactured~~
19.15 ~~six or more years before the start of the current model year~~ that had an actual cash value in
19.16 excess of \$5,000 before being damaged, or a vehicle with a manufacturer's rating of over
19.17 26,000 pounds gross vehicle weight that is not a late-model vehicle.

19.18 Sec. 22. Minnesota Statutes 2010, section 168A.01, subdivision 8a, is amended to read:

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

19.23 Sec. 23. Minnesota Statutes 2010, section 168A.01, subdivision 12a, is amended to
19.24 read:

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

19.28 Sec. 24. Minnesota Statutes 2010, section 168A.01, subdivision 16, is amended to read:

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

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

20.2 Sec. 25. Minnesota Statutes 2010, section 168A.01, is amended by adding a
20.3 subdivision to read:

20.4 Subd. 16a. **Restored pioneer vehicle.** (a) "Restored pioneer vehicle" means
20.5 a vehicle:

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

20.7 (2) originally manufactured prior to 1919;

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

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

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

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

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

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

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

20.20 Sec. 26. Minnesota Statutes 2010, section 168A.04, subdivision 5, is amended to read:

20.21 Subd. 5. ~~Specially constructed or reconstructed vehicle~~ Certain unconventional

20.22 vehicles; additional information; identifying number. (a) Except as provided in

20.23 subdivision 6, if the application refers to a specially constructed vehicle ~~or~~ a reconstructed

20.24 vehicle, or a restored pioneer vehicle, the application shall so state and shall contain or

20.25 be accompanied by:

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

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

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

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

21.13 Sec. 27. Minnesota Statutes 2010, section 168A.05, subdivision 3, is amended to read:

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

21.16 (1) the date issued;

21.17 (2) the first, middle, and last names and the dates of birth of all owners who are
21.18 natural persons, and the full names of all other owners;

21.19 (3) the residence address of the owner listed first if that owner is a natural person or
21.20 the address if that owner is not a natural person;

21.21 (4) the names of any secured parties, and the address of the first secured party,
21.22 listed in the order of priority (i) as shown on the application, or (ii) if the application is
21.23 based on a certificate of title, as shown on the certificate, or (iii) as otherwise determined
21.24 by the department;

21.25 (5) any liens filed pursuant to a court order or by a public agency responsible for
21.26 child support enforcement against the owner;

21.27 (6) the title number assigned to the vehicle;

21.28 (7) a description of the vehicle including, so far as the following data exists, its
21.29 make, model, year, identifying number, type of body, whether new or used, and if a new
21.30 vehicle, the date of the first sale of the vehicle for use;

21.31 (8) with respect to a motor vehicle subject to section 325E.15, (i) the true cumulative
21.32 mileage registered on the odometer or (ii) that the actual mileage is unknown if the
21.33 odometer reading is known by the owner to be different from the true mileage;

21.34 (9) with respect to a vehicle subject to sections 325F.6641 and 325F.6642, the
21.35 appropriate term "flood damaged," "rebuilt," "prior salvage," or "reconstructed";

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22.1 (10) with respect to a vehicle contaminated by methamphetamine production, if the
22.2 registrar has received the certificate of title and notice described in section 152.0275,
22.3 subdivision 2, paragraph (g), the term "hazardous waste contaminated vehicle";

22.4 (11) with respect to a vehicle subject to section 325F.665, the term "lemon law
22.5 vehicle"; and

22.6 (12) any other data the department prescribes.

22.7 (b) For a certificate of title on a vehicle that is a restored pioneer vehicle:

22.8 (1) the identifying number must be the valid identifying number as provided under
22.9 section 168A.04, subdivision 5;

22.10 (2) the year of the vehicle must be the year of original vehicle manufacture and
22.11 not the year of restoration; and

22.12 (3) the title must not bear a "reconstructed vehicle" brand.

22.13 Sec. 28. Minnesota Statutes 2010, section 168A.09, is amended by adding a
22.14 subdivision to read:

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

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

22.18 (2) the vehicle meets the requirements for a restored pioneer vehicle under section
22.19 168A.01, subdivision 16a.

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

22.24 (c) The commissioner shall impose a fee for a replacement title issued under this
22.25 subdivision that is equal to the fee for issuing a duplicate certificate of title under section
22.26 168A.29. Fee proceeds must be allocated in the same manner as the fee for a duplicate
22.27 certificate of title.

22.28 Sec. 29. Minnesota Statutes 2010, section 168A.15, subdivision 2, is amended to read:

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

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23.1 Sec. 30. Minnesota Statutes 2010, section 168A.151, subdivision 1, is amended to read:

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

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

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

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

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

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

23.22 Sec. 31. Minnesota Statutes 2010, section 168A.151, subdivision 6, is amended to read:

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

23.27 Sec. 32. Minnesota Statutes 2010, section 169.06, subdivision 4, is amended to read:

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

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

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

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

24.15 (e) A flagger in a designated work zone may stop vehicles and hold vehicles in place
24.16 until it is safe for the vehicles to proceed. A person operating a motor vehicle that has
24.17 been stopped by a flagger in a designated work zone may proceed after stopping only on
24.18 instruction by the flagger.

24.19 (f) An overdimensional load escort driver with a certificate issued under section
24.20 299D.085, while acting as a flagger escorting a legal overdimensional load, may stop
24.21 vehicles and hold vehicles in place until it is safe for the vehicles to proceed. A person
24.22 operating a motor vehicle that has been stopped by an escort driver acting as a flagger may
24.23 proceed only on instruction by the flagger or a police officer.

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

24.33 (h) A person representing a motorcycle group ride in any city of the first class may
24.34 no later than seven days before the ride request of the city's police chief that traffic and
24.35 traffic signals be controlled or modified to allow the ride to proceed through a specified
24.36 route at a specified time without stopping. The police chief shall no later than three days

25.1 before the ride notify the organizer as to whether the city will control traffic as requested
25.2 at no cost to the organizer. If the city chooses not to control traffic as requested at no cost
25.3 to the organizer, traffic may be controlled by persons authorized under paragraph (g)
25.4 within the limits of that authority.

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

25.7 Sec. 33. Minnesota Statutes 2010, section 169.09, subdivision 13, is amended to read:

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

25.12 (1) the commissioner of public safety or any law enforcement agency shall, upon
25.13 written request of any individual involved in an accident or upon written request of the
25.14 representative of the individual's estate, surviving spouse, or one or more surviving next
25.15 of kin, or a trustee appointed under section 573.02, or other person injured in person,
25.16 property, or means of support, or who incurs other pecuniary loss by virtue of the accident,
25.17 disclose to the requester, the requester's legal counsel, or a representative of the requester's
25.18 insurer the report required under subdivision 8;

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

25.21 (3) the commissioner of public safety may verify with insurance companies vehicle
25.22 insurance information to enforce sections 65B.48, 169.792, 169.793, 169.796, and
25.23 169.797;

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

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

25.31 ~~(5)~~ (6) the commissioner of public safety may give to the United States Department
25.32 of Transportation commercial vehicle accident information in connection with federal
25.33 grant programs relating to safety.

25.34 (b) Accident reports and data contained in the reports are not discoverable under any
25.35 provision of law or rule of court. No report shall be used as evidence in any trial, civil or

26.1 criminal, or any action for damages or criminal proceedings arising out of an accident.
26.2 However, the commissioner of public safety shall furnish, upon the demand of any person
26.3 who has or claims to have made a report or upon demand of any court, a certificate
26.4 showing that a specified accident report has or has not been made to the commissioner
26.5 solely to prove compliance or failure to comply with the requirements that the report be
26.6 made to the commissioner.

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

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

26.15 (e) The commissioner of public safety shall charge authorized persons as described
26.16 in paragraph (a) a \$5 fee for a copy of an accident report. Ninety percent of the \$5 fee
26.17 collected under this paragraph must be deposited in the special revenue fund and credited
26.18 to the driver services operating account established in section 299A.705 and ten percent
26.19 must be deposited in the general fund. The commissioner may also furnish an electronic
26.20 copy of the database of accident records, which must not contain personal or private data
26.21 on an individual, to private agencies as provided in paragraph (g), for not less than the cost
26.22 of preparing the copies on a bulk basis as provided in section 13.03, subdivision 3.

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

26.31 (g) The fees in paragraphs (e) and (f) notwithstanding, the commissioner shall
26.32 provide an electronic copy of the accident records database to the public on a case-by-case
26.33 basis using the cost-recovery charges provided for under section 13.03, subdivision
26.34 3. The database provided must not contain personal or private data on an individual.
26.35 However, unless the accident records database includes the vehicle identification number,

27.1 the commissioner shall include the vehicle registration plate number if a private agency
27.2 certifies and agrees that the agency:

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

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

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

27.9 Sec. 34. Minnesota Statutes 2010, section 169.222, subdivision 6, is amended to read:

27.10 Subd. 6. **Bicycle equipment.** (a) No person shall operate a bicycle at nighttime
27.11 unless the bicycle or its operator is equipped with a lamp which shall emit a white light
27.12 visible from a distance of at least 500 feet to the front and with a red reflector of a type
27.13 approved by the Department of Public Safety which is visible from all distances from 100
27.14 feet to 600 feet to the rear when directly in front of lawful lower beams of headlamps on a
27.15 motor vehicle. No person may operate a bicycle at any time when there is not sufficient
27.16 light to render persons and vehicles on the highway clearly discernible at a distance of 500
27.17 feet ahead unless the bicycle or its operator is equipped with reflective surfaces that shall
27.18 be visible during the hours of darkness from 600 feet when viewed in front of lawful lower
27.19 beams of headlamps on a motor vehicle. The reflective surfaces shall include reflective
27.20 materials on each side of each pedal to indicate their presence from the front or the rear
27.21 and with a minimum of 20 square inches of reflective material on each side of the bicycle
27.22 or its operator. Any bicycle equipped with side reflectors as required by regulations for
27.23 new bicycles prescribed by the United States Consumer Product Safety Commission
27.24 shall be considered to meet the requirements for side reflectorization contained in this
27.25 subdivision. A bicycle may be equipped with a front lamp that emits a white flashing
27.26 signal or a rear lamp that emits a red flashing signal.

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

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

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

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

28.4 Sec. 35. Minnesota Statutes 2010, section 169.4501, subdivision 1, is amended to read:

28.5 Subdivision 1. **National standards adopted.** Except as provided in sections
28.6 169.4502 and 169.4503, the construction, design, equipment, and color of types A, B, C,
28.7 D school buses and multifunction school activity buses used for the transportation of
28.8 school children shall meet the requirements of the ~~"bus chassis standards" and "bus body~~
28.9 ~~standards and chassis specifications"~~ standards and chassis specifications in the ~~2005~~ 2010 edition of the "National School
28.10 Transportation Specifications and Procedures" adopted by the National Congress on
28.11 School Transportation. Except as provided in section 169.4504, the construction, design,
28.12 and equipment of types A, B, C, D school buses and multifunction school activity buses
28.13 used for the transportation of students with disabilities also shall meet the requirements of
28.14 the "specially equipped school bus ~~standards specifications~~" in the ~~2005~~ 2010 National
28.15 School Transportation Specifications and Procedures. The ~~"bus chassis standards," "bus~~
28.16 ~~body standards, and chassis specifications"~~ standards and chassis specifications and "specially equipped school bus ~~standards~~
28.17 specifications" sections of the ~~2005~~ 2010 edition of the "National School Transportation
28.18 Specifications and Procedures," adopted by the Fifteenth National Congress on School
28.19 Transportation, are incorporated by reference in this chapter.

28.20 Sec. 36. Minnesota Statutes 2010, section 169.4501, subdivision 2, is amended to read:

28.21 Subd. 2. **Applicability.** (a) The standards adopted in this section and sections
28.22 169.4502 and 169.4503, govern the construction, design, equipment, and color of school
28.23 buses used for the transportation of school children, when owned or leased and operated
28.24 by a school or privately owned or leased and operated under a contract with a school.
28.25 Each school, its officers and employees, and each person employed under the contract is
28.26 subject to these standards.

28.27 (b) The standards apply to school buses manufactured after December 31, ~~2007~~
28.28 2012. Buses complying with the standards when manufactured need not comply with
28.29 standards established later except as specifically provided for by law.

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

28.33 (d) A new bus body may be remounted on a used chassis provided that the remounted
28.34 vehicle meets state and federal standards for new buses which are current at the time of the

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29.1 remounting. Permission must be obtained from the commissioner of public safety before
29.2 the remounting is done. A used bus body may not be remounted on a new or used chassis.

29.3 Sec. 37. Minnesota Statutes 2010, section 169.4503, subdivision 5, is amended to read:

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

29.10 Sec. 38. Minnesota Statutes 2010, section 169.4503, subdivision 20, is amended to
29.11 read:

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

29.14 ~~(b) All seats must have a minimum cushion depth of 15 inches and a seat back~~
29.15 ~~height of at least 20 inches above the seating reference point, and beginning October 21,~~
29.16 ~~2009, must also conform to the Federal Motor Vehicle Safety Standard in Code of Federal~~
29.17 ~~Regulations, title 49, section 571.222.~~

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

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

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

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

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

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

29.28 Sec. 40. Minnesota Statutes 2010, section 169.4503, is amended by adding a
29.29 subdivision to read:

29.30 Subd. 29. **Video/mobile surveillance systems.** Camera heads for video/mobile
29.31 surveillance may be mounted in the driver compartment area, mid-bus, or on a rear interior
29.32 bulkhead in the student passenger area. For buses manufactured or retrofitted with a

30.1 surveillance system after December 31, 2012, cameras mounted mid-bus must be parallel
30.2 to a seat back, must not have any sharp edges, must not extend outward more than three
30.3 inches, and must be located within 24 inches of the top of the side window of the bus.

30.4 Sec. 41. Minnesota Statutes 2010, section 169.4582, subdivision 2, is amended to read:

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

30.14 Sec. 42. Minnesota Statutes 2010, section 169.79, subdivision 6, is amended to read:

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

30.21 Sec. 43. Minnesota Statutes 2011 Supplement, section 169.86, subdivision 5, is
30.22 amended to read:

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

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

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

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

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

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

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

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

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

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

31.12 (7) motor vehicles carrying bales of agricultural products authorized under section
31.13 169.862; and

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

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

31.17 (1) mobile cranes;

31.18 (2) construction equipment, machinery, and supplies;

31.19 (3) manufactured homes and manufactured storage buildings;

31.20 (4) implements of husbandry;

31.21 (5) double-deck buses;

31.22 (6) commercial boat hauling and transporting waterfront structures, including, but
31.23 not limited to, portable boat docks and boat lifts;

31.24 (7) three-vehicle combinations consisting of two empty, newly manufactured trailers
31.25 for cargo, horses, or livestock, not to exceed 28-1/2 feet per trailer; provided, however,
31.26 the permit allows the vehicles to be moved from a trailer manufacturer to a trailer dealer
31.27 only while operating on twin-trailer routes designated under section 169.81, subdivision 3,
31.28 paragraph (c); and

31.29 (8) vehicles operating on that portion of marked Trunk Highway 36 described in
31.30 section 169.81, subdivision 3, paragraph (e).

31.31 (e) For vehicles which have axle weights exceeding the weight limitations of
31.32 sections 169.823 to 169.829, an additional cost added to the fees listed above. However,
31.33 this paragraph applies to any vehicle described in section 168.013, subdivision 3,
31.34 paragraph (b), but only when the vehicle exceeds its gross weight allowance set forth in
31.35 that paragraph, and then the additional cost is for all weight, including the allowance
31.36 weight, in excess of the permitted maximum axle weight. The additional cost is equal

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32.1 to the product of the distance traveled times the sum of the overweight axle group cost
 32.2 factors shown in the following chart:

32.3 Overweight Axle Group Cost Factors			
32.4 Weight (pounds)	32.4 Cost Per Mile For Each Group Of:		
32.5 exceeding weight	32.5 Two	32.5 Three	
32.6 limitations on axles	32.6 consecutive	32.6 consecutive	
	32.7 axles spaced	32.7 axles spaced	32.7 Four consecutive
	32.8 within 8 feet	32.8 within 9 feet	32.8 axles spaced within
	32.9 or less	32.9 or less	32.9 14 feet or less
32.10 0-2,000	.12	.05	.04
32.11 2,001-4,000	.14	.06	.05
32.12 4,001-6,000	.18	.07	.06
32.13 6,001-8,000	.21	.09	.07
32.14 8,001-10,000	.26	.10	.08
32.15 10,001-12,000	.30	.12	.09
32.16 12,001-14,000	Not		
32.17 12,001-14,000	permitted	.14	.11
32.18 14,001-16,000	Not		
32.19 14,001-16,000	permitted	.17	.12
32.20 16,001-18,000	Not		
32.21 16,001-18,000	permitted	.19	.15
32.22 18,001-20,000	Not	Not	
32.23 18,001-20,000	permitted	permitted	.16
32.24 20,001-22,000	Not	Not	
32.25 20,001-22,000	permitted	permitted	.20

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

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

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

32.37 Gross Weight (pounds) of Vehicle	32.37 Annual Permit Fee
32.38 90,000 or less	\$200
32.39 90,001 - 100,000	\$300
32.40 100,001 - 110,000	\$400
32.41 110,001 - 120,000	\$500
32.42 120,001 - 130,000	\$600

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33.1	130,001 - 140,000	\$700
33.2	140,001 - 145,000	\$800

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

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

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

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

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

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

33.21 ~~(ii) (2) all remaining money in each fiscal year must be deposited in a the bridge~~
33.22 ~~inspection and signing account in the special revenue fund as provided under subdivision~~
33.23 ~~5a. Money in the account is appropriated to the commissioner for:~~

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

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

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

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

33.31 Sec. 44. Minnesota Statutes 2010, section 169.86, is amended by adding a subdivision
33.32 to read:

33.33 Subd. 5a. **Bridge inspection and signing account; appropriation.** (a) A bridge
33.34 inspection and signing account is established in the special revenue fund. The account

34.1 consists of fees for special permits as specified under this chapter, and any other money
34.2 donated, allotted, transferred, or otherwise provided to the account.

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

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

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

34.8 Sec. 45. Minnesota Statutes 2010, section 169.865, subdivision 1, is amended to read:

34.9 Subdivision 1. **Six-axle vehicles.** (a) A road authority may issue an annual permit
34.10 authorizing a vehicle or combination of vehicles with a total of six or more axles to haul
34.11 raw or unprocessed agricultural products, and farm supplies, and be operated with a gross
34.12 vehicle weight of up to:

34.13 (1) 90,000 pounds; and

34.14 (2) 99,000 pounds during the period set by the commissioner under section 169.826,
34.15 subdivision 1.

34.16 (b) Notwithstanding subdivision 3, paragraph (a), clause (4), a vehicle or
34.17 combination of vehicles operated under this subdivision and transporting only sealed
34.18 intermodal containers may be operated on an interstate highway if allowed by the United
34.19 States Department of Transportation.

34.20 (c) The fee for a permit issued under this subdivision is \$300.

34.21 Sec. 46. Minnesota Statutes 2010, section 169.865, subdivision 2, is amended to read:

34.22 Subd. 2. **Seven-axle vehicles.** (a) A road authority may issue an annual permit
34.23 authorizing a vehicle or combination of vehicles with a total of seven or more axles to
34.24 haul raw or unprocessed agricultural products, and farm supplies, and be operated with
34.25 a gross vehicle weight of up to:

34.26 (1) 97,000 pounds; and

34.27 (2) 99,000 pounds during the period set by the commissioner under section 169.826,
34.28 subdivision 1.

34.29 (b) Drivers of vehicles operating under this subdivision must comply with driver
34.30 qualification requirements adopted under section 221.0314, subdivisions 2 to 5, and Code
34.31 of Federal Regulations, title 49, parts 40 and 382.

34.32 (c) The fee for a permit issued under this subdivision is \$500.

34.33 Sec. 47. Minnesota Statutes 2010, section 169.865, subdivision 4, is amended to read:

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

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

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

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

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

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

35.12 Sec. 48. Minnesota Statutes 2010, section 169.872, subdivision 1a, is amended to read:

35.13 Subd. 1a. **Limit on civil penalties.** A civil penalty for excessive weight under
35.14 section 169.871 may be imposed based on a record of a shipment under this section only if
35.15 a state law enforcement officer or motor transportation representative: (1) has inspected
35.16 and copied the record within 14 days of the date the shipment was received by the person
35.17 keeping the record; and (2) has assessed the penalty within 90 days of the date the officer
35.18 or representative inspected and copied the record.

35.19 Sec. 49. Minnesota Statutes 2010, section 169.98, subdivision 1, is amended to read:

35.20 Subdivision 1. **Colors and markings.** (a) Except as provided in subdivisions 2 and
35.21 2a, all motor vehicles which are primarily used in the enforcement of highway traffic rules
35.22 by the State Patrol or for general uniform patrol assignment by any municipal police
35.23 department or other law enforcement agency, except conservation officers, shall have
35.24 uniform colors and markings as provided in this subdivision. Motor vehicles of:

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

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

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

35.30 (b) The identity of the governmental unit operating the vehicle shall be displayed on
35.31 both front door panels and on the rear of the vehicle. The identity may be in the form of
35.32 a shield or emblem, or may be the word "police," "sheriff," or the words "State Patrol"
35.33 or "conservation officer," as appropriate, with letters not less than 2-1/2 inches high,
35.34 one-inch wide and of a three-eighths inch brush stroke. The identity shall be of a color

36.1 contrasting with the background color so that the motor vehicle is easily identifiable as
36.2 belonging to a specific type of law enforcement agency. Each vehicle shall be marked
36.3 with its own identifying number on the rear of the vehicle. The number shall be printed
36.4 in the same size and color required pursuant to this subdivision for identifying words
36.5 which may be displayed on the vehicle.

36.6 Sec. 50. Minnesota Statutes 2010, section 169.98, subdivision 3, is amended to read:

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

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

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

36.17 Sec. 51. [171.60] MOTORCYCLE ROAD GUARD CERTIFICATE.

36.18 Subdivision 1. Certificate required. No person may perform traffic control as a
36.19 motorcycle road guard as provided under chapter 169 without a valid motorcycle road
36.20 guard certificate issued by the commissioner.

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

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

36.25 (i) a minimum 18 years of age;

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

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

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

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

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

37.4 Subd. 4. Penalty. A person who violates any provision of this section is guilty
37.5 of a petty misdemeanor.

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

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

37.12 Sec. 52. Minnesota Statutes 2010, section 174.03, is amended by adding a subdivision
37.13 to read:

37.14 Subd. 1d. Statewide freight plan. (a) The commissioner of transportation, in
37.15 cooperation with the commissioner of the Department of Employment and Economic
37.16 Development, shall conduct a freight rail economic development study. The study will
37.17 assess the economic impact of freight railroads in the state and identify opportunities to
37.18 expand business development and enhance economic competitiveness through improved
37.19 utilization of freight rail options. Findings from the study shall be incorporated as an
37.20 amendment to the statewide freight and passenger rail plan.

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

37.26 (c) The commissioner of transportation may expend up to \$216,000 in fiscal year
37.27 2013 under section 222.50, subdivision 7, to pay the costs of this study and report.

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

37.29 Sec. 53. **[174.40] SAFE ROUTES TO SCHOOL PROGRAM.**

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

37.32 (b) "Bond eligible cost" means expenditures under this section for acquisition of
37.33 land or permanent easements, predesign, design, preliminary and final engineering,

38.1 environmental analysis, construction, and reconstruction of publicly owned infrastructure
38.2 in this state with a useful life of at least ten years that provides for nonmotorized
38.3 transportation to and from a school; preparation of land for which a route to school
38.4 is established, including demolition of structures and remediation of any hazardous
38.5 conditions on the land; and the unpaid principal on debt issued by a political subdivision
38.6 for a safe routes to school project.

38.7 (c) "Federal program" means the safe routes to school program under Title I, section
38.8 1404 of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy
38.9 for Users (SAFETEA-LU) of 2005, Public Law 109-59.

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

38.12 Subd. 2. **Program creation.** (a) A safe routes to school program is established
38.13 to provide assistance in capital investments for safe and appealing nonmotorized
38.14 transportation to and from a school. The commissioner shall develop and implement the
38.15 safe routes to school program as provided in this section. Financial assistance under
38.16 this section is to supplement or replace aid for infrastructure projects under the federal
38.17 program.

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

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

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

38.30 Subd. 4. **State general obligation bond funds.** Minnesota Constitution, article XI,
38.31 section 5, clause (a), requires that state general obligation bonds be issued to finance only
38.32 the acquisition or betterment of public land, buildings, and other public improvements
38.33 of a capital nature. The legislature has determined that many school transportation
38.34 infrastructure projects will constitute betterments and capital improvements within the
38.35 meaning of the Minnesota Constitution and capital expenditures under generally accepted

39.1 accounting principles, and will be financed more efficiently and economically under this
39.2 section than by direct appropriations for specific projects.

39.3 Subd. 5. **Program administration.** (a) The commissioner shall establish general
39.4 program requirements and a competitive process for financial assistance, including but
39.5 not limited to eligibility requirements for grant recipients and projects; procedures for
39.6 solicitation of grants; application requirements; procedures for payment of financial
39.7 assistance awards; and a schedule for application, evaluation, and award of financial
39.8 assistance.

39.9 (b) An application must include:

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

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

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

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

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

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

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

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

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

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

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

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

40.1 Subd. 7. **Grant cancellation.** If, five years after execution of a grant agreement,
40.2 the commissioner determines that the grantee has not proceeded in a timely manner
40.3 with implementation of the project funded, the commissioner must cancel the grant
40.4 and the grantee must repay to the commissioner all grant money paid to the grantee.
40.5 Section 16A.642 applies to any appropriations made from the bond proceeds fund to the
40.6 commissioner under this section that have not been awarded as financial assistance.

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

- 40.11 (1) summarize program implementation;
40.12 (2) provide an overview of grant evaluation and criteria used in project selection;
40.13 (3) provide a brief description of each project funded in the previous fiscal year,
40.14 including the amount of money provided from each safe routes to school account under
40.15 this section and the amount provided under the federal program;
40.16 (4) summarize the status of the federal program or successor legislation; and
40.17 (5) identify any recommendations for legislative changes, including proposals to
40.18 improve program effectiveness.

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

40.20 Sec. 54. Minnesota Statutes 2010, section 221.091, subdivision 2, is amended to read:

40.21 Subd. 2. **Small vehicle passenger service.** ~~(a)~~ A city that licenses and regulates
40.22 small vehicle passenger service must do so by ordinance. The ordinance must, at a
40.23 minimum, provide for driver qualifications, insurance, vehicle safety, and periodic vehicle
40.24 inspections. A city that has adopted an ordinance complying with this subdivision may
40.25 enforce the registration requirement in section 221.021.

40.26 ~~(b) A person who provides small vehicle passenger service to an individual for the~~
40.27 ~~purpose of obtaining nonemergency medical care and who receives reimbursement under~~
40.28 ~~section 256B.0625, subdivision 17, for providing the service, must comply with the rules~~
40.29 ~~of the commissioner adopted under section 174.30.~~

40.30 Sec. 55. Minnesota Statutes 2010, section 296A.07, subdivision 4, is amended to read:

40.31 Subd. 4. **Exemptions.** The provisions of subdivision 1 do not apply to gasoline or
40.32 denatured ethanol purchased by:

- 40.33 (1) a transit system or transit provider receiving financial assistance or
40.34 reimbursement under section 174.24, 256B.0625, subdivision 17, or 473.384;

41.1 (2) providers of transportation to recipients of medical assistance home and
41.2 community-based services waivers enrolled in day programs, including adult day care,
41.3 family adult day care, day treatment and habilitation, prevocational services, and
41.4 structured day services;

41.5 (3) an ambulance service licensed under chapter 144E; ~~or~~

41.6 (4) a motor vehicle used exclusively as a mobile medical unit for the provision of
41.7 medical or dental services by a federally qualified health center, as defined under title
41.8 19 of the Social Security Act, as amended by Section 4161 of the Omnibus Budget
41.9 Reconciliation Act of 1990; or

41.10 ~~(3)~~(5) a licensed distributor to be delivered to a terminal for use in blending.

41.11 **EFFECTIVE DATE.** Clause (2) is effective retroactively from January 1, 2012,
41.12 and clause (4) is effective retroactively from January 1, 2011.

41.13 Sec. 56. Minnesota Statutes 2010, section 296A.08, subdivision 3, is amended to read:

41.14 Subd. 3. **Exemptions.** The provisions of subdivisions 1 and 2 do not apply to
41.15 special fuel or alternative fuels purchased by:

41.16 (1) a transit system or transit provider receiving financial assistance or
41.17 reimbursement under section 174.24, 256B.0625, subdivision 17, or 473.384;

41.18 (2) providers of transportation to recipients of medical assistance home and
41.19 community-based services waivers enrolled in day programs, including adult day care,
41.20 family adult day care, day treatment and habilitation, prevocational services, and
41.21 structured day services;

41.22 (3) an ambulance service licensed under chapter 144E; ~~or~~

41.23 (4) a motor vehicle used exclusively as a mobile medical unit for the provision of
41.24 medical or dental services by a federally qualified health center, as defined under title
41.25 19 of the Social Security Act, as amended by Section 4161 of the Omnibus Budget
41.26 Reconciliation Act of 1990; or

41.27 ~~(3)~~(5) a licensed distributor to be delivered to a terminal for use in blending.

41.28 **EFFECTIVE DATE.** Clause (2) is effective retroactively from January 1, 2012,
41.29 and clause (4) is effective retroactively from January 1, 2011.

41.30 Sec. 57. Minnesota Statutes 2010, section 297A.68, subdivision 19, is amended to read:

41.31 Subd. 19. **Petroleum products.** The following petroleum products are exempt:

42.1 (1) products upon which a tax has been imposed and paid under chapter 296A,
42.2 and for which no refund has been or will be allowed because the buyer used the fuel
42.3 for nonhighway use;

42.4 (2) products that are used in the improvement of agricultural land by constructing,
42.5 maintaining, and repairing drainage ditches, tile drainage systems, grass waterways, water
42.6 impoundment, and other erosion control structures;

42.7 (3) products purchased by a transit system receiving financial assistance under
42.8 section 174.24, 256B.0625, subdivision 17, or 473.384;

42.9 (4) products purchased by an ambulance service licensed under chapter 144E;

42.10 (5) products used in a passenger snowmobile, as defined in section 296A.01,
42.11 subdivision 39, for off-highway business use as part of the operations of a resort as
42.12 provided under section 296A.16, subdivision 2, clause (2); ~~or~~

42.13 (6) products purchased by a state or a political subdivision of a state for use in motor
42.14 vehicles exempt from registration under section 168.012, subdivision 1, paragraph (b);

42.15 (7) products purchased by providers of transportation to recipients of medical
42.16 assistance home and community-based services waivers enrolled in day programs,
42.17 including adult day care, family adult day care, day treatment and habilitation,
42.18 prevocational services, and structured day services; or

42.19 (8) products used in a motor vehicle used exclusively as a mobile medical unit
42.20 for the provision of medical or dental services by a federally qualified health center, as
42.21 defined under title 19 of the federal Social Security Act, as amended by Section 4161 of
42.22 the Omnibus Budget Reconciliation Act of 1990.

42.23 **EFFECTIVE DATE.** Clause (7) is effective retroactively from January 1, 2012,
42.24 and clause (8) is effective retroactively from January 1, 2011.

42.25 Sec. 58. Minnesota Statutes 2011 Supplement, section 297B.03, is amended to read:

42.26 **297B.03 EXEMPTIONS.**

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

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

42.33 (2) purchase or use of any motor vehicle by any person who was a resident of
42.34 another state or country at the time of the purchase and who subsequently becomes a

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43.1 resident of Minnesota, provided the purchase occurred more than 60 days prior to the date
43.2 such person began residing in the state of Minnesota and the motor vehicle was registered
43.3 in the person's name in the other state or country;

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

43.6 (4) purchase or use of any motor vehicle previously registered in the state of
43.7 Minnesota when such transfer constitutes a transfer within the meaning of section 118,
43.8 331, 332, 336, 337, 338, 351, 355, 368, 721, 731, 1031, 1033, or 1563(a) of the Internal
43.9 Revenue Code;

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

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

43.19 (7) purchase of a motor vehicle by an ambulance service licensed under section
43.20 144E.10 when that vehicle is equipped and specifically intended for emergency response
43.21 or for providing ambulance service;

43.22 (8) purchase of a motor vehicle by or for a public library, as defined in section
43.23 134.001, subdivision 2, as a bookmobile or library delivery vehicle;

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

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

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

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

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

44.4 (12) purchase of a motor vehicle for use by a transit provider exclusively to provide
44.5 transit service is exempt if the transit provider is either (i) receiving financial assistance or
44.6 reimbursement under section 174.24 or 473.384, or (ii) operating under section 174.29,
44.7 473.388, or 473.405;

44.8 (13) purchase or use of a motor vehicle by a qualified business, as defined in section
44.9 469.310, located in a job opportunity building zone, if the motor vehicle is principally
44.10 garaged in the job opportunity building zone and is primarily used as part of or in direct
44.11 support of the person's operations carried on in the job opportunity building zone. The
44.12 exemption under this clause applies to sales, if the purchase was made and delivery
44.13 received during the duration of the job opportunity building zone. The exemption under
44.14 this clause also applies to any local sales and use tax; ~~and~~

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

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

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

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

44.23 **EFFECTIVE DATE.** This section is effective for sales and purchases made on and
44.24 after July 1, 2010.

44.25 Sec. 59. Minnesota Statutes 2010, section 299D.09, is amended to read:

44.26 **299D.09 ESCORT SERVICE; APPROPRIATION; RECEIPTS.**

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

44.29 The ~~fees~~ fee charged for services provided by the State Patrol with a vehicle ~~are~~
44.30 ~~\$73.60~~ is \$79.28 an hour in fiscal year 2008 and ~~\$75.76~~ an hour in fiscal year 2009 and
44.31 ~~thereafter.~~ The ~~fees~~ fee charged for services provided without a vehicle ~~are \$54~~ is \$59.28
44.32 an hour in fiscal year 2008 and ~~\$56.16~~ an hour in fiscal year 2009 and thereafter.

44.33 The fees charged for State Patrol flight services are \$140 an hour for a fixed wing
44.34 aircraft, \$490 an hour for a helicopter, and \$600 an hour for the Queen Air in fiscal year

45.1 2012, and \$139.64 an hour for a fixed wing aircraft, \$560.83 an hour for a helicopter, and
45.2 \$454.84 an hour for the Queen Air in fiscal year 2013 and in fiscal year 2014.

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

45.4 Sec. 60. Minnesota Statutes 2010, section 325F.6641, is amended to read:

45.5 **325F.6641 DISCLOSURE OF MOTOR VEHICLE DAMAGE.**

45.6 Subdivision 1. **Damage.** (a) If a ~~motor~~ late-model vehicle, as defined in section
45.7 168A.01, subdivision 8a, has sustained damage by collision or other occurrence which
45.8 exceeds ~~70~~ 80 percent of its actual cash value immediately prior to sustaining damage, the
45.9 seller must disclose that fact to the buyer, if the seller has actual knowledge of the damage.
45.10 The amount of damage is determined by the retail cost of repairing the vehicle based on a
45.11 complete written retail repair estimate or invoice, ~~exclusive of the actual cost incurred to~~
45.12 ~~repair, replace, or reinstall inflatable safety restraints and other vehicle components that~~
45.13 ~~must be replaced due to the deployment of the inflatable safety restraints.~~

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

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

45.25 Subd. 2. **Form of disclosure.** The disclosure required in this section must be made
45.26 in substantially the following form: "To the best of my knowledge, this vehicle has
45.27 has not sustained damage, ~~exclusive of any costs to repair, replace, or reinstall air bags~~
45.28 ~~and other components that were replaced due to deployment of air bags,~~ in excess of
45.29 ~~70~~ 80 percent actual cash value."

45.30 Sec. 61. Minnesota Statutes 2010, section 325F.6644, subdivision 1, is amended to
45.31 read:

45.32 Subdivision 1. **Damage disclosure.** Section 325F.6641 does not apply to ~~vehicles~~
45.33 ~~that are six years old or older as calculated from the first day of January of the designated~~

46.1 ~~model year or to~~ commercial motor vehicles with a gross vehicle weight rating of 16,000
46.2 pounds or more or to motorcycles.

46.3 Sec. 62. Minnesota Statutes 2010, section 325F.6644, subdivision 2, is amended to
46.4 read:

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

46.9 Sec. 63. Laws 2009, chapter 36, article 3, section 28, is amended to read:

46.10 Sec. 28. **DESIGN-BUILD PROJECT SELECTION COUNCIL LOCAL**
46.11 **PROJECTS.**

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

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

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

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

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

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

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

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

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

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

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

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

47.8 (4) periodically review and evaluate the use of design-build in the selected projects;
47.9 ~~and~~

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

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

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

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

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

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

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

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

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

47.27 ~~(b) All appointments required by paragraph (a) must be completed by August~~
47.28 ~~1, 2009.~~

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

47.32 ~~Subd. 4. **Report to legislature.** Annually, by January 15, the council shall submit~~
47.33 ~~a report to the chairs and ranking minority members of the legislative committees with~~
47.34 ~~jurisdiction over transportation budget and policy, and to the legislature as provided under~~
47.35 ~~Minnesota Statutes, section 15.059. The report must summarize the design-build pilot~~
47.36 ~~program selection process, including the number of applications considered; the proposal~~

48.1 ~~process for each project that was selected; the contracting process for each project that was~~
48.2 ~~completed; and project costs. The report must evaluate the process and results applying~~
48.3 ~~the performance-based measures with which the commissioner evaluates trunk highway~~
48.4 ~~design-build projects. The report must include any recommendations for future legislation.~~

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

48.7 Sec. 64. Laws 2009, chapter 36, article 3, section 28, the effective date, is amended to
48.8 read:

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

48.12 Sec. 65. Laws 2009, chapter 36, article 3, section 29, is amended to read:

48.13 Sec. 29. **DESIGN-BUILD CONTRACTING PLOT PROGRAM.**

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

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

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

48.17 (3) "design-build contract" means a single contract between a municipality and a
48.18 design-build company or firm to furnish the architectural or engineering and related design
48.19 services as well as the labor, material, supplies, equipment, and construction services for
48.20 the transportation project;

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

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

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

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

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

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

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

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

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

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

49.18 Subd. 3. **Licensing requirements.** (a) Each design-builder shall employ, or have
49.19 as a partner, member, officer, coventurer, or subcontractor, a person duly licensed and
49.20 registered to provide the design services required to complete the project and do business
49.21 in the state, including the provision of sureties of sufficient amount to protect the interests
49.22 of the awarding municipality.

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

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

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

49.33 Subd. 4. **Information session for municipal engineer.** After a project is selected
49.34 for participation in the design-build contracting ~~pilot~~ program, the commissioner or the
49.35 commissioner's designee with design-build experience shall conduct an information
49.36 session for the municipality's engineer for each selected project, in which issues unique

50.1 to design-build must be discussed, including, but not limited to, writing an RFP, project
50.2 oversight requirements, assessing risk, and communication with the design-build firm.
50.3 After participation in the information session, the municipality's engineer is qualified to
50.4 post the selected project, along with any future design-build project RFP in the ~~pilot~~
50.5 program.

50.6 Subd. 5. **Technical Review Committee.** During the phase one RFQ and before
50.7 solicitation, the municipality shall appoint a Technical Review Committee of at least
50.8 five individuals. The Technical Review Committee must include an individual whose
50.9 name and qualifications are submitted to the municipality by the Minnesota chapter of
50.10 the Associated General Contractors, after consultation with other commercial contractor
50.11 associations in the state. Members of the Technical Review Committee who are not state
50.12 employees are subject to the Minnesota Government Data Practices Act and Minnesota
50.13 Statutes, section 16C.06, to the same extent that state agencies are subject to those
50.14 provisions. A Technical Review Committee member may not participate in the review or
50.15 discussion of responses to the RFQ or RFP when a design-build firm in which the member
50.16 has a financial interest has responded to the RFQ or RFP. "Financial interest" includes,
50.17 but is not limited to, being or serving as an owner, employee, partner, limited liability
50.18 partner, shareholder, joint venturer, family member, officer, or director of a design-build
50.19 firm responding to an RFQ or RFP for a specific project, or having any other economic
50.20 interest in that design-build firm. The members of the Technical Review Committee must
50.21 be treated as municipal employees in the event of litigation resulting from any action
50.22 arising out of their service on the committee.

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

- 50.25 (1) the minimum qualifications of design-builders necessary to meet the requirements
50.26 for acceptance;
- 50.27 (2) a scope of work statement and schedule;
- 50.28 (3) documents defining the project requirements;
- 50.29 (4) the form of contract to be awarded;
- 50.30 (5) the weighted selection criteria for compiling a short list and the number of firms
50.31 to be included in the short list, which must be at least two but not more than five;
- 50.32 (6) a description of the request for proposals (RFP) requirements;
- 50.33 (7) the maximum time allowed for design and construction;
- 50.34 (8) the municipality's estimated cost of design and construction;
- 50.35 (9) requirements for construction experience, design experience, financial,
50.36 personnel, and equipment resources available from potential design-builders for the

51.1 project and experience in other design-build transportation projects or similar projects,
51.2 provided that these requirements may not unduly restrict competition; and

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

51.5 Subd. 7. **Information session for prospective design-build firms.** After a
51.6 design-build project is advertised, any prospective design-build firm shall attend a
51.7 design-build information session conducted by the commissioner or the commissioner's
51.8 designee with design-build experience. The information must include information about
51.9 design-build contracts, including, but not limited to, communication with partner firms,
51.10 project oversight requirements, assessing risk, and communication with the municipality's
51.11 engineer. After participation in the information session, the design-build firm is eligible to
51.12 bid on the design-build project and any future design-build ~~pilot~~ program projects.

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

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

51.20 (1) the scope of work, including (i) performance and technical requirements, (ii)
51.21 conceptual design, (iii) specifications consistent with state standards and specifications,
51.22 and (iv) functional and operational elements for the delivery of the completed project, all
51.23 of which must be prepared by a registered or licensed professional engineer;

51.24 (2) copies of the contract documents that the successful proposer will be expected to
51.25 sign;

51.26 (3) the maximum time allowable for design and construction;

51.27 (4) the road authority's estimated cost of design and construction;

51.28 (5) the requirement that a submitted proposal be segmented into two parts, a
51.29 technical proposal and a price proposal;

51.30 (6) the requirement that each proposal be in a separately sealed, clearly identified
51.31 package and include the date and time of the submittal deadline;

51.32 (7) the requirement that the technical proposal include a critical path method,
51.33 bar schedule of the work to be performed, or similar schematic; preliminary design
51.34 plans and specifications; technical reports; calculations; permit requirements; applicable
51.35 development fees; and other data requested in the RFP;

- 52.1 (8) the requirement that the price proposal contain all design, construction,
52.2 engineering, inspection, and construction costs of the proposed project;
- 52.3 (9) the requirement that surety be submitted equal to the total amount of the proposal;
- 52.4 (10) a description of the qualifications required of the design-builder and the
52.5 selection criteria, including the weight of each criterion and subcriterion;
- 52.6 (11) the date, time, and location of the public opening of the sealed price proposals;
- 52.7 (12) the amount of, and eligibility for, a stipulated fee;
- 52.8 (13) other information relevant to the project; and
- 52.9 (14) a statement that "past performance," "experience," or other criteria used in the
52.10 RFP evaluation process does not include the exercise or assertion of a person's legal rights.

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

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

52.19 (b) The commissioner or the commissioner's designee shall review the technical
52.20 proposal scores. The commissioner shall submit the final technical proposal scores to the
52.21 municipality.

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

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

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

52.33 (f) The municipality shall award a stipulated fee not less than two-tenths of one
52.34 percent of the municipality's estimated cost of design and construction to each short-listed,
52.35 responsible proposer who provides a responsive but unsuccessful proposal. If the
52.36 municipality does not award a contract, all short-listed proposers must receive the

53.1 stipulated fee. If the municipality cancels the contract before reviewing the technical
53.2 proposals, the municipality shall award each design-builder on the short list a stipulated
53.3 fee of not less than two-tenths of one percent of the municipality's estimated cost of
53.4 design and construction. The municipality shall pay the stipulated fee to each proposer
53.5 within 90 days after the award of the contract or the decision not to award a contract.
53.6 In consideration for paying the stipulated fee, the municipality may use any ideas or
53.7 information contained in the proposals in connection with any contract awarded for the
53.8 project or in connection with a subsequent procurement, without any obligation to pay
53.9 any additional compensation to the unsuccessful proposers. Notwithstanding the other
53.10 provisions of this subdivision, an unsuccessful short-list proposer may elect to waive
53.11 the stipulated fee. If an unsuccessful short-list proposer elects to waive the stipulated
53.12 fee, the municipality may not use ideas and information contained in that proposer's
53.13 proposal. Upon the request of the municipality, a proposer who waived a stipulated fee
53.14 may withdraw the waiver, in which case the municipality shall pay the stipulated fee to the
53.15 proposer and thereafter may use ideas and information in the proposer's proposal.

53.16 (g) The municipality shall not limit the ability of design-builders that have submitted
53.17 proposals to protest a contemplated or actual award by the commissioner by, among
53.18 other things, unreasonably restricting the time to protest; restricting the right to seek
53.19 judicial review of the commissioner's actions; attempting to change the judicial standard
53.20 of review; or requiring the protestor to pay attorney fees for an unsuccessful, nonfrivolous
53.21 protest. Unless all design-builders that have submitted proposals agree to execution of
53.22 a contract for the project without a waiting period beforehand, the municipality shall
53.23 wait at least seven days after both the award of the project and public disclosure of the
53.24 Technical Review Committee's scoring data and the successful proposal before executing
53.25 a contract for the project.

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

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

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

53.34 (1) the first step is the review of the technical proposal by the Technical Review
53.35 Committee as provided in subdivision 5. The Technical Review Committee must open
53.36 the technical proposal first and must determine if it complies with the requirements of the

54.1 RFP and is responsive. The Technical Review Committee may not perform any ranking
54.2 or scoring of the technical proposals; and

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

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

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

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

54.14 Sec. 66. Laws 2009, chapter 36, article 3, section 29, the effective date, is amended to
54.15 read:

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

54.19 Sec. 67. **PUBLIC-PRIVATE PARTNERSHIP PILOT PROGRAM.**

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

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

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

55.1 Sec. 68. PILOT PROGRAM RESTRICTIONS.

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

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

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

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

55.14 Sec. 69. CONSIDERATIONS IN SELECTING PRIVATE ENTITY.

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

55.17 (1) the ability of the proposed project to improve safety, reduce congestion, increase
55.18 capacity, and promote economic growth;

55.19 (2) the proposed cost of and financial plan for the project;

55.20 (3) the general reputation, qualifications, industry experience, and financial capacity
55.21 of the private entity;

55.22 (4) the project's proposed design, operation, and feasibility;

55.23 (5) comments from local citizens and affected jurisdictions;

55.24 (6) benefits to the public;

55.25 (7) the safety record of the private entity; and

55.26 (8) any other criteria the commissioner deems appropriate.

55.27 Sec. 70. PUBLIC-PRIVATE AGREEMENT.

55.28 (a) A public-private agreement between the commissioner and a private entity shall,
55.29 at a minimum, specify:

55.30 (1) the planning, acquisition, financing, development, design, construction,
55.31 reconstruction, replacement, improvement, maintenance, management, repair, leasing, or
55.32 operation of the project;

55.33 (2) the term of the public-private agreement;

55.34 (3) the type of property interest, if any, that the private entity will have in the project;

- 56.1 (4) a description of the actions the commissioner may take to ensure proper
56.2 maintenance of the project;
- 56.3 (5) whether user fees will be collected on the project and the basis by which the
56.4 user fees shall be determined and modified;
- 56.5 (6) compliance with applicable federal, state, and local laws;
- 56.6 (7) grounds for termination of the public-private agreement by the commissioner; and
56.7 (8) procedures for amendment of the agreement.
- 56.8 (b) A public-private agreement between the commissioner and a private entity
56.9 may provide for:
- 56.10 (1) review and approval by the commissioner of the private entity's plans for the
56.11 development and operation of the project;
- 56.12 (2) inspection by the commissioner of construction and improvements to the project;
- 56.13 (3) maintenance by the private entity of a liability insurance policy;
- 56.14 (4) filing of appropriate financial statements by the private entity on a periodic basis;
- 56.15 (5) filing of traffic reports by the private entity on a periodic basis;
- 56.16 (6) financing obligations of the commissioner and the private entity;
- 56.17 (7) apportionment of expenses between the commissioner and the private entity;
- 56.18 (8) the rights and remedies available in the event of a default or delay;
- 56.19 (9) the rights and duties of the private entity, the commissioner, and other state or
56.20 local governmental entities with respect to the use of the project;
- 56.21 (10) the terms and conditions of indemnification of the private entity by the
56.22 commissioner;
- 56.23 (11) assignment, subcontracting, or other delegations of responsibilities of the
56.24 private entity or commissioner under agreement to third parties, including other private
56.25 entities or state agencies;
- 56.26 (12) if applicable, sale or lease to the private entity of private property related to
56.27 the project;
- 56.28 (13) traffic enforcement and other policing issues; and
- 56.29 (14) any other terms and conditions the commissioner deems appropriate.

56.30 Sec. 71. **FUNDING FROM FEDERAL GOVERNMENT.**

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

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

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

57.3 Sec. 72. **REPORTING ON PUBLIC-PRIVATE PILOT PROGRAM.**

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

57.11 Sec. 73. **DISTANCE-BASED FARE SURCHARGE; PILOT PROGRAM.**

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

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

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

57.21 Subd. 3. **Reporting requirements.** By August 1 of each year a pilot program is
57.22 in effect, the replacement service transit provider imposing the distance-based surcharge
57.23 shall submit to the chairs and ranking minority members of the house of representatives
57.24 and senate committees having jurisdiction over transportation policy and finance a
57.25 report detailing the activities of the pilot program. The report shall include information
57.26 specifying the total revenue collected from the distance-based surcharge and the average
57.27 surcharge collected per rider, analyzing any impact the surcharge has had on the fare
57.28 policy considerations under Minnesota Statutes, section 473.408, subdivision 2, and any
57.29 other information requested by the chairs of the house of representatives and senate
57.30 committees having jurisdiction over transportation policy and finance.

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

58.1 Sec. 74. **REPORTS ON USE OF CONSTRUCTION MANAGER/GENERAL**
58.2 **CONTRACTOR METHOD.**

58.3 Subdivision 1. **Submission of reports.** The commissioner shall report on experience
58.4 with and evaluation of the construction manager/general contractor method of contracting
58.5 authorized in Minnesota Statutes, sections 161.3207 to 161.3209. The reports must be
58.6 submitted to the chairs and ranking minority members of the legislative committees with
58.7 jurisdiction over transportation policy or transportation finance and in compliance with
58.8 Minnesota Statutes, sections 3.195 and 3.197. An interim report must be submitted
58.9 no later than 12 months following the commissioner's acceptance of five construction
58.10 manager/general contractor contracts. A final report must be submitted no later than 12
58.11 months following the commissioner's acceptance of ten construction manager/general
58.12 contractor contracts.

58.13 Subd. 2. **Content of reports.** The reports must include: (1) a description of
58.14 circumstances of any projects as to which construction manager/general contractor
58.15 requests for qualifications or requests for proposals were solicited, followed by a
58.16 cancellation of the solicitation; (2) a description of projects as to which construction
58.17 manager/general contractor method was utilized; (3) a comparison of project cost
58.18 estimates with final project costs, if available; and (4) evaluation of the construction
58.19 manager/general contractor method of procurement with respect to implications for
58.20 project cost, use of innovative techniques, completion time, and obtaining maximum
58.21 value. The final report must also include recommendations as to continued use of the
58.22 program and desired modifications to the program, and recommended legislation to
58.23 continue, discontinue, or modify the program.

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

58.27 Sec. 75. **MUNICIPAL STATE-AID STREET FUND 2013 ALLOCATION.**

58.28 (a) Notwithstanding Minnesota Statutes, section 162.13, subdivision 1, the
58.29 commissioner of transportation shall allocate the apportionment sum available in the
58.30 municipal state-aid street fund, following the deductions under Minnesota Statutes, section
58.31 162.12, as provided in this section.

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

58.33 (1) qualifies for municipal state-aid street funds under Minnesota Statutes, section
58.34 162.09, subdivision 4a; and

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

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

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

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

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

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

59.9 Sec. 76. **TRANSFER OF MONEY FROM MUNICIPAL STATE-AID STREET**
59.10 **FUND FOR MUNICIPAL BOND DEBT SERVICE.**

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

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

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

59.16 (i) issued bonds;

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

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

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

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

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

60.1 Subd. 5. Allocation of remaining municipal state-aid apportionment sum.

60.2 The commissioner of transportation shall allocate the remaining apportionment sum as
60.3 provided under Minnesota Statutes, section 162.13, subdivision 1.

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

60.9 Sec. 77. **WATER PERMITTING PROCESSES FOR TRANSPORTATION**
60.10 **PROJECTS; REPORT.**

60.11 By November 15, 2012, the commissioners of transportation, natural resources, and
60.12 the Pollution Control Agency, in consultation with local road authorities and the Board of
60.13 Water and Soil Resources, shall submit recommendations to the house of representatives
60.14 and senate committees and divisions with primary jurisdiction over environment and
60.15 natural resources policy and finance and transportation policy and finance on how
60.16 water-related permitting for transportation projects can best be streamlined through
60.17 creation of a single point of issuance system. The recommendations shall specifically:

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

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

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

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

60.28 Sec. 78. **RULE CHANGE.**

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

61.1 Sec. 79. **REVISOR'S INSTRUCTION.**

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

	<u>Column A</u>	<u>Column B</u>
61.5		
61.6	<u>169.011, subdivision 83</u>	<u>168B.011, subdivision 12a</u>
61.7	<u>169.041</u>	<u>168B.035</u>
61.8	<u>169.64, subdivision 5</u>	<u>168B.16</u>
61.9	<u>169.86, subdivision 8</u>	<u>168B.15</u>
61.10	<u>465.75</u>	<u>168B.14</u>
61.11	<u>514.18, subdivision 1a</u>	<u>168B.045</u>

61.12 Sec. 80. **REPEALER.**

61.13 Minnesota Statutes 2010, sections 169.441, subdivision 5; 169.445, subdivision 2;
61.14 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.