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State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. **3260**

03/21/2014 Authored by Hornstein

The bill was read for the first time and referred to the Committee on Transportation Finance

1.1 A bill for an act  
1.2 relating to transportation finance; modifying certain appropriations and transfers;  
1.3 amending Laws 2013, chapter 117, article 1, section 3, subdivisions 2, 3, 6.

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

1.5 Section 1. Laws 2013, chapter 117, article 1, section 3, subdivision 2, is amended to read:

1.6 Subd. 2. **Multimodal Systems**

1.7 (a) **Aeronautics**

1.8		<del>13,648,000</del>	<del>13,648,000</del>
1.9	(1) <b>Airport Development and Assistance</b>	<u>14,648,000</u>	<u>16,648,000</u>

1.10 This appropriation is from the state  
1.11 airports fund and must be spent according  
1.12 to Minnesota Statutes, section 360.305,  
1.13 subdivision 4.

1.14 The base appropriation for fiscal years 2016  
1.15 and 2017 is \$14,298,000 for each year.

1.16 Notwithstanding Minnesota Statutes, section  
1.17 16A.28, subdivision 6, this appropriation is  
1.18 available for five years after appropriation.

1.19 If the appropriation for either year is  
1.20 insufficient, the appropriation for the other  
1.21 year is available for it.

2.1 For the current biennium, the commissioner  
 2.2 of transportation may establish different  
 2.3 local contribution rates for airport projects  
 2.4 than those established in Minnesota Statutes,  
 2.5 section 360.305, subdivision 4.

2.6 **(2) Aviation Support and Services** 6,386,000 6,386,000

2.7 Appropriations by Fund

2.8 Airports 5,286,000 5,286,000

2.9 Trunk Highway 1,100,000 1,100,000

2.10 \$65,000 in each year is from the state airports  
 2.11 fund for the Civil Air Patrol.

2.12 **(b) Transit** 17,226,000 17,245,000

2.13 Appropriations by Fund

2.14 General 16,451,000 16,470,000

2.15 Trunk Highway 775,000 775,000

2.16 \$100,000 in each year is from the general  
 2.17 fund for the administrative expenses of the  
 2.18 Minnesota Council on Transportation Access  
 2.19 under Minnesota Statutes, section 174.285.

2.20 \$78,000 in each year is from the general  
 2.21 fund for grants to greater Minnesota transit  
 2.22 providers as reimbursement for the costs of  
 2.23 providing fixed route public transit rides free  
 2.24 of charge under Minnesota Statutes, section  
 2.25 174.24, subdivision 7, for veterans certified  
 2.26 as disabled.

2.27 **(c) Passenger Rail** 500,000 500,000

2.28 This appropriation is from the general  
 2.29 fund for passenger rail system planning,  
 2.30 alternatives analysis, environmental analysis,  
 2.31 design, and preliminary engineering under  
 2.32 Minnesota Statutes, sections 174.632 to  
 2.33 174.636.

2.34 **(d) Freight** 5,653,000 5,153,000

3.1	Appropriations by Fund		
3.2	General	756,000	256,000
3.3	Trunk Highway	4,897,000	4,897,000

3.4 \$500,000 in the first year is from the general  
 3.5 fund to pay for the department's share of costs  
 3.6 associated with the cleanup of contaminated  
 3.7 state rail bank property. This appropriation is  
 3.8 available until expended.

3.9	<b>(e) Safe Routes to School</b>	250,000	250,000
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3.10 This appropriation is from the general fund  
 3.11 for non-infrastructure activities in the safe  
 3.12 routes to school program under Minnesota  
 3.13 Statutes, section 174.40, subdivision 7a.

3.14 Sec. 2. Laws 2013, chapter 117, article 1, section 3, subdivision 3, is amended to read:

3.15 Subd. 3. **State Roads**

3.16		<u>262,395,000</u>	<u>262,395,000</u>
3.17	<b>(a) Operations and Maintenance</b>	<u>267,395,000</u>	<u>280,395,000</u>
3.18			<u>206,720,000</u>
3.19	<b>(b) Program Planning and Delivery</b>	206,795,000	<u>209,720,000</u>

3.20	Appropriations by Fund		
3.21		2014	2015
3.22	H.U.T.D.	75,000	0
3.23	Trunk Highway	206,720,000	206,720,000

3.24 \$250,000 in each year is for the department's  
 3.25 administrative costs for creation and  
 3.26 operation of the Joint Program Office for  
 3.27 Economic Development and Alternative  
 3.28 Finance, including costs of hiring a  
 3.29 consultant and preparing required reports.

3.30 \$130,000 in each year is available for  
 3.31 administrative costs of the targeted group  
 3.32 business program.

4.1 \$266,000 in each year is available for grants  
4.2 to metropolitan planning organizations  
4.3 outside the seven-county metropolitan area.

4.4 \$75,000 in each year is available for a  
4.5 transportation research contingent account  
4.6 to finance research projects that are  
4.7 reimbursable from the federal government or  
4.8 from other sources. If the appropriation for  
4.9 either year is insufficient, the appropriation  
4.10 for the other year is available for it.

4.11 \$900,000 in each year is available for  
4.12 grants for transportation studies outside  
4.13 the metropolitan area to identify critical  
4.14 concerns, problems, and issues. These  
4.15 grants are available: (1) to regional  
4.16 development commissions; (2) in regions  
4.17 where no regional development commission  
4.18 is functioning, to joint powers boards  
4.19 established under agreement of two or  
4.20 more political subdivisions in the region to  
4.21 exercise the planning functions of a regional  
4.22 development commission; and (3) in regions  
4.23 where no regional development commission  
4.24 or joint powers board is functioning, to the  
4.25 department's district office for that region.

4.26 \$75,000 in the first year is from the highway  
4.27 user tax distribution fund to the commissioner  
4.28 for a grant to the Humphrey School of Public  
4.29 Affairs at the University of Minnesota for  
4.30 WorkPlace Telework program congestion  
4.31 relief efforts consisting of maintenance of  
4.32 Web site tools and content. This is a onetime  
4.33 appropriation and is available in the second  
4.34 year.

4.35 **(c) State Road Construction Activity**

5.1 **(1) Economic Recovery Funds - Federal**  
 5.2 **Highway Aid** 1,000,000 1,000,000

5.3 This appropriation is to complete projects  
 5.4 using funds made available to the  
 5.5 commissioner of transportation under  
 5.6 title XII of the American Recovery and  
 5.7 Reinvestment Act of 2009, Public Law  
 5.8 111-5, and implemented under Minnesota  
 5.9 Statutes, section 161.36, subdivision 7. The  
 5.10 base appropriation is \$1,000,000 in fiscal  
 5.11 year 2016 and \$0 in fiscal year 2017.

5.12 ~~909,400,000~~  
 5.13 **(2) State Road Construction** 923,400,000 815,600,000

5.14 It is estimated that these appropriations will  
 5.15 be funded as follows:

5.16	Appropriations by Fund		
5.17	Federal Highway		
5.18	Aid	489,200,000	482,200,000
5.19		<del>420,200,000</del>	
5.20	Highway User Taxes	<u>434,200,000</u>	333,400,000

5.21 The commissioner of transportation shall  
 5.22 notify the chairs and ranking minority  
 5.23 members of the legislative committees with  
 5.24 jurisdiction over transportation finance of  
 5.25 any significant events that should cause these  
 5.26 estimates to change.

5.27 This appropriation is for the actual  
 5.28 construction, reconstruction, and  
 5.29 improvement of trunk highways, including  
 5.30 design-build contracts and consultant usage  
 5.31 to support these activities. This includes the  
 5.32 cost of actual payment to landowners for  
 5.33 lands acquired for highway rights-of-way,  
 5.34 payment to lessees, interest subsidies, and  
 5.35 relocation expenses.

6.1 The base appropriation for state road  
 6.2 construction for fiscal years 2016 and 2017  
 6.3 is \$645,000,000 in each year.  
 6.4 \$10,000,000 in each year is for the  
 6.5 transportation economic development  
 6.6 program under Minnesota Statutes, section  
 6.7 174.12.

6.8 The commissioner may expend up to one-half  
 6.9 of one percent of the federal appropriations  
 6.10 under this clause as grants to opportunity  
 6.11 industrialization centers and other nonprofit  
 6.12 job training centers for job training programs  
 6.13 related to highway construction.

6.14 The commissioner may transfer up to  
 6.15 \$15,000,000 each year to the transportation  
 6.16 revolving loan fund.

6.17 The commissioner may receive money  
 6.18 covering other shares of the cost of  
 6.19 partnership projects. These receipts are  
 6.20 appropriated to the commissioner for these  
 6.21 projects.

6.22 Of this appropriation, \$14,000,000 in the first  
 6.23 year is for the specific improvements to "Old  
 6.24 Highway 14" described in the settlement  
 6.25 agreement and release executed January  
 6.26 7, 2014, between the state and Steele and  
 6.27 Waseca Counties.

6.28 (d) <b>Highway Debt Service</b>	158,417,000	189,821,000
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6.29 \$148,917,000 in the first year and  
 6.30 \$180,321,000 in the second year are for  
 6.31 transfer to the state bond fund. If an  
 6.32 appropriation is insufficient to make all  
 6.33 transfers required in the year for which it is  
 6.34 made, the commissioner of management and

7.1 budget shall notify the senate Committee  
 7.2 on Finance and the house of representatives  
 7.3 Committee on Ways and Means of the  
 7.4 amount of the deficiency and shall then  
 7.5 transfer that amount under the statutory open  
 7.6 appropriation. Any excess appropriation  
 7.7 cancels to the trunk highway fund.

7.8 (e) **Electronic Communications** 5,171,000 5,171,000

7.9	Appropriations by Fund		
7.10	General	3,000	3,000
7.11	Trunk Highway	5,168,000	5,168,000

7.12 The general fund appropriation is to equip  
 7.13 and operate the Roosevelt signal tower for  
 7.14 Lake of the Woods weather broadcasting.

7.15 Sec. 3. Laws 2013, chapter 117, article 1, section 3, subdivision 6, is amended to read:

7.16 Subd. 6. **Transfers**

7.17 (a) With the approval of the commissioner of  
 7.18 management and budget, the commissioner  
 7.19 of transportation may transfer unencumbered  
 7.20 balances among the appropriations from the  
 7.21 trunk highway fund and the state airports  
 7.22 fund made in this section. No transfer  
 7.23 may be made from the appropriations for  
 7.24 state road construction or for debt service.  
 7.25 Transfers under this paragraph may not be  
 7.26 made between funds. Transfers under this  
 7.27 paragraph must be reported immediately to  
 7.28 the chairs and ranking minority members of  
 7.29 the legislative committees with jurisdiction  
 7.30 over transportation finance.

7.31 (b) The commissioner shall transfer from  
 7.32 the flexible highway account in the county  
 7.33 state-aid highway fund: (1) \$5,700,000 in the  
 7.34 first year and \$21,000,000 in the second year

8.1 to the trunk highway fund; (2) \$13,000,000  
8.2 in the first year to the municipal turnback  
8.3 account in the municipal state-aid street fund;  
8.4 (3) \$10,000,000 in the second year to the  
8.5 municipal turnback account in the municipal  
8.6 state-aid street fund; and (4) the remainder  
8.7 in each year to the county turnback account  
8.8 in the county state-aid highway fund. The  
8.9 funds transferred are for highway turnback  
8.10 purposes as provided under Minnesota  
8.11 Statutes, section 161.081, subdivision 3.