

coordinating council:

- (a) For merit fellowship grants \$1,000,000
- (b) For nonmedical and health services research grants \$300,000
- (c) For health policy studies \$200,000

Not more than one percent of each sum appropriated by clauses (a) to (c) shall be available for reimbursement of agency expenses.

Sec. 28. Minnesota Statutes 1976, Section 261.233, is repealed.

Approved June 8, 1977.

CHAPTER 454—H.F.No.1610

[Coded in Part]

An act relating to the organization and operation of state government; appropriating money for the department of transportation and for other purposes with certain conditions; amending Minnesota Statutes 1976, Sections 16.72, Subdivision 5, and by adding a subdivision; 161.125, Subdivision 1, and by adding a subdivision; 169.86, by adding a subdivision; 174.50, Subdivision 7; 219.40; 299D.03, Subdivision 5; 473.121, Subdivisions 18, 19, 20, and by adding a subdivision; 473.402; 473.405, Subdivisions 1 and 2; 473.411, Subdivisions 1 and 3; 473.413, Subdivision 8; 473.415; 473.445, Subdivision 1; 473.446, Subdivision 1; and 473.141, Subdivision 4; and Chapters 174 and 473, by adding sections; repealing Minnesota Statutes 1976, Sections 161.125, Subdivision 2; 161.50; 174.06, Subdivision 4; 219.401; 473.121, Subdivision 17; 473.411, Subdivision 2; 473.421; 473.422; 473.423; 473.424; 473.425; 473.437; 473.443; 473.445, Subdivision 2; 473.446, Subdivisions 4 and 5; 473.447; and Laws 1974, Chapter 534, as amended.

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

Section 1. **STATE GOVERNMENT; TRANSPORTATION; APPROPRIATIONS.** The sums set forth in the columns designated "APPROPRIATIONS" are appropriated from the trunk highway fund, or any other fund designated, to the commissioner of transportation for the purposes specified in the following sections of this act, to be available for the fiscal years indicated for each purpose. The figures "1977", "1978", and "1979", wherever used in this act, mean that the appropriation or appropriations listed thereunder are available for the year ending June 30, 1977, June 30, 1978, or June 30, 1979, respectively.

APPROPRIATIONS	
Available for the year	
Ending June 30,	
1978	1979
\$	\$

Sec. 2. **PERSONNEL POLICY**

The commissioner of transportation shall control employment of full-time employees to not exceed 4,871 during fiscal 1978 and 4,837 during fiscal 1979. None of the restrictions

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in this section apply to seasonal or temporary employment.

The commissioner of transportation shall continue productivity improvement efforts to reduce the number of full-time employees.

The commissioner of transportation shall set position levels for each organizational unit of the department as the work program requires, identify surplus positions, and schedule personnel reductions, first making use of reductions through normal attrition and transfers to other departments.

Sec. 3. HIGHWAYS

Subdivision 1. Planning and Programming

3,253,444 3,297,332

Subd. 2. Highway

Development 156,610,945 156,610,945

This appropriation is for the actual construction, reconstruction, and improvement of trunk highways. This includes the cost of actual payment to land owners for lands acquired for highway right of way, payment to lessees, interest subsidies, and relocation expenses.

Subd. 3. Highway Safety

Devices, per section 219.40 600,000 600,000

Subd. 4. Highway Development

Support 46,676,695 46,766,149

Design of bridges not funded by the bridge bonding program which have an estimated project cost of less than \$200,000 shall be performed in house by the transportation department. The maximum use of standardized bridges is encouraged.

Subd. 5. Research and Standards 1,053,373 1,067,876

Subd. 6. Highway Maintenance

(a) Maintenance Operations 68,029,518 69,687,845

Preventive maintenance of the trunk highway system shall be continued at a level at least equal to that currently provided.

(b) Equipment 7,662,343 5,587,120

Of the amount appropriated in the first year \$400,000 is appropriated from the state airports fund.

Subd. 7. Aids and Assistance to Local Governments

(a) State Aid Administration 313,313 318,602

(b) County State Aid Distribution 80,839,800 81,130,800

This appropriation is from the county state-aid highway fund.

(c) Municipal State Aid

Distribution 25,002,000 25,092,000

This appropriation is from the municipal state-aid street fund.

If an appropriation in either (b) or (c) is insufficient to exhaust the balance in the fund from which it is made in the year for which it is made, the commissioner of finance, upon request of the commissioner of transportation, shall notify the committee on finance of the senate and the committee on appropriations of the house of representatives of the amount of the remainder and shall then add that amount to the appropriation. The amount added is appropriated for the purposes of clause (b) or (c), as appropriate.

Subd. 8. General

Administrative Support

(a) Administrative Support 6,036,211 6,101,002

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(b) Program Management	642,855	652,292
(c) Legal Services	555,450	564,192

This appropriation is for the purchase of legal services from or through the attorney general.

Subd. 9. Bicycle Trail Program

(a) Development and Grants	445,000	445,000
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This appropriation is for the development of bicycle trails primarily on existing road rights of way, as provided in the outdoor recreation bonding act of 1977. This appropriation is from the general fund.

(b) Administration	55,000	55,000
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(c) The unexpended balance of the appropriation made by Laws 1976, Chapter 199, Section 18, Subdivision 3 is reappropriated to the department of transportation for the biennium ending June 30, 1979.

Subd. 10. Principal and Interest

on Highway Debt	13,104,550	11,607,450
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Principal, interest and debt service costs on state trunk highway fund debt shall be paid from this appropriation rather than from a statutory appropriation for the same purpose. If this appropriation is insufficient to pay all principal and interest coming due in the year for which it is made, the commissioner of finance shall notify the committee on finance of the senate and the committee on appropriations of the house of representatives of the amount of the deficiency and shall then pay that amount pursuant to the statutory appropriation.

Subd. 11. Sound Enforcement

Study	33,000	- 0 -
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This appropriation is to the commissioner of public safety for the sound enforcement study required by this act.

Sec. 4. AERONAUTICS

Subdivision 1. Airport Development and Assistance

(a) Construction Grants	6,674,923	6,074,923
(b) Maintenance Grants	1,001,407	1,001,407

If the appropriation in (a) and (b) above for either year is insufficient, the appropriation for the other year is available for it.

Reimbursements from municipalities for striping runways shall be deposited in the state airport fund.

(c) Navigational Aids	595,149	595,149
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The appropriations in (a), (b), and (c) are from the state airports fund and shall be expended only for grant-in-aid programs for airports that are not state owned. These appropriations are to be expended in accordance with Minnesota Statutes, Section 360.305, Subdivision 4, Clauses (1), (2), (4) and (5).

The commissioner of transportation may transfer unencumbered balances among the appropriations in (a), (b), and (c) with the approval of the governor after consultation with the legislative advisory commission.

(d) Construction and Maintenance Support	402,598	405,362
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Notwithstanding the provisions of Minnesota Statutes, Section 360.021, Subdivision 1, or any other law to the contrary, the commissioner of transportation shall acquire no

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additional state airports, nor shall he establish any additional state-owned airports during the biennium ending June 30, 1979.

No money shall be expended by the commissioner of transportation under the appropriations made in this subdivision, or any other law, for land acquisition, or for the construction, improvement, maintenance of airports, except for maintenance of the state owned airport at Pine Creek, or for air navigation facilities for an airport, unless the governmental unit involved has or is establishing a zoning authority for that airport, and the authority has made a good faith showing that it is in the process of and will complete with due diligence, an airport zoning ordinance in accordance with Minnesota Statutes, Sections 360.061 to 360.074.

The commissioner of transportation shall make maximum use of zoning and easements to eliminate runway and other potential airport hazards rather than land acquisition in fee.

Subd. 2. Safety Education
and Aviation Regulation

(a) Safety Education	53,360	53,692
(b) Aviation Regulation	354,134	231,390

Subd. 3. Administrative

Support	248,545	254,197
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For 1977 - \$34,233

The appropriation for 1977 is from the state airports fund; \$15,000 is for operation of aircraft and relocation costs and \$19,233 is for transfer to the general fund in reimbursement for the cost of a legislative audit.

Subd. 4. Start up costs, air
transportation revolving account

50,000

The commissioner of transportation is authorized to establish an air transportation revolving account within the trunk highway fund. The commissioner shall charge users of any air transportation services provided by the department for all direct and indirect operating costs, excluding salaries and initial cost of acquisition of aircraft. All receipts for these services shall be deposited in the air transportation revolving account and are appropriated to the commissioner to pay all direct and indirect air service operating expenses, excluding salaries.

This appropriation is to the commissioner from the state airports fund for initial air service operating capital, to be deposited in the air transportation revolving account.

This account is available until June 30, 1979 and shall not be used for purchase of aircraft.

Subd. 5. Principal and Interest
on Aeronautics Debt

477,610 476,010

This appropriation is from the state airports fund.

Principal, interest, and debt service costs on state aeronautics fund debt shall be paid from this appropriation rather than from a statutory appropriation for the same purpose. If this appropriation is insufficient to pay all principal and interest coming due in the year in which it is made, the commissioner of finance shall notify the committee on finance of the senate and the committee on appropriations of the house of representatives of the amount of the deficiency and shall then pay that amount pursuant to the statutory appropriation.

Sec. 5. TRANSIT AND RAIL
SERVICE IMPROVEMENT

Subdivision 1. Transit Improvement

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(a) Planning and Programming	221,560	229,141
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This appropriation is for carrying out the department's transit responsibilities under this act.

(b) Public Transit Assistance
and Transportation Management

Grants and Expenses	38,400,000
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Of the appropriation in (b), \$38,150,000 is from the general fund, and \$250,000, representing costs of public transit research and departmental administration, is from the trunk highway fund.

Any unencumbered balance remaining in the first year shall not cancel but is available for the second year of the biennium.

Of this appropriation, \$9,600,000 is for public transit subsidy program grants pursuant to section 21 of which \$3,300,000 is available for payment pursuant to contracts with the Twin Cities area metropolitan transit commission for the period from July 1, 1977 to December 31, 1977; \$900,000, is available for payment pursuant to contracts with the Twin Cities metropolitan transit commission after December 31, 1977 for planning and general administration only; and \$4,000,000 is available for payment to eligible recipients outside the metropolitan area; \$900,000 is available for payment to private operators within the metropolitan area; and \$500,000 is available for ongoing paratransit services in the metropolitan area.

\$13,700,000 is for performance funding payments by the commissioner under contracts made pursuant to sections 21 and 46.

\$8,400,000 is for social fare reimbursement grants pursuant to section 21.

\$1,200,000 is for special services for the handicapped grants, for payment by the commissioner to the Twin Cities metropolitan transit commission pursuant to section 21.

\$4,500,000 is for paratransit service demonstration grant programs, for payment by the commissioner under contracts made pursuant to section 22, provided that no more than \$1,000,000 is available for payment to the Twin Cities metropolitan transit commission. This amount is available until expended.

\$750,000 is for regular route transit demonstration program grants, for payment by the commissioner under contracts made pursuant to section 23. This amount is available until expended. The unencumbered balance of the appropriation made by Laws 1975, Chapter 203, Section 11, Subdivision 2, shall not cancel but is available for the biennium ending June 30, 1979.

\$100,000 is for public transit research and technical and professional assistance pursuant to section 20, subdivisions 3 to 5. From this amount and the appropriation in (a) the commissioner may establish unclassified positions which are in addition to the approved complement of the department of transportation.

\$150,000 is for costs of administration of the programs described in sections 18 to 24 and section 46.

The commissioner of transportation may transfer appropriations among the appropriations in (b), except the appropriations for special services for the handicapped, public transit research, and department of transportation administrative costs, with the approval of the governor after consultation with the legislative advisory commission.

Subd. 2. Rail Service

Improvement

(a) Planning and Programming	198,593	199,589
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(b) Rail Service Improvement

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Grants 3,000,000

The appropriation in (b) is from the general fund to the rail service improvement account.

(c) Rail Passenger Service

Grant 650,000

(d) The sum of \$650,000 is appropriated to a special contingent account for the second year of the biennium, for the purposes of subdivision 2, clause (c). This money is not available for expenditure until authorized by the governor, in accordance with the provisions of Minnesota Statutes, Section 3.30.

The commissioner of transportation shall report to the legislature by January 1, 1978 on the expenditure of money from the appropriation in (c) above, showing the terms of the contract, the number of riders each month during fiscal years 1976, 1977, and the first quarter of fiscal year 1978, the amount of federal subsidy, the amount of state subsidy, and the amount of each subsidy per passenger. In addition, the commissioner shall include a detailed accounting of expenditures under the contract during fiscal years 1976, 1977, and the first quarter of fiscal year 1978 by line item object of expenditure, such as personnel costs, equipment, maintenance, and overhead.

The appropriations in (c) and (d) are from the general fund.

Sec. 6. TRANSPORTATION REGULATION

Subdivision 1. Common Carrier

Rate Regulation	77,360	78,696
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Subd. 2. Common Carrier

Route and Schedule Approval	423,363	399,321
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Subd. 3. Rail Crossing and

Safety Standards	45,973	46,685
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Sec. 7. TRANSFERS

The commissioner of transportation with the approval of the commissioner of finance may transfer unencumbered balances among the appropriations from the trunk highway fund made in this act and may change the composition of budgetary programs and activities in order to be consistent with the functional organization of the new department. No transfer shall be made from the appropriation for highway development in section 3, subdivision 2, except to the appropriation for highway maintenance in section 3, subdivision 6, nor shall any transfer be made from highway maintenance, except with the approval of the governor after consultation with the legislative advisory commission. No transfer shall be made from the appropriation for debt service in section 3, subdivision 10, to any other appropriation.

Transfers shall be reported forthwith to the committee on finance of the senate and the committee on appropriations of the house of representatives. The commissioner of transportation shall keep records and report to the legislature by January 1, 1979 on the relationship between the appropriations made by this act and the purposes for which the money is expended and encumbered.

Sec. 8. CONTINGENT

APPROPRIATION

The commissioner of transportation, with the approval of the governor after consultation with the legislative advisory commission, may transfer all or part of the unappropriated balance in the trunk highway fund to the appropriation for highway development or for highway maintenance in order to meet an emergency or to take advantage of an unanticipated receipt of income to the trunk highway fund. The amount transferred is appropriated for the purpose of the account to which it is transferred.

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Sec. 9. REIMBURSEMENT

Subdivision 1. The sums of \$1,058,637 for the first year and \$944,641 for the second year are appropriated from the state airports fund for transfer by the commissioner of finance to the trunk highway fund on January 1, 1978 and January 1, 1979, respectively, in order to reimburse the trunk highway fund for expenses not related to trunk highways.

These represent amounts appropriated out of the trunk highway fund for aeronautics purposes as follows: section 4, subdivision 1, clause (d), and subdivisions 2 and 3.

Subd. 2. The sums of \$1,271,849 for the first year and \$1,008,432 for the second year are appropriated from the general fund for transfer by the commissioner of finance to the trunk highway fund on January 1, 1978 and January 1, 1979, respectively, in order to reimburse the trunk highway fund for expenses not related to trunk highways.

These represent amounts appropriated out of the trunk highway fund for general fund purposes as follows: section 3, subdivision 9, clause (b); section 5, subdivision 1, clause (a) and the administrative portion of clause (b), and subdivision 2, clause (a); and section 6.

Sec. 10. COMPUTER SYSTEM DEVELOPMENT. In all cases where an appropriation made in this act includes money for computer system development, development shall not proceed beyond PRIDE phase I until the project has been reviewed and approved by the commissioners of administration and finance. All approved projects shall be reported to the chairmen of the house appropriation committee and senate finance committee to receive their recommendation on the project. A recommendation is advisory only. In the case of rejected projects, the commissioner of finance shall cancel the unencumbered balance of the appropriation allotted for development of the project.

Sec. 11. Minnesota Statutes 1976, Section 16.72, Subdivision 5, is amended to read:

Subd. 5. **MONEYS COLLECTED.** All moneys collected by the commissioner of administration as rents, charges, or fees in connection with and for the use of any parking lot or facility are appropriated to the commissioner of administration for the purpose of operating, maintaining, and improving parking lots or facilities owned or operated by the state of Minnesota and to carry out the purposes of this section, except as provided in section 12.

Sec. 12. Minnesota Statutes 1976, Section 16.72, is amended by adding a subdivision to read:

Subd. 7. The commissioner of administration shall impose a surcharge of 25 percent for vehicles occupied by only one person parking in a state parking facility in the capitol area, as described by section 15.50, subdivision 2. The revenue from this additional charge shall be placed by the commissioner in a special account. For the benefit of employees employed in the capitol area, the money in the account shall be used by the commissioner to acquire or lease commuter vans pursuant to section 16.756 and, within such limits and upon such conditions as the commissioner determines to be necessary, to reimburse state departments or agencies for costs resulting from agreements with the metropolitan transit commission or other operators pursuant to section 37. The commissioner may adopt rules necessary to administer the provisions of sections 11, 12 and 37.

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Sec. 13. Minnesota Statutes 1976, Section 161.125, Subdivision 1, is amended to read:

161.125 **SOUND ABATEMENT ALONG HIGHWAYS.** Subdivision 1. The commissioner of transportation shall ~~cause to be constructed and maintained adequate and effective acoustical barriers or implement other, in accordance with the department's program, implement~~ sound abatement programs in measures within or along the perimeter of any interstate or trunk highway within incorporated areas located within the metropolitan area or in any municipality whenever the noise level attributable to vehicular traffic at the abutting residential property line is in excess of the federal noise standards. The commissioner shall utilize available federal matching funds in constructing and maintaining the acoustical barriers.

Sec. 14. Minnesota Statutes 1976, Section 161.125, is amended by adding a subdivision to read:

Subd. 3. SOUND ABATEMENT MEASURES. For the purpose of this section, sound abatement measures include but are not limited to the following:

(a) traffic management measures, including reduced speed limits or exclusion and rerouting of excessively noisy vehicles;

(b) design and construction measures, including use of sound absorbing road surface materials, landscaping and planning, acquisition of buffer zones or noise insulation of buildings on abutting property;

(c) enforcement of the motor vehicle source noise limits of the pollution control agency and of the federal bureau of motor carrier safety; and

(d) other measures designed for the purpose of reducing motor vehicle source noise or reducing the effects of that noise. The commissioner of public safety shall cooperate with the commissioner of transportation in implementing any sound abatement measures that include law enforcement activities.

Sec. 15. **SOUND ENFORCEMENT STUDY; REPORT.** The commissioner of public safety in cooperation with the pollution control agency and the commissioner of transportation, after appropriate research and testing shall, if possible, acquire a directional noise monitoring device that is effective in measuring the noise level of individual motor vehicles and can be operated from a stationary or moving patrol car by a single law enforcement officer for the purpose of enforcing motor vehicle source noise standards. The commissioner of public safety and the commissioner of transportation shall jointly submit a report of the findings of this research and testing to the legislature no later than December 31, 1977. This report shall include:

(a) an analysis of alternative types of noise monitoring devices and a description of the cost and capabilities of each type; and

(b) an analysis and estimate of the number and the cost of additional state patrol

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officers, or other enforcement officers, noise monitoring devices and other facilities necessary to achieve effective enforcement of state motor vehicle source noise limits within incorporated areas on interstate highways and on other trunk highways in the state.

Sec. 16. COMPLETION OF ACOUSTICAL BARRIERS. Notwithstanding any other provisions of this act, the commissioner of transportation may complete the construction of any acoustical barrier authorized by law prior to the effective date of this act for which construction began or a contract was let or federal design approval or a resolution of a city council requesting construction was received on or before June 30, 1977, and for that purpose may expend money authorized for expenditure for sound abatement measures.

Sec. 17. Minnesota Statutes 1976, Section 169.86, is amended by adding a subdivision to read:

Subd. 6. ARTICULATED BUSES. Articulated buses operated by public transit operators may exceed the length and weight limitations of this chapter, subject only to an annual permit from the commissioner for such operation, and shall not be subject to any city ordinance or to any permit from any local road authority. The application for a permit shall contain such information as may be required by the commissioner.

Sec. 18. Minnesota Statutes 1976, Chapter 174, is amended by adding a section to read:

[174.21] PUBLIC TRANSIT ASSISTANCE AND TRANSPORTATION MANAGEMENT; PURPOSE. It is the purpose of sections 18 to 24 to increase vehicle occupancy, to reduce the use of vehicles occupied by only one person and the congestion, pollution, energy consumption, highway damage, and other costs associated with such use and to increase the efficiency and productivity of and benefit from public investments in road space and transportation and transit facilities and systems in the state.

Sec. 19. Minnesota Statutes 1976, Chapter 174, is amended by adding a section to read:

[174.22] DEFINITIONS. Subdivision 1. For the purposes of sections 18 to 24 the following terms have the meaning given them.

Subd. 2. "Commuter van" has the meaning given it in section 221.011, subdivision 22, clause (l).

Subd. 3. "Metropolitan council" means the council established by section 473.123.

Subd. 4. "Metropolitan transit commission" means the commission established by section 473.404.

Subd. 5. "Operating deficit" means the amount by which the total prudent operating expenses incurred in the operation of the public transit system exceeds the

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amount of operating revenue derived therefrom and the amount of any social fare reimbursement pursuant to section 21, subdivision 4.

Subd. 6. "Paratransit" means the transportation of passengers by motor vehicle or other means of conveyance by persons operating on a regular and continuing basis and the transportation or delivery of packages in conjunction with an operation having the transportation of passengers as its primary and predominant purpose and activity, but excluding regular route transit. "Paratransit" includes transportation by car pool and commuter van, point deviation and route deviation services, shared-ride taxi service, dial-a-ride service, and other similar services.

Subd. 7. "Public transit" or "transit" means general or specific transportation service provided to the public on a regular and continuing basis. "Public transit" or "transit" includes paratransit and regular route transit.

Subd. 8. "Regular route transit" means transportation of passengers for hire by a motor vehicle or other means of conveyance by any person operating on a regular and continuing basis as a common carrier on fixed routes and schedules. "Regular route transit" does not include transportation of children to or from school or of passengers between a common carrier terminal station and a hotel or motel, transportation by common carrier railroad or common carrier railroads or by taxi, transportation furnished by a person solely for his or its employees or customers, or paratransit.

Sec. 20. Minnesota Statutes 1976, Chapter 174, is amended by adding a section to read:

[174.23] GENERAL POWERS AND DUTIES. Subdivision 1. GENERAL. The commissioner shall have all powers necessary and convenient to carry out the provisions of sections 18 to 24 including the power to: (a) review applications for financial assistance, execute contracts, and obligate and expend program funds, upon conditions and limitations as the commissioner deems necessary for purposes of program and project implementation, operation, and evaluation, (b) accept and disburse federal funds available for the purposes of sections 18 to 24, and (c) act upon request as the designated agent of any eligible person for the receipt and disbursal of federal funds. The commissioner shall perform the duties and exercise the powers under sections 18 to 24 in coordination with and in furtherance of statewide, regional, and local transportation plans and transportation development programs.

Subd. 2. FINANCIAL ASSISTANCE. The commissioner shall seek out and select eligible recipients of financial assistance under sections 18 to 24. The commissioner shall establish by rule the procedures and standards for review and approval of applications for financial assistance submitted to the commissioner pursuant to sections 18 to 24. Any applicant shall provide to the commissioner any financial or other information required by the commissioner to carry out his duties. The commissioner may require local contributions from applicants as a condition for receiving financial assistance. The commissioner shall not approve any grant unless: (1) the application for the grant has been reviewed and approved by the appropriate regional development commission or the metropolitan council only for consistency with regional transportation plans and

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development guides; and (2) in the case of a project to be operated in the metropolitan area, the application has been reviewed by the metropolitan transit commission for consistency with its transportation development program. Any regional development commission that has not adopted a transportation plan may review but may not approve or disapprove of any application.

Subd. 3. TECHNICAL AND PROFESSIONAL ASSISTANCE. The commissioner shall offer, use, and apply the information developed pursuant to sections 18 to 24 to assist and advise political subdivisions and recipients of financial assistance in the planning, promotion, development, operation, and evaluation of programs and projects to accomplish the purposes of sections 18 to 24. The commissioner shall seek out and select eligible recipients of such technical and professional assistance.

Subd. 4. RESEARCH; EVALUATION. The commissioner shall conduct research and shall study, analyze, and evaluate concepts, techniques, programs, and projects to accomplish the purposes of sections 18 to 24, including traffic operations improvements, preferential treatment and other encouragement of transit and paratransit services and high-occupancy vehicles, improvements in the management and operation of regular route transit services, special provision for pedestrians and bicycles, management and control of parking, changes in work schedules, and reduction of vehicle use in congested and residential areas. The commissioner shall examine and evaluate such concepts, techniques, programs, and projects now or previously employed or proposed in this state and elsewhere. The commissioner or an independent third party under contract to the commissioner shall monitor and evaluate the management and operation of public transit systems, services, and projects receiving financial or professional and technical assistance under sections 18 to 24 or other state programs to determine the manner in which and the extent to which such systems, services, and projects contribute or may contribute to the purposes of sections 18 to 24. The commissioner shall develop and promote proposals and projects to accomplish the purposes of sections 18 to 24 and shall actively solicit such proposals from municipalities, counties, legislatively established transit commissions and authorities, regional development commissions, the metropolitan council, and potential vendors. In conducting such activities the commissioner shall make the greatest possible use of already available research and information. The commissioner shall use the information developed under sections 18 to 24 in developing or revising the state transportation plan.

Subd. 5. REPORTS. By November 1, 1977, and thereafter in odd-numbered years the commissioner shall report to the appropriate committees of the legislature describing the intended activities under sections 18 to 24 for the biennium. By November 15, 1978, and thereafter in even-numbered years the commissioner shall report to the legislature on progress in achieving the purposes of sections 18 to 24. The report shall include a summary and evaluation of the results of the programs and the financial, technical, and professional assistance provided under sections 18 to 24; a description of the efforts of the commissioner to propose, advocate, and promote projects to accomplish the purposes of sections 18 to 24; an analysis of the role of private providers in the delivery of public transit services and recommendations for funding private and public providers and for coordinating the delivery of transit services by private and public providers; and the commissioner's findings, conclusions, and recommendations respecting the manner in

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which and the extent to which the programs, projects, and research under sections 18 to 24 contribute or may contribute to the purposes of sections 18 to 24.

Sec. 21. Minnesota Statutes 1976, Chapter 174, is amended by adding a section to read:

[174.24] PUBLIC TRANSIT SUBSIDY PROGRAM. Subdivision 1. ESTABLISHMENT; PURPOSE. A public transit subsidy program is established to provide financial assistance from the state to eligible recipients. The purpose of the public transit subsidy program shall be to supplement local effort in financing public transit systems in order to preserve and develop public transit and a balanced transportation system in the state.

Subd. 2. ELIGIBILITY; APPLICATIONS. Any legislatively established public transit commission or authority, any county or statutory or home rule charter city providing financial assistance to or operating public transit, any private operator of regular route transit, or any combination thereof is eligible to receive financial assistance through the public transit subsidy program.

Subd. 3. FINANCIAL ASSISTANCE. Payment of financial assistance shall be by contract between the commissioner and an eligible recipient. The commissioner shall determine the operating deficit of any public transit system receiving or applying for assistance in accordance with generally accepted accounting principles, provided that any financial assistance received from any agency of the federal government for the operation of a public transit system shall be treated as revenue for the purposes of determining the operating deficit. Where more than one county or municipality contributes assistance to the operation of a public transit system the commissioner shall identify one as lead agency for the purpose of receiving moneys under this section. Payments shall not exceed two-thirds of the operating deficit of a public transit system, except that payments to eligible recipients who are private operators in the transit taxing district defined in section 473.446, subdivision 2, may be up to 100 percent of the operating deficit. Payments to the metropolitan transit commission shall be based upon a performance funding system established by the commissioner or otherwise provided by law.

Subd. 4. SOCIAL FARE REIMBURSEMENT. The commissioner shall reimburse the metropolitan transit commission and any private operators in the transit taxing district defined in section 473.446, subdivision 2 for the difference between the full fare otherwise charged by the commission or private operator and the fare actually charged for any regular route transit service passenger pursuant to the social fare provisions of section 36, subdivision 3. Reimbursement shall be paid monthly upon a report by the commission or private operator of the number of reduced fare passengers carried for the preceding calendar month in each reduced fare category and the total amount that otherwise would have been charged for the service by the commission or private operator on a full fare basis.

Sec. 22. Minnesota Statutes 1976, Chapter 174, is amended by adding a section to read:

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[174.25] PARATRANSIT SERVICE DEMONSTRATION GRANT PROGRAM. Subdivision 1. PURPOSE. A paratransit service demonstration grant program is established to plan, promote, demonstrate, and evaluate the effectiveness, cost, and efficiency of paratransit as a means of accomplishing the following objectives:

(a) to provide transportation services in those areas inefficiently or inadequately served by regular route transit;

(b) to provide transportation services which improve the accessibility and productivity of regular route transit;

(c) to provide transportation services for persons who because of age or incapacity are unable to drive a private automobile or use existing modes of public transit.

Subd. 2. ELIGIBILITY; APPLICATIONS. Any public or private agency, entity, or person is eligible to receive financial assistance through the paratransit service demonstration program. Applications for grants shall be approved or denied by the commissioner within 120 days of receipt.

Sec. 23. Minnesota Statutes 1976, Chapter 174, is amended by adding a section to read:

[174.26] REGULAR ROUTE TRANSIT DEMONSTRATION GRANT PROGRAM. Subdivision 1. PURPOSE. A regular route transit demonstration program is established to demonstrate new regular route transit services and to improve the patronage and productivity of existing regular route transit services.

Subd. 2. ELIGIBILITY. Any eligible applicant under section 21, subdivision 2, operating, intending to operate, or assisting in the operation of regular route transit service is eligible to receive financial assistance through the regular route transit demonstration program.

Sec. 24. Minnesota Statutes 1976, Chapter 174, is amended by adding a section to read:

[174.27] PUBLIC EMPLOYER COMMUTER VAN PROGRAMS. Any statutory or home rule charter city, county, school district, independent board or agency may acquire or lease commuter vans, enter into contracts with another public or private employer to acquire or lease such vans, or purchase such a service for the use of its employees. The governing body of any such city, county, or school district may by resolution establish a commuter van revolving fund to be used to acquire or lease commuter vans for the use of its employees. Any payments out of the fund shall be repaid to the fund out of revenues derived from the use by the employees of the city, county, or school district, of the vans so purchased or leased. For the purpose of establishing the fund any city, county, or school district is authorized to make a one time levy not to exceed one-tenth of a mill in excess of all taxing limitations, without affecting the amount or rate of taxes which may be levied by the city, county, or school district for other purposes or by any local governments in the area. Any city, county, or school district

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which establishes a commuter van acquisition program or contracts for this service is authorized to levy a tax not to exceed 1/100 mill for the purpose of paying the administrative and promotional costs of the program which levy shall be in excess of all taxing limitations, without affecting the amount or rate of taxes which may be levied by the city, county, or school district for other purposes or by a local government in the area. The governing body of any city, county, or school district may by resolution terminate the commuter van revolving fund and use the funds for other purposes authorized by law.

Sec. 25. **EMERGENCY RULES.** The commissioner of transportation may exercise emergency rulemaking authority as provided in section 15.0412, subdivision 5, to implement the provisions of sections 18 to 24. The commissioner shall solicit information and opinions from outside the department as provided in section 15.0412, subdivision 6, prior to adopting these rules. Notwithstanding the provisions of section 15.0412, subdivision 5, any rules adopted under this section shall be effective until permanent rules are adopted pursuant to chapter 15 or until July 1, 1978, whichever occurs first. This section shall expire on July 1, 1978.

Sec. 26. Minnesota Statutes 1976, Section 174.50, Subdivision 7, is amended to read:

Subd. 7. The commissioner of transportation shall develop rules, standards and criteria, including bridge specifications, in cooperation with road authorities of political subdivisions, for use in the administration of funds appropriated to the commissioner and for the administration of grants to subdivisions. ~~Designs of bridges under the trunk highway system, which have an estimated project cost of less than \$200,000, shall be performed inhouse by the transportation department.~~ The maximum use of standardized bridges is encouraged. Funds appropriated to the commissioner from the Minnesota state transportation fund shall be segregated from the highway tax user distribution fund and other funds created by article XIV of the constitution.

Sec. 27. Minnesota Statutes 1976, Section 219.40, is amended to read:

219.40 DETERMINATION; ORDER; FLAGMEN OR SAFETY DEVICE. If a complaint is made under section 219.39, the commissioner shall determine whether the crossing is dangerous and may with or without a hearing require the railroad company complained of to provide flagmen at such crossing, or to adopt such safety devices as the commissioner may deem necessary for the proper protection of the crossing, or may require the removal of any structure, embankment or other obstruction to the view, or may require the crossing complained of or other crossing in the vicinity thereof closed, or it may require the railroad company to construct an overhead or maintain an underground crossing and divide the cost thereof between the railroad company, the town, county, municipal corporation, or state transportation department interested, on such terms and conditions as may seem just and equitable. Where the railroad has been constructed or the grade thereof lowered after the laying out of the highway and the railroad tracks are seven feet or more below the natural surface of the ground, the commissioner may require the maintenance of an overhead bridge with suitable approaches and require the complaining city, town, or county to remove any embankment, structure or other obstruction to the view as may be reasonable and

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necessary to properly protect the crossing; provided, that no highway shall be laid out over any railroad so as to cross at the same grade until such crossing has been approved by the commissioner. If the complainant or the railroad files exceptions to an order of the commissioner made under this section without a hearing, the commissioner shall convene a hearing on the original complaint. If the commissioner or his designee after notice and hearing orders the installation of a safety device, or the construction, reconstruction, modernization or replacement of major parts, as defined by rule of the commissioner, of said safety device, gates, or other type of special protection, or the removal of a structure, embankment or other obstruction to the view, or orders the construction, reconstruction or maintenance of an underground or overhead crossing on any public road, street, or highway, he may in the same order direct that the costs thereof be divided between the railroad company and the public authority involved on such basis as the parties may agree, or, if they fail to agree, then the costs thereof shall be as determined by the commissioner or his designee on the basis of benefit to the users of each; or the commissioner or his designee may defer determination of the division of costs to a subsequent order to be made on the basis of evidence previously taken. Where a state trunk highway is involved, the state's share of the costs shall be paid from any funds available to the department of transportation. In all other cases the public's share of the costs shall be paid from available funds or from the Minnesota trunk highway safety account fund, if ordered by the commissioner or his designee, or from any combination of the above or other available funds; provided that any highway, street or road fund shall only be expended for such costs on a highway, street or road within the political subdivision charged with the maintenance and care thereof and only upon the highways, streets or roads for which the fund was allocated, or for which the fund was created.

Sec. 28. Minnesota Statutes 1976, Section 299D.03, Subdivision 5, is amended to read:

Subd. 5. **FINES AND FORFEITED BAIL MONEY.** All fines and forfeited bail money, from traffic and motor vehicle law violations, collected from persons apprehended or arrested by such employees, shall be paid by the justice of the peace, or such other person or officer collecting such fines, forfeited bail money or installments thereof, on or before the tenth day after the last day of the month in which such moneys were collected, to the county treasurer of the county where the violation occurred. Three-eighths of such receipts shall be credited to the general revenue fund of the county. The other five-eighths of such receipts shall be transmitted by that officer to the state treasurer and shall be credited to a ~~separate account~~ the trunk highway fund. If, however, the violation occurs within a municipality and the city attorney prosecutes the offense, and a plea of not guilty is entered, one-third of the receipts shall be credited to the general revenue fund of the county, one-third of the receipts shall be paid to the municipality prosecuting the offense, and one-third shall be transmitted to the state treasurer as provided in this subdivision. All costs of participation in a nation-wide police communication system chargeable to the state of Minnesota shall ~~next~~ be paid from ~~such account~~ appropriations for that purpose. ~~Thereafter commencing July 1, 1973, the sum of \$50,000 shall be credited on the first day of each month from such account to the Minnesota highway safety account, which sum shall be disbursed only as provided for in sections 219.40 and 219.401. Thereafter on the first day of each calendar month the money remaining in such account, not needed for the purposes specified in this subdivision, shall be credited to the trunk highway fund.~~

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Sec. 29. Minnesota Statutes 1976, Section 473.121, Subdivision 18, is amended to read:

Subd. 18. "Operator" means any person engaged or seeking to engage in the business of providing public transit; but does not include persons engaged primarily in the transportation of children to or from school; in operating taxicabs; in operating buses, limousines, or other means for the transportation of passengers between a common carrier terminal station and a hotel or motel; in operating a common carrier railroad or common carrier railroads; or a person furnishing transportation solely for his or its employees or customers.

Sec. 30. Minnesota Statutes 1976, Section 473.121, is amended by adding a subdivision to read:

Subd. 18a. "Paratransit" has the meaning given in section 19, subdivision 6.

Sec. 31. Minnesota Statutes 1976, Section 473.121, Subdivision 19, is amended to read:

Subd. 19. "Public transit" or "transit" means transportation of passengers for hire within the transit area by means; ~~without limitation, of a street railway, elevated railway, subway, underground railroad, motor vehicles, buses~~ vehicle or other means of conveyance by any person operating as a common carrier on a regular route or fixed routes; or any combination thereof; provided, however, that and schedules. "Public transit" shall not include transportation of children to or from school or of passengers between a common carrier terminal station and a hotel or motel, transportation by a common carrier railroad or common carrier railroads or by taxi, transportation furnished by a person solely for his or its employees or customers, or paratransit.

Sec. 32. Minnesota Statutes 1976, Section 473.121, Subdivision 20, is amended to read:

Subd. 20. "Public transit system" or "transit system" means, without limitation, a combination of property, structures, improvements, equipment, plants, parking or other facilities, and rights, or any thereof, used or useful for the purposes of public transit.

Sec. 33. Minnesota Statutes 1976, Section 473.402, is amended to read:

473.402 LEGISLATIVE DETERMINATION, POLICY, PURPOSE AND GOALS. Subdivision 1. The legislature finds and determines that nearly half the people of the state live in the metropolitan transit area hereinafter established. The population of that area is growing faster than in any other area of the state, and it is continually visited by large numbers of people from other parts of the state, resulting in a heavy and steadily increasing concentration of resident and transient population and creating serious problems of public transit and public highway traffic in the area. The present public transit systems in the area consist largely of bus lines using the public highways and streets. These systems are inadequate to meet the needs for public transit in the area. A major part of the transportation of people in the area is provided by private motor
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vehicles. All of the foregoing adds heavily to the traffic load on the state highways which constitute the main routes of travel to, from, and through the area; aggravating the congestion and danger of accidents thereon; polluting the surrounding air; intensifying the wear and tear on those highways and streets; increasing the cost of maintenance thereof; and the number, size, and cost of new highways that must be constructed in the area. These effects will progressively grow worse as the population of the area increases, imposing serious handicaps on the business, industry, property development, recreation, and other beneficial activities of the residents of the area and visitors thereto, and causing severe and widespread harm to the public health, safety and welfare of the area and the entire state. It is beyond the capacity of the present operators of public transit systems and other existing public and private agencies unassisted to make adequate provision for public transit in the area or for dealing effectively with the aforesaid problems and conditions therein. The legislature therefore declares as the public policy of the state that, for the protection and advancement of the public health, safety, and welfare of the metropolitan transit area and the entire state, and in order to provide for adequate public transit and paratransit within the area; reduce the traffic congestion and hazards on the state and other highways and streets therein; and relieve the other harmful conditions aforesaid to increase vehicle occupancy, and to reduce the use of vehicles occupied by only one person and the congestion, energy consumption, highway damage, pollution, waste, and other costs associated with such use, there is urgent need for the establishment of that the transit area as herein defined, for the creation of a metropolitan transit commission therefor with the powers and duties herein prescribed, for the implementation of a comprehensive transportation policy plan for the area and for the other measures herein provided for.

Subd. 2. The metropolitan transit commission, in addition to other duties and purposes, shall have the following performance goals:

(a) To increase the number of persons riding and the rate at which persons are diverted from driving to riding.

(b) To achieve the fullest and most efficient use of public resources and investments in public transit and paratransit;

(c) To increase service levels within geographic areas and on routes and route segments characterized by high density of demand for service, transit dependent population, and little or no subsidy per passenger.

Sec. 34. Minnesota Statutes 1976, Section 473.405, Subdivision 1, is amended to read:

Subdivision 1. **LEGAL STATUS; GENERAL POWERS.** (a) The transit area, with the commission as its governing body, shall be a public corporation and a political subdivision of the state. All the powers vested and obligations or duties imposed upon the commission and acts of the commission by sections 473.401 to 473.451 shall be deemed to be those of the transit area wherever necessary or appropriate, and shall be exercised, performed, and discharged in behalf of the area by the commission in its name as a public corporation and with like force and effect as if done in the name of the area, and for all

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such purposes, the commission shall have the same status and powers as the area, all subject to the provisions of section 473.449. The chairman and secretary of the commission shall have such powers as are delegated to them by the commission.

(b) The commission shall have the power to plan, engineer, construct, equip, and operate transit and paratransit systems, ~~transit~~ projects, or any parts thereof, including ~~transit road~~ lanes or rights of way, terminal facilities, maintenance and garage facilities, ramps, parking areas, and any other facilities useful for or related to any public transit or paratransit system or project. The commission may acquire by purchase, lease, gift, or condemnation proceedings any real or personal property, franchises, easements, or other rights of any kind for such purposes, or which may be necessary or proper for the discharge of its powers and duties. The commission shall have the power to acquire by purchase, lease, gift, or condemnation proceedings any existing public transit system or any part thereof, including all or any part of the plant, equipment, shares of stock, property, real, personal, or mixed, rights in property, reserve funds, special funds, franchises, licenses, patents, permits and papers, documents and records belonging to any operator of a public transit system within the transit area, and may in connection therewith assume any or all liabilities of any operator of a public transit system. The ~~commissioner~~ commission may not acquire any existing public transit system until such acquisition has been approved by a majority of the metropolitan council. The commission may hold, use, improve, operate, maintain, lease, exchange, transfer, sell, or otherwise dispose of any of its property or rights to others and may contract with any operator or other persons for the use by any such operator or person of any such property or facilities under its control.

The commission, if it proceeds to acquire any existing public transit system or any part thereof by condemnation, shall have the power to take control of and operate such system immediately following the filing and approval of the initial petition for condemnation, if the commission, in its discretion, determines such action to be necessary. This power shall include the possession of all right, title and other powers of ownership in all properties and facilities described in the petition. Such action shall be taken by resolution which shall be effective upon service of a copy thereof on the condemnee and the filing of the resolution in the condemnation action. In the determination of the fair value of the existing public transit system, there shall not be included any value attributable to expenditures for improvements made by the transit commission.

The commission may continue or terminate within three months of acquisition any advertising contract in existence by and between any advertiser and a transit system that the commission has acquired. If the commission determines to terminate such advertising contract, it shall acquire all of the advertiser's rights under the contract by purchase or eminent domain proceedings as provided by law.

The commission may sue and be sued and may enter into contracts which may be necessary or proper. The commission may accept gifts, grants, or loans of money or other property from the United States, the state, or any person or entity for such purposes, may enter into any agreement required in connection therewith, may comply with any federal or state laws or regulations applicable thereto, and may hold, use, and dispose of such

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money or property in accordance with the terms of the gift, grant, loan, or agreement relating thereto. The commission may establish an executive committee, a finance committee, and such other committees of its members as it deems necessary or proper in furtherance of the provisions of sections 473.401 to 473.451, and may authorize them to exercise in the intervals between commission meetings any powers of the commission except those expressly required by law to be exercised by the commission.

Sec. 35. Minnesota Statutes 1976, Section 473.405, Subdivision 2, is amended to read:

Subd. 2. MANAGEMENT CONTRACTS. *Notwithstanding any of the other provisions of sections 473.401 to 473.451, the commission shall have powers, in lieu of directly operating any public transit system, or any part thereof, to enter into management contracts with any persons, firms, or corporations for the management of said system for such period or periods of time, and under such compensation and other terms and conditions as shall be deemed advisable and proper by the commission and such persons, firms, or corporations.*

Such persons, firms, or corporations entering into management contracts with the commission may employ necessary personnel for the operation and maintenance of said system as well as perform consulting and supervisory services for the commission. An incentive fee may be included in any management contract that is negotiated. The employees of any public transit system operated pursuant to the provisions of this subdivision shall, in case of any dispute arising under any existing or new collective bargaining agreement relating to the terms or conditions of their employment, have the right, for the purpose of resolving such dispute, either to engage in a concerted refusal to work or to invoke the processes of final and binding arbitration as provided by chapter 572, subject to any applicable provisions of the agreement not inconsistent with law.

Whenever the commission shall directly operate any public transit system, or any part thereof, or enter into any management contract or other arrangement for the operation thereof, the commission shall take such action as may be necessary to extend to employees of affected public transit systems in the area, in accordance with seniority, the first opportunity for reasonably comparable employment in any available non-supervisory jobs in respect to such operations for which they can qualify after a reasonable training period. Such employment shall not result in any worsening of the employee's position in his former employment nor any loss of wages, hours, working conditions, seniority, fringe benefits, and rights and privileges pertaining thereto.

The commission may enter into an agreement specifying fair and equitable arrangements to protect the interests of employees who may be affected if the commission should acquire any interest in or purchase any facilities or other property of a ~~private~~ privately owned and operated transit system, or construct, improve, or reconstruct any such facilities or other such property acquired from any such system, or provide by contract or otherwise for the operation of ~~mass~~ transportation facilities or equipment in competition with, or supplementary to, the service provided by an existing transit system. Such agreement, specifying the terms and conditions of the protective arrangements, shall comply with any applicable requirements of sections 473.401 to 473.451, and with the

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requirements of any federal law or regulation if federal aid is involved. Such an agreement may provide for final and binding arbitration of any dispute.

Sec. 36. Minnesota Statutes 1976, Chapter 473, is amended by adding a section to read:

[473.408] FARE POLICY. Subdivision 1. DEFINITIONS. “Off-peak hours” means the time from 9:00 a.m. to 3:30 p.m. and 6:30 p.m. until the last bus on Monday through Friday of each week and all day Saturday, Sunday, and holidays designated by the commission.

Subd. 2. FARE POLICY. Fares and fare collection systems shall be established and administered to accomplish the following purposes:

(a) to encourage and increase transit and paratransit ridership with an emphasis on regular ridership;

(b) To restrain increases in the average operating subsidy per passenger;

(c) To ensure that no riders on any route pay more in fares than the average cost of providing the service on that route;

(d) To ensure that operating revenues are proportioned to the cost of providing the service so as to reduce any disparity in the subsidy per passenger on routes in the transit system; and

(e) To implement the social fares as set forth in subdivision 3.

Subd. 3. SOCIAL FARES. In off-peak hours the commission and other operators shall charge the following reduced fares for transit service:

(a) ten cents plus any zone charges for all persons under the age of 18 holding an identification card issued by the commission;

(b) free fares for all persons 65 years of age and over holding a medicare card or other identification card authorized or approved by the commission; and

(c) not more than one-half of the full fare for all handicapped persons, as defined by the commission.

Subd. 4. DOWNTOWN CIRCULATION FARES. The commission and other operators may charge not less than ten cents for service on any route providing circulation service in a downtown area or community activity center. The commission and other operators shall not contribute more than 50 percent of the operating deficit of any such route that is confined to a downtown area or community activity center.

Subd. 5. OTHER REDUCED FARES PROHIBITED; EXCEPTION. Except for the advance sale of service through special passes or for other special promotional efforts,

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and except as provided in subdivisions 3 and 4, the commission and other operators shall not grant any reduced fares for regular route bus service.

Sec. 37. Minnesota Statutes 1976, Chapter 473, is amended by adding a section to read:

[473.409] AGREEMENTS WITH COMMISSION; ENCOURAGEMENT OF TRANSIT USE. A state department or agency, including the legislative branch, any local governmental unit, the metropolitan council, or other metropolitan commission may enter into an agreement with the transit commission and other operators for the purpose of encouraging the use of transit by its employees residing in the metropolitan area. The agreement may provide for, among other things: (a) the advance purchase of tokens, tickets or other devices from the commission or other operator for use in lieu of fares on vehicles operated by the commission or other operator; and (b) special transit service for employees to and from their place of employment, at fares to be agreed upon by the contracting parties. The tokens, tickets, or other devices or services may be made available to employees at reduced rates. Any such agreement and arrangement by a state department or agency shall be submitted to the commissioner of administration for approval before execution. Any operating deficits or subsidy resulting from such agreements shall be assumed by the contracting department, agency, governmental unit, council, or other commission, unless otherwise provided in the agreement.

Sec. 38. Minnesota Statutes 1976, Section 473.411, Subdivision 1, is amended to read:

473.411 TRANSPORTATION DEVELOPMENT PROGRAM. Subdivision 1. **DEVELOPMENT PROGRAM.** The commission shall prepare and submit in the manner provided in and satisfying the requirements of section 473.161, a transportation development program, providing for the implementation of the policy plan adopted by the council. In preparing the program, the commission shall consult with counties and municipalities in the metropolitan area, the state transportation department and the state planning agency, and for that purpose may create such advisory committees as may be necessary.

Such program shall provide for coordination of routes and operations of all publicly and privately owned transportation facilities within the transit area to the end that combined efficient and rapid transportation may be provided for the use of the public in the entire area. The commission may designate a segment of the system planned as a pilot or demonstration transportation project using, without limitation, new technology including airborne systems, or traditional systems of evolved or modern form. *The transportation development program shall include the general alignment and profile, approximate points of access, facility classification, approximate cost, relation to other existing and planned transportation routes and facilities, and a statement of the expected general effect on present and future use of the property within the corridor.* The program shall be accompanied with a statement of need for the proposed construction or improvement, a description of alternate routes which were considered, and an explanation of the advantages and disadvantages in the selection of any route considered. The transportation development program shall also contain a description of the type of right

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of way or routes required; the type of transit service to be provided in each portion of the system; designation of transit mode; and appropriate general operating criteria. The program shall also contain an operational improvement program which shall at least describe performance objectives and standards which the commission proposes to achieve in satisfying policies, purposes, and goals established by the legislature and the council; identify performance indicators by which to monitor and assess progress in achieving the objectives and standards; and establish a route deficit limit. The program may include such other information as the council or the commission deems necessary.

Sec. 39. Minnesota Statutes 1976, Section 473.411, Subdivision 3, is amended to read:

Subd. 3. COMBINATION OF MASS TRANSIT AND PUBLIC HIGHWAY SYSTEMS; SERVICES OF DEPARTMENT OF TRANSPORTATION. The ~~mass public~~ transit system ~~specified in subdivision 1~~ shall be designed and operated, as far as practicable, so as to provide, in combination with public highways, adequate means and facilities of maximum attainable efficiency for public transportation to, from, and within the metropolitan transit area, and to relieve the congestion, traffic hazards, and other objectionable conditions aforesaid on the public highways caused by lack of adequate provisions for public transit. ~~In planning, designing, and constructing the mass transit system~~ The commission may make use of engineering and other technical and professional services, including regular staff and qualified consultants, which the commissioner of transportation can furnish, upon fair and reasonable reimbursement for the cost thereof; provided, that the commission shall have final authority over the employment of any services from other sources which it may deem necessary for such purposes. The commissioner of transportation may furnish all engineering, legal, and other services, if so requested by the commission and upon fair and reasonable reimbursement for the cost thereof by the commission, which the commission requests for the purposes stated in this subdivision, including the acquisition by purchase, condemnation, or otherwise in the name of the commission of all lands, waters, easements, or other rights or interests in lands or waters required by the commission.

Sec. 40. Minnesota Statutes 1976, Section 473.413, Subdivision 6, is amended to read:

Subd. 6. SUCCESSION TO POWERS OF DEPARTMENT OF PUBLIC SERVICE. There shall be transferred to and vested in the transit commission all of the powers and functions of the Minnesota department of public service with respect to any public transit system or part thereof which ~~shall have~~ has been or is acquired or constructed by and is owned and operated by or under the authority of the transit commission. ~~Whenever and so long as such public transit system or systems in the aggregate serve in excess of 50 percent of the persons using public transit systems in the transit area as determined by the department of public service, all of the powers and functions of the department of public service over all public transit systems in the transit area shall be transferred to and vested in the transit commission. With respect to a public transit system or any part thereof over which the transit commission shall exercise the powers and functions of the department of public service as hereinbefore provided the exercise of such powers and functions by the transit commission shall be exclusive and~~

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The department of public service shall not have authority to exercise such the powers and functions with respect thereto so transferred. An appeal from any order or decision of the transit commission may be taken by any party aggrieved thereby in like manner and with like effect as provided by law for appeals in corresponding cases from the orders or decisions of the department of public service.

Sec. 41. Minnesota Statutes 1976, Section 473.413, Subdivision 8, is amended to read:

Subd. 8. **COMMISSION; INSURANCE.** The commission may provide for self-insurance or may otherwise provide for the insurance of any of its property, rights, or revenue, worker's compensation, public liability, or any other risk or hazard arising from its activities, and may provide for insuring any of its officers or employees against any such risk or hazard at the expense of the commission. If the commission provides for self insurance against its liability and the liability of its officers, employees and agents for damages resulting from its torts and those of its officers, employees and agents, including its obligation to pay basic economic loss benefits under sections 65B.41 to 65B.71, it shall be entitled to deduct from such damages and basic economic loss benefits all money paid or payable to the persons seeking damages and benefits from all governmental entities providing medical, hospital and disability benefits.

Sec. 42. Minnesota Statutes 1976, Section 473.415, is amended to read:

473.415 LABOR PROVISIONS. If the commission acquires an existing transit system, the commission shall assume and observe all existing labor contracts and pension obligations. All employees of such system except executive and administrative officers who are necessary for the operation thereof by the commission shall be transferred to and appointed as employees of the commission for the purposes of the transit system, subject to all the rights and benefits of sections 473.401 to 473.451. Such employees shall be given seniority credit and sick leave, vacation, insurance, and pension credits in accordance with the records or labor agreements from the acquired transit system. The commission shall assume the obligations of any transit system acquired by it with regard to wages, salaries, hours, working conditions, sick leave, health and welfare and pension or retirement provisions for employees. The commission and the employees, through their representatives for collective bargaining purposes, shall take whatever action may be necessary to have pension trust funds presently under the joint control of the acquired ~~transportation~~ system and the participating employees through their representatives transferred to the trust fund to be established, maintained and administered jointly by the commission and the participating employees through their representatives. No employee of any acquired ~~transportation~~ system who is transferred to a position with the commission shall by reason of such transfer be placed in any worse position with respect to worker's compensation, pension, seniority, wages, sick leave, vacation, health and welfare insurance or any other benefits than he enjoyed as an employee of such acquired ~~transportation~~ system.

Sec. 43. Minnesota Statutes 1976, Section 473.445, Subdivision 1, is amended to read:

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473.445 **COMMISSION; ANNUAL REPORTS.** Subdivision 1. The commission on or before November 30 of each year shall prepare a report for the preceding fiscal year, also, so far as practicable, for the further time up to the preparation of the report, containing, in addition to such other matters as the commission may deem proper, the following:

- (a) the activities of the commission during the period covered by the report;
- (b) the financial condition of public transit systems under the control of the commission;
- (c) a complete financial accounting of the financial accounts and affairs of the commission during the fiscal year;
- (d) recommendations for improvements of or additions to the ~~mass transit~~ and paratransit facilities of the area to provide adequate, speedy, and efficient means of transporting people therein;
- (e) recommendations for any needed legislation in furtherance of the aforesaid purposes.

Sec. 44. Minnesota Statutes 1976, Section 473.446, Subdivision 1, is amended to read:

473.446 **TRANSIT TAX LEVIES.** Subdivision 1. **AMOUNT.** For the purposes of sections 473.401 to 473.451 and the metropolitan transit system, the metropolitan transit commission ~~may~~ shall levy each year upon all taxable property within the metropolitan transit taxing district, defined herein, a transit tax, ~~which shall not in any year exceed the sum~~ consisting of the following:

(a) An amount equal to 1.72 mills times the assessed value of all such property ~~some or all of~~, the proceeds of which ~~may~~ shall be used to provide for the full and timely payment of its certificates of indebtedness and other obligations of the commission to which collections of the wheelage tax and replacement property tax under section 473.443 have been pledged, plus any amount needed for compliance with any final judgment of a court of competent jurisdiction requiring payment of any amount of the wheelage tax levied by the commission for 1971 and prior years; plus for payment of the expenses of operating regular route bus service;

(b) ~~Such~~ An additional amount, if any, as the commission determines to be necessary to provide for the full and timely payment of its certificates of indebtedness and other obligations outstanding on July 1, 1977, to which property taxes under this section have been pledged; provided that the amount of principal and interest to come due on such obligations shall not exceed \$2,000,000 in any year; plus an additional amount not to exceed \$2,000,000 in any one year to be used exclusively to provide for the full and timely payment of certificates of indebtedness and other obligations issued for the purposes of the bus service expansion report as adopted by the metropolitan transit commission on February 20, 1974, to which property taxes under this section have been pledged; and

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(c) Nothing in this section shall be construed as providing funding for the preliminary engineering, consultant studies, or construction of a regional fixed guideway system. An additional amount necessary to provide full and timely payment of bonds in the principal amount of \$9,000,000 which the commission is authorized to sell for the purpose of purchasing buses and related equipment, and constructing maintenance and other buildings, bus shelters and road related improvements.

Sec. 45. SAINT PAUL DOWNTOWN PEOPLE MOVER. Subdivision 1. FEASIBILITY STUDY; CONDITIONS OF EXPENDITURE BY THE COMMISSION. The Twin Cities metropolitan transit commission shall expend no public money for any expenses related to the Saint Paul downtown people mover project except as provided in this subdivision. The commission may spend up to \$150,000 for a preliminary engineering study of the project under a joint powers agreement with the city of Saint Paul, provided that the commission and the city shall first amend the joint powers agreement under which the study is to be undertaken to

(a) remove the chief administrator of the commission from the steering committee charged with directing the study, include as members of that committee the commissioner of the department of transportation and the chairman of the transportation advisory board of the metropolitan council and permit one state senator appointed by the majority leader of the senate and one state representative appointed by the speaker of the house to serve as nonvoting members of the committee;

(b) require that all third party contracts for consultants be approved by a majority of the steering committee with no veto power by the city of Saint Paul;

(c) require that the preliminary engineering study include a feasibility study consisting of (1) an analysis of the prudent and feasible alternatives to a fixed guideway transportation system that will achieve the development and other goals of the people mover project, (2) a study of the potential people mover ridership, (3) a review of the economic development assumptions used in predicting the economic benefits of the project, and (4) formulation of a specific plan setting forth the sources and method of payment of operating deficits and capital cost overruns of the project;

(d) provide for access to information for the metropolitan council at every stage of the study; and

(e) require submission of the completed study to the metropolitan council for review pursuant to subdivision 2.

Subd. 2. EVALUATION BY THE METROPOLITAN COUNCIL. The metropolitan council shall independently evaluate the preliminary engineering study upon its completion. The council shall submit a report of its findings to the legislature and to the steering committee created under the joint powers agreement no later than 30 days following the submission to the council of the completed study. The report shall include the council's findings with respect to the reasonableness, accuracy and reliability of the assumptions and conclusions of the study. The council shall give particular attention to the matters required to be included in the feasibility study. The council shall contract with

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an independent private consultant to carry out the duties imposed by this section.

Sec. 46. [174.28] **PERFORMANCE FUNDING. Subdivision 1. DEFINITIONS.** For the purpose of this section the following terms have the meanings given them in this subdivision.

(a) "Commissioner" means the commissioner of transportation.

(b) "Contract" means a contract made pursuant to section 21.

(c) "Subsidy per passenger" means the amount calculated pursuant to subdivision 3, clause (b) plus the amount paid under any contract pursuant to subdivision 2, divided by the number of passengers carried on regular route bus service operated by the commission during that year, excluding passengers carried on demonstration routes for which assistance is received pursuant to section 23.

(d) "Municipality" means any statutory or home rule charter city, county or town.

(e) "Route" means any route on which the commission operates regular route bus service.

(f) "Revenue attributable to the route" means the total of: (i) the fares actually paid on the route; (ii) amounts reimbursed pursuant to section 21, subdivision 4 attributable to service on the route; and (iii) all payments received by the commission from municipalities for retention of service on the route.

(g) "Route deficit" means the difference between the actual operating cost of any route and the revenue attributable to the route divided by the number of passengers carried on that route including transfers.

Subd. 2. BASIS AND FORM OF CONTRACT. Any contract entered into by the commissioner and the commission which provides financial assistance to the commission during any year subsequent to December 31, 1977, shall provide for payment to the commission of an amount which, when added to the amount calculated under subdivision 3, clause (b), and divided by the passengers carried during that period, will provide the commission with a 48 cent subsidy per passenger in calendar year 1978 and a 49 cent subsidy in the first half of 1979. In addition the commissioner shall provide assistance by contract with the commission for general administrative and planning expenses.

Subd. 3. COMPUTATION OF SUBSIDY PER PASSENGER. (a) DUTIES OF THE COMMISSION. After the close of each month, the commission shall report to the commissioner the number of passengers carried during that month on regular route bus service operated by the commission. The commissioner shall use these figures reported by the commission in computing payments due under any contract entered into pursuant to this section. The commission shall make available to the commissioner any information required to permit the commissioner to carry out his duties under this section.

(b) **DUTIES OF THE COMMISSIONER.** The commissioner shall calculate the
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total amount of money received by the commission from all sources to pay the expenses of operating regular route bus service during the calendar year and shall include the following items in that amount:

(i) grants from the federal government pursuant to 49 U.S.C. 1604;

(ii) proceeds of any property tax levied by the commission under section 473.446, clause (a);

(iii) financial assistance received from political subdivisions, public agencies other than the department of transportation, or private entities or persons whether received as a grant, payment of a contractual obligation or otherwise. The commissioner shall exclude from that amount any revenue received by the commission from fares paid for regular route bus service and money paid by the commissioner to reimburse the commission for providing reduced fare service pursuant to section 36 or to permit the commission to operate demonstration services pursuant to section 23. The commissioner shall periodically examine the commission's data concerning the number of passengers carried on regular route bus service and the procedures for collecting that data.

Subd. 4. PROCEDURE FOR MONTHLY PAYMENT. Sums owed under any contract made pursuant to this section shall be paid monthly in a manner determined by the commissioner consistent with subdivisions 1 to 3.

Sec. 47. Minnesota Statutes 1976, Section 473.141, Subdivision 4, is amended to read:

Subd. 4. **QUALIFICATIONS.** Each member shall be a resident of the precinct for which he is appointed and shall not during his term of office hold the office of metropolitan council member, or be a member of another metropolitan commission, the metropolitan airports commission or the metropolitan sports facilities commission or hold any judicial office. Each member shall qualify by taking and subscribing the oath of office prescribed by the Minnesota Constitution, Article 5, Section 5. Such oath, duly certified by the official administering the same, shall be filed with the executive director of the metropolitan council.

Sec. 48. Notwithstanding the provisions of section 473.141, subdivision 5, the terms of office of all members of the metropolitan transit commission who were not appointed by the metropolitan council shall terminate on July 1, 1977. Successors to those members shall be appointed by the council to terms ending on the first Monday in January, 1979. Thereafter, successors to those members shall be appointed to terms as provided in section 473.141, subdivision 5.

Sec. 49. **REPEALER.** Minnesota Statutes 1976, Sections 161.125, Subdivision 2; 161.50; 174.06, Subdivision 4; 219.401; 473.121, Subdivision 17; 473.411, Subdivision 2; 473.421; 473.422; 473.423; 473.424; 473.425; 473.437; 473.443; 473.445, Subdivision 2; 473.446, Subdivisions 4 and 5; 473.447 and Laws 1974, Chapter 534, as amended by Laws 1975, Chapter 203, are repealed.

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Sec. 50. EFFECTIVE DATE. Section 45 is effective the day following final enactment.

Approved June 9, 1977.

CHAPTER 455—S.F.No.1467

[Coded in Part]

An act relating to the organization and operation of state government; appropriating money for the general administrative and judicial expenses of state government with certain conditions; providing for the transfer of certain moneys in the state treasury; authorizing land acquisition in certain cases; fixing and limiting the amount of fees to be collected in certain cases; amending Minnesota Statutes 1976, Sections 5.08, Subdivision 2; 5.09; 10.30; 16.025, Subdivision 1; 16A.095, Subdivision 2; 16A.10, Subdivisions 1 and 2; 16A.11, Subdivisions 2 and 3; 43.31; 85A.02, by adding a subdivision; 85A.04, Subdivision 1; 186.04; 241.045, Subdivision 4; 268.06, Subdivision 25; 326.241, Subdivision 3; 362.125; 363.14, Subdivision 1; 472.13, Subdivision 1; 490.15, Subdivision 1; 626.553; 626.846, by adding a subdivision; Chapters 16A, by adding a section and 624, by adding a section; Laws 1971, Chapter 121, Section 2, as amended; and Laws 1976, Chapter 260, Section 3; repealing Minnesota Statutes 1976, Sections 4.19; 15.61, Subdivision 3; 16.025, Subdivision 2; 16.173; 16A.095, Subdivision 1; 16A.12; 138.025, Subdivision 9; and 299D.03, Subdivision 4.

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

Section 1. STATE GOVERNMENT; ADMINISTRATION; APPROPRIATIONS.

The sums set forth in the columns designated "APPROPRIATIONS" are appropriated from the general fund, or any other fund designated, to the agencies and for the purposes specified in the following sections of this act, to be available for the fiscal years indicated for each purpose. The figures "1977", "1978", and "1979", wherever used in this act, mean that the appropriation or appropriations listed thereunder are available for the year ending June 30, 1977, June 30, 1978, or June 30, 1979, respectively.

APPROPRIATIONS

Available for the year
Ending June 30,
1978 1979

\$ \$

Sec. 2. THE LEGISLATURE

Subdivision 1. For the House of Representatives	7,100,000	8,000,000
Subd. 2. For the Senate	5,155,350	5,539,910
Subd. 3. Legislative Coordinating Commission		
(a) Legislative Reference Library	258,910	244,460
(b) Revisor of Statutes	1,098,401	1,442,317
(c) Office of Legislative Research		
Science and Technology Project	47,250	47,250

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