

1.1 A bill for an act
1.2 relating to transportation; authorizing sale and issuance of trunk highway bonds;
1.3 redistributing five percent set-aside from highway user tax distribution fund;
1.4 rededicating certain tax proceeds; authorizing an additional sales and use tax;
1.5 amending various transportation and transit policies; amending policies relating
1.6 to the Department of Public Safety; requiring reports; establishing a task force;
1.7 appropriating money; amending Minnesota Statutes 2016, sections 85.016; 116.03,
1.8 by adding a subdivision; 117.189; 160.02, subdivision 27, by adding subdivisions;
1.9 160.262, subdivisions 1, 3, 4; 160.266, subdivisions 3, 4, 5, by adding subdivisions;
1.10 161.081, subdivision 1; 161.088, subdivisions 4, 5, 7, by adding a subdivision;
1.11 161.115, subdivision 190; 161.14, by adding a subdivision; 161.21, subdivision
1.12 1; 161.321, subdivision 6; 161.44, subdivisions 5, 6a, by adding a subdivision;
1.13 168.013, subdivision 1d; 168.021, subdivisions 1, 2, 2a; 168A.09, subdivision 1;
1.14 168A.141; 168A.142; 169.14, by adding a subdivision; 169.345, subdivisions 1,
1.15 3; 169.80, subdivision 1; 169.829, by adding a subdivision; 169.865, subdivision
1.16 3; 171.06, subdivision 2a; 171.12, subdivision 6; 174.03, subdivisions 1a, 1c;
1.17 221.031, by adding a subdivision; 256B.15, subdivision 1a; 297A.815, subdivision
1.18 3; 297A.94; 297A.992, subdivision 2; 297B.01, subdivision 16; 473.388,
1.19 subdivision 2; 473.4051, subdivision 2; proposing coding for new law in Minnesota
1.20 Statutes, chapters 168; 168A; 174; repealing Minnesota Statutes 2016, sections
1.21 160.262, subdivision 2; 160.265; 160.266, subdivisions 1, 2; 161.115, subdivision
1.22 32; Minnesota Rules, parts 8810.6000; 8810.6100; 8810.6300; 8810.6400;
1.23 8810.6500; 8810.6600; 8810.6700; 8810.6800; 8810.6900; 8810.7000; 8810.9910;
1.24 8810.9911; 8810.9912; 8810.9913.

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

1.26 **ARTICLE 1**

1.27 **TRANSPORTATION APPROPRIATIONS**

1.28 Section 1. **TRANSPORTATION APPROPRIATIONS.**

1.29 The sums shown in the columns marked "Appropriations" are appropriated to the agencies
1.30 and for the purposes specified in this article. The appropriations are from the trunk highway
1.31 fund, or another named fund, and are available for the fiscal years indicated for each purpose.

2.1 The figures "2018" and "2019" used in this article mean that the appropriations listed under
 2.2 them are available for the fiscal year ending June 30, 2018, or June 30, 2019, respectively.
 2.3 "The first year" is fiscal year 2018. "The second year" is fiscal year 2019. "The biennium"
 2.4 is fiscal years 2018 and 2019.

APPROPRIATIONS
Available for the Year
Ending June 30
2018 **2019**

2.9 **Sec. 2. DEPARTMENT OF**
 2.10 **TRANSPORTATION**

2.11 **Subdivision 1. Total Appropriation** \$ **2,928,633,000** \$ **2,917,420,000**

Appropriations by Fund

	<u>2018</u>	<u>2019</u>
2.14 <u>General</u>	<u>19,158,000</u>	<u>18,058,000</u>
2.15 <u>Airports</u>	<u>31,812,000</u>	<u>22,609,000</u>
2.16 <u>C.S.A.H.</u>	<u>769,644,000</u>	<u>800,066,000</u>
2.17 <u>M.S.A.S.</u>	<u>195,858,000</u>	<u>203,463,000</u>
2.18 <u>Special Revenue</u>	<u>10,000,000</u>	<u>0</u>
2.19 <u>Trunk Highway</u>	<u>1,902,161,000</u>	<u>1,873,224,000</u>

2.20 The amounts that may be spent for each
 2.21 purpose are specified in the following
 2.22 subdivisions.

2.23 **Subd. 2. Multimodal Systems**

2.24 **(a) Aeronautics**

2.25 **(1) Airport Development and Assistance** **26,501,000** **17,298,000**

2.26 This appropriation is from the state airports
 2.27 fund and must be spent according to
 2.28 Minnesota Statutes, section 360.305,
 2.29 subdivision 4.

2.30 \$2,334,000 in the first year is for a grant to
 2.31 the city of Rochester to design, rehabilitate,
 2.32 demolish, and expand portions of the existing
 2.33 passenger terminal building at the Rochester
 2.34 International Airport, provided that this
 2.35 amount also includes money to remodel,

3.1 construct, furnish, and equip the existing
3.2 passenger terminal building and associated
3.3 appurtenances to meet the United States
3.4 Customs and Border Protection and
3.5 Transportation Security Administration
3.6 standards for safety, security, and processing
3.7 time to accommodate domestic and
3.8 international flights. The capital improvements
3.9 paid for with this appropriation may be used
3.10 as the local contribution required by
3.11 Minnesota Statutes, section 360.305,
3.12 subdivision 4. This appropriation may be used
3.13 to reimburse the city for costs incurred after
3.14 May 1, 2016. This appropriation is not
3.15 available until the commissioner of
3.16 management and budget has determined that
3.17 at least an equal amount has been committed
3.18 to the project from nonstate sources. Work
3.19 that may be completed with this appropriation
3.20 includes but is not limited to (i) site
3.21 preparation, including utilities, site civil work,
3.22 testing, and construction administration
3.23 services, (ii) the relocation, modification, and
3.24 addition of airline ticket counters, baggage
3.25 claim devices, public spaces, offices,
3.26 restrooms, support space, break rooms,
3.27 lockers, equipment storage, communications,
3.28 hallways, building signage, medical visitor
3.29 rooms, special needs accommodations, hold
3.30 rooms, secure storage, equipment maintenance
3.31 area, and building engineering and technology
3.32 systems, (iii) improvements needed outside
3.33 the terminal to remove, restore, and tie into
3.34 adjacent utilities, sidewalks, driveways,
3.35 parking lots, and aircraft aprons, and (iv) the

4.1 construction of covered exterior equipment
4.2 storage. This is a onetime appropriation.

4.3 \$6,619,000 in the first year is to provide the
4.4 federal match to design and construct runway
4.5 infrastructure at the Duluth International and
4.6 Sky Harbor Airports in accordance with
4.7 Minnesota Statutes, section 360.017. For the
4.8 purposes of this clause, the commissioner may
4.9 waive the requirements of Minnesota Statutes,
4.10 section 360.305, subdivision 4, paragraph (b).
4.11 This appropriation is for costs incurred after
4.12 March 1, 2016, and is available until and must
4.13 be encumbered by June 30, 2017. This
4.14 appropriation is not available until the
4.15 commissioner of management and budget
4.16 determines that an equal amount is committed
4.17 from nonstate sources. This is a onetime
4.18 appropriation.

4.19 \$250,000 in the first year is for an air transport
4.20 optimization planning study for the St. Cloud
4.21 Regional Airport, which must be
4.22 comprehensive and market-based, using
4.23 economic development and air service
4.24 expertise to research, analyze, and develop
4.25 models and strategies that maximize the return
4.26 on investments made to enhance the use and
4.27 impact of the St. Cloud Regional Airport. This
4.28 is a onetime appropriation.

4.29 The base appropriation in each of fiscal years
4.30 2020 and 2021 is \$15,298,000.

4.31 Notwithstanding Minnesota Statutes, section
4.32 16A.28, subdivision 6, and unless otherwise
4.33 stated in this clause for a specific project, this
4.34 appropriation is available for five years after
4.35 appropriation. If the appropriation for either

5.1 year is insufficient, the appropriation for the
 5.2 other year is available for it.

5.3 **(2) Aviation Support and Services** 6,790,000 6,934,000

5.4 Appropriations by Fund

	<u>2018</u>	<u>2019</u>
5.6 <u>Airports</u>	<u>5,311,000</u>	<u>5,311,000</u>
5.7 <u>Trunk Highway</u>	<u>1,479,000</u>	<u>1,623,000</u>

5.8 \$80,000 in each year is from the state airports
 5.9 fund for the Civil Air Patrol.

5.10 **(b) Transit** 18,091,000 18,118,000

5.11 Appropriations by Fund

	<u>2018</u>	<u>2019</u>
5.13 <u>General</u>	<u>17,245,000</u>	<u>17,245,000</u>
5.14 <u>Trunk Highway</u>	<u>846,000</u>	<u>873,000</u>

5.15 **(c) Safe Routes to School** 500,000 500,000

5.16 This appropriation is from the general fund
 5.17 for the safe routes to school program under
 5.18 Minnesota Statutes, section 174.40.

5.19 **(d) Freight** 6,706,000 5,778,000

5.20 Appropriations by Fund

	<u>2018</u>	<u>2019</u>
5.22 <u>General</u>	<u>1,356,000</u>	<u>256,000</u>
5.23 <u>Trunk Highway</u>	<u>5,350,000</u>	<u>5,522,000</u>

5.24 \$1,100,000 in the first year is from the general
 5.25 fund for port development assistance program
 5.26 grants under Minnesota Statutes, chapter
 5.27 457A. Any improvements made with the
 5.28 proceeds of these grants must be publicly
 5.29 owned. This is a onetime appropriation and is
 5.30 available in the second year.

5.31 **Subd. 3. State Roads**

5.32 **(a) Operations and Maintenance** 332,773,000 343,159,000

5.33 **(b) Program Planning and Delivery** 257,479,000 265,542,000

6.1 \$130,000 in each year is available for
 6.2 administrative costs of the targeted group
 6.3 business program.

6.4 \$266,000 in each year is available for grants
 6.5 to metropolitan planning organizations outside
 6.6 the seven-county metropolitan area.

6.7 \$900,000 in each year is available for grants
 6.8 for transportation studies outside the
 6.9 metropolitan area to identify critical concerns,
 6.10 problems, and issues. These grants are
 6.11 available: (1) to regional development
 6.12 commissions; (2) in regions where no regional
 6.13 development commission is functioning, to
 6.14 joint powers boards established under
 6.15 agreement of two or more political
 6.16 subdivisions in the region to exercise the
 6.17 planning functions of a regional development
 6.18 commission; and (3) in regions where no
 6.19 regional development commission or joint
 6.20 powers board is functioning, to the
 6.21 department's district office for that region.

6.22 \$1,000,000 in each year is available for
 6.23 management of contaminated and regulated
 6.24 material on property owned by the Department
 6.25 of Transportation, including mitigation of
 6.26 property conveyances, facility acquisition or
 6.27 expansion, chemical release at maintenance
 6.28 facilities, and spills on the trunk highway
 6.29 system where there is no known responsible
 6.30 party. If the appropriation for either year is
 6.31 insufficient, the appropriation for the other
 6.32 year is available for it.

6.33 <u>(c) State Road Construction</u>	<u>1,009,396,000</u>	<u>942,268,000</u>
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6.34 This appropriation is for the actual
 6.35 construction, reconstruction, and improvement

7.1 of trunk highways, including design-build
 7.2 contracts, internal department costs associated
 7.3 with delivering the construction program, and
 7.4 consultant usage to support these activities.

7.5 This includes the cost of actual payment to
 7.6 landowners for lands acquired for highway
 7.7 rights-of-way, payment to lessees, interest
 7.8 subsidies, and relocation expenses.

7.9 This appropriation may be used for the
 7.10 restoration of former trunk highways that have
 7.11 reverted to counties or to statutory or home
 7.12 rule charter cities, or for trunk highways that
 7.13 will be restored and subsequently turned back
 7.14 by agreement between the commissioner and
 7.15 the local road authority, where "restoration"
 7.16 means the level of effort required to improve
 7.17 the route that will be turned back to an
 7.18 acceptable condition as determined by
 7.19 agreement made between the commissioner
 7.20 and the county or city before the route is
 7.21 turned back.

7.22 The commissioner may expend up to one-half
 7.23 of one percent of the federal appropriations
 7.24 under this paragraph as grants to opportunity
 7.25 industrialization centers and other nonprofit
 7.26 job training centers for job training programs
 7.27 related to highway construction.

7.28 The commissioner may transfer up to
 7.29 \$15,000,000 each year to the transportation
 7.30 revolving loan fund.

7.31 The commissioner may receive money
 7.32 covering other shares of the cost of partnership
 7.33 projects. These receipts are appropriated to
 7.34 the commissioner for these projects.

7.35 **(d) Highway Debt Service** 224,261,000 241,828,000

8.1 \$214,761,000 the first year and \$232,328,000
 8.2 the second year are for transfer to the state
 8.3 bond fund. If this amount is insufficient to
 8.4 make all transfers required in the year for
 8.5 which it is made, the commissioner of
 8.6 management and budget shall transfer the
 8.7 deficiency amount under the statutory open
 8.8 appropriation, and notify the chairs and
 8.9 ranking minority members of the legislative
 8.10 committees with jurisdiction over
 8.11 transportation finance and the chairs of the
 8.12 senate Committee on Finance and the house
 8.13 of representatives Committee on Ways and
 8.14 Means of the amount of the deficiency. Any
 8.15 excess appropriation cancels to the trunk
 8.16 highway fund.

8.17 The base appropriations for debt service are
 8.18 \$251,367,000 in fiscal year 2020 and
 8.19 \$248,616,000 in fiscal year 2021.

8.20 <u>(e) Statewide Radio Communications</u>	<u>5,648,000</u>	<u>5,829,000</u>
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	<u>Appropriations by Fund</u>	
	<u>2018</u>	<u>2019</u>
8.22		
8.23 <u>General</u>	<u>3,000</u>	<u>3,000</u>
8.24 <u>Trunk Highway</u>	<u>5,645,000</u>	<u>5,826,000</u>

8.25 \$3,000 in each year is from the general fund
 8.26 to equip and operate the Roosevelt signal
 8.27 tower for Lake of the Woods weather
 8.28 broadcasting.

8.29 Subd. 4. Local Roads

8.30 <u>(a) County State-Aid Roads</u>	<u>769,644,000</u>	<u>800,066,000</u>
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8.31 This appropriation is from the county state-aid
 8.32 highway fund under Minnesota Statutes,
 8.33 section 161.081, and chapter 162, and is
 8.34 available until June 30, 2027.

9.1 If the commissioner of transportation
 9.2 determines that a balance remains in the
 9.3 county state-aid highway fund following the
 9.4 appropriations and transfers made in this
 9.5 paragraph, and that the appropriations made
 9.6 are insufficient for advancing county state-aid
 9.7 highway projects, an amount necessary to
 9.8 advance the projects, not to exceed the balance
 9.9 in the county state-aid highway fund, is
 9.10 appropriated in each year to the commissioner.
 9.11 Within two weeks of a determination under
 9.12 this contingent appropriation, the
 9.13 commissioner of transportation shall notify
 9.14 the commissioner of management and budget
 9.15 and the chairs and ranking minority members
 9.16 of the legislative committees with jurisdiction
 9.17 over transportation finance concerning funds
 9.18 appropriated. The commissioner shall identify
 9.19 in the next budget submission to the legislature
 9.20 under Minnesota Statutes, section 16A.11, any
 9.21 amount that is appropriated under this
 9.22 paragraph.

9.23 **(b) Municipal State-Aid Roads** 195,858,000 203,463,000

9.24 This appropriation is from the municipal
 9.25 state-aid street fund under Minnesota Statutes,
 9.26 chapter 162, and is available until June 30,
 9.27 2027.

9.28 If the commissioner of transportation
 9.29 determines that a balance remains in the
 9.30 municipal state-aid street fund following the
 9.31 appropriations and transfers made in this
 9.32 paragraph, and that the appropriations made
 9.33 are insufficient for advancing municipal
 9.34 state-aid street projects, an amount necessary
 9.35 to advance the projects, not to exceed the

10.1 balance in the municipal state-aid street fund,
 10.2 is appropriated in each year to the
 10.3 commissioner. Within two weeks of a
 10.4 determination under this contingent
 10.5 appropriation, the commissioner of
 10.6 transportation shall notify the commissioner
 10.7 of management and budget and the chairs and
 10.8 ranking minority members of the legislative
 10.9 committees with jurisdiction over
 10.10 transportation finance concerning funds
 10.11 appropriated. The commissioner shall identify
 10.12 in the next budget submission to the legislature
 10.13 under Minnesota Statutes, section 16A.11, any
 10.14 amount that is appropriated under this
 10.15 paragraph.

10.16 **(c) Small Cities Assistance** 10,000,000 0

10.17 This appropriation is from the small cities
 10.18 assistance account in the special revenue fund
 10.19 under Minnesota Statutes, section 162.145.
 10.20 This is a onetime appropriation and is
 10.21 available in the second year.

10.22 **Subd. 5. Agency Management**

10.23 **(a) Agency Services** 44,316,000 45,206,000

10.24 **(b) Buildings** 20,085,000 20,939,000

<u>Appropriations by Fund</u>	<u>2018</u>	<u>2019</u>
<u>General</u>	<u>54,000</u>	<u>54,000</u>
<u>Trunk Highway</u>	<u>20,031,000</u>	<u>20,885,000</u>

10.29 Any money appropriated to the commissioner
 10.30 of transportation for building construction for
 10.31 any fiscal year before the first year is available
 10.32 to the commissioner of transportation during
 10.33 the biennium to the extent that the
 10.34 commissioner spends the money on the
 10.35 building construction projects for which the

11.1 money was originally encumbered during the
 11.2 fiscal year for which it was appropriated.

11.3 If the appropriation for either year is
 11.4 insufficient, the appropriation for the other
 11.5 year is available for it.

11.6 <u>(c) Tort Claims</u>	<u>600,000</u>	<u>600,000</u>
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11.7 If the appropriation for either year is
 11.8 insufficient, the appropriation for the other
 11.9 year is available for it.

11.10 **Subd. 6. Transfers**

11.11 With the approval of the commissioner of
 11.12 management and budget, the commissioner
 11.13 of transportation may transfer unencumbered
 11.14 balances among the appropriations from the
 11.15 trunk highway fund and the state airports fund
 11.16 made in this section. No transfer may be made
 11.17 from the appropriations for state road
 11.18 construction or for debt service. Transfers
 11.19 under this subdivision may not be made
 11.20 between funds. Transfers under this
 11.21 subdivision must be reported immediately to
 11.22 the chairs and ranking minority members of
 11.23 the legislative committees with jurisdiction
 11.24 over transportation finance.

11.25 **Subd. 7. Previous State Road Construction**
 11.26 **Appropriations**

11.27 Any money appropriated to the commissioner
 11.28 of transportation for state road construction
 11.29 for any fiscal year before the first year is
 11.30 available to the commissioner during the
 11.31 biennium to the extent that the commissioner
 11.32 spends the money on the state road
 11.33 construction project for which the money was
 11.34 originally encumbered during the fiscal year
 11.35 for which it was appropriated.

14.1 299A.44. If the appropriation for either year
 14.2 is insufficient, the appropriation for the other
 14.3 year is available for it.

14.4 \$1,367,000 each year is from the general fund
 14.5 to be deposited in the public safety officer's
 14.6 benefit account. This money is available for
 14.7 reimbursements under Minnesota Statutes,
 14.8 section 299A.465.

14.9 \$600,000 each year is from the general fund
 14.10 and \$100,000 in each year is from the trunk
 14.11 highway fund for soft body armor
 14.12 reimbursements under Minnesota Statutes,
 14.13 section 299A.38.

14.14 **(c) Technology and Support Service** 3,685,000 3,685,000

14.15 Appropriations by Fund

	<u>2018</u>	<u>2019</u>
14.16 <u>General</u>	<u>1,322,000</u>	<u>1,322,000</u>
14.17 <u>H.U.T.D.</u>	<u>19,000</u>	<u>19,000</u>
14.18 <u>Trunk Highway</u>	<u>2,344,000</u>	<u>2,344,000</u>

14.19 **Subd. 3. State Patrol**

14.20 **(a) Patrolling Highways** 88,357,000 88,357,000

14.21 Appropriations by Fund

	<u>2018</u>	<u>2019</u>
14.22 <u>General</u>	<u>37,000</u>	<u>37,000</u>
14.23 <u>H.U.T.D.</u>	<u>828,000</u>	<u>828,000</u>
14.24 <u>Trunk Highway</u>	<u>87,492,000</u>	<u>87,492,000</u>

14.25 **(b) Commercial Vehicle Enforcement** 8,257,000 8,257,000

14.26 **(c) Capitol Security** 8,147,000 8,147,000

14.27 This appropriation is from the general fund.

14.28 The commissioner must not: (1) spend any
 14.29 money from the trunk highway fund for
 14.30 capitol security; or (2) permanently transfer
 14.31 any state trooper from the patrolling highways
 14.32 activity to capitol security.

15.1 The commissioner must not transfer any
 15.2 money appropriated to the commissioner under
 15.3 this section: (1) to capitol security; or (2) from
 15.4 capitol security.

15.5 **Subd. 4. Driver and Vehicle Services**

15.6	<u>(a) Vehicle Services</u>	<u>30,082,000</u>	<u>30,082,000</u>
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15.7 Appropriations by Fund

	<u>2018</u>	<u>2019</u>
15.8		
15.9	<u>21,846,000</u>	<u>21,846,000</u>
15.10	<u>8,236,000</u>	<u>8,236,000</u>

15.11	<u>(b) Driver Services</u>	<u>30,896,000</u>	<u>30,896,000</u>
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15.12 This appropriation is from the driver services
 15.13 operating account in the special revenue fund.

15.14 \$156,000 in each year is appropriated to
 15.15 maintain the automated knowledge test
 15.16 system.

15.17	<u>Subd. 5. Traffic Safety</u>	<u>457,000</u>	<u>457,000</u>
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15.18	<u>Subd. 6. Pipeline Safety</u>	<u>1,388,000</u>	<u>1,388,000</u>
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15.19 This appropriation is from the pipeline safety
 15.20 account in the special revenue fund.

15.21 **Sec. 5. APPROPRIATION CANCELLATION.**

15.22 \$1,100,000 of the appropriation for port development assistance under Laws 2015,
 15.23 chapter 75, article 1, section 3, subdivision 2, paragraph (e), is canceled to the general fund
 15.24 on June 30, 2017.

15.25 **Sec. 6. DEPARTMENT OF TRANSPORTATION; APPROPRIATION.**

15.26 \$105,000,000 is appropriated from the trunk highway fund to the commissioner of
 15.27 transportation in fiscal year 2017, as additional federal spending authority for state road
 15.28 construction.

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

16.1

ARTICLE 2

16.2

TRUNK HIGHWAY BONDING

16.3

Section 1. **BOND SALE AUTHORIZATION.**

16.4

To provide the money appropriated in this article from the bond proceeds account in the trunk highway fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to \$325,325,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 167.50 to 167.52, and by the Minnesota Constitution, article XIV, section 11, at the times and in the amounts requested by the commissioner of transportation. The proceeds of the bonds, except accrued interest and any premium received from the sale of the bonds, must be deposited in the bond proceeds account in the trunk highway fund.

16.12

Sec. 2. **BOND APPROPRIATIONS.**

16.13

The sums shown in the column under "Appropriations" are appropriated from the bond proceeds account in the trunk highway fund to the state agencies or officials indicated, to be spent for public purposes. Appropriations of bond proceeds must be spent as authorized by the Minnesota Constitution, articles XI and XIV. Unless otherwise specified, money appropriated in this article for a capital program or project may be used to pay state agency staff costs that are attributed directly to the capital program or project in accordance with accounting policies adopted by the commissioner of management and budget.

16.20

SUMMARY

16.21

<u>Department of Transportation</u>	<u>\$</u>	<u>325,000,000</u>
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16.22

<u>Department of Management and Budget</u>		<u>325,000</u>
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16.23

<u>TOTAL</u>	<u>\$</u>	<u>325,325,000</u>
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16.24

APPROPRIATIONS

16.25

Sec. 3. **DEPARTMENT OF**

16.26

TRANSPORTATION CORRIDORS OF

16.27

<u>COMMERCE</u>	<u>\$</u>	<u>200,000,000</u>
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16.28

(a) The appropriation in this section is to the

16.29

commissioner of transportation for the

16.30

corridors of commerce program under

16.31

Minnesota Statutes, section 161.088, and is

16.32

available in the amounts of \$50,000,000 in

16.33

each fiscal year from 2018 to 2021. The

17.1 commissioner may use up to 17 percent of the
 17.2 amount each year for program delivery.

17.3 (b) In any fiscal year covered by this
 17.4 appropriation, the commissioner may identify
 17.5 projects based on previous selection processes
 17.6 or may perform a new selection.

17.7 (c) The appropriation in this section cancels
 17.8 as specified under Minnesota Statutes, section
 17.9 16A.642, except that the commissioner of
 17.10 management and budget shall count the start
 17.11 of authorization for issuance of state bonds as
 17.12 the first day of the fiscal year during which
 17.13 the bonds are available to be issued as
 17.14 specified under paragraph (a), and not as the
 17.15 date of enactment of this section.

17.16 **Sec. 4. U.S. HIGHWAY 12 PROJECTS \$ 15,000,000**

17.17 The appropriation in this section is in fiscal
 17.18 year 2018 for projects, including preliminary
 17.19 and final design, engineering, environmental
 17.20 analysis, right-of-way acquisition,
 17.21 construction, and reconstruction, on marked
 17.22 U.S. Highway 12 as follows:

17.23 (1) realignment at the intersections with
 17.24 Hennepin County State-Aid Highway 92;

17.25 (2) realignment and safety improvements at
 17.26 the intersection with Hennepin County
 17.27 State-Aid Highway 90; and

17.28 (3) safety median improvements from the
 17.29 interchange with Wayzata Boulevard in
 17.30 Wayzata to approximately one-half mile east
 17.31 of the interchange with Hennepin County
 17.32 State-Aid Highway 6.

- 18.1 **Sec. 5. MARKED TRUNK HIGHWAY 212** **\$** **20,000,000**
- 18.2 The appropriation in this section is in fiscal
- 18.3 year 2018 for acquisition of right-of-way and
- 18.4 construction or reconstruction of marked
- 18.5 Trunk Highway 212 as a four-lane divided
- 18.6 highway from County Road 11 in Carver
- 18.7 County to County Road 43 in Carver County.

- 18.8 **Sec. 6. MARKED TRUNK HIGHWAY 14** **\$** **90,000,000**
- 18.9 The appropriation in this section is in fiscal
- 18.10 year 2018 for acquisition of right-of-way and
- 18.11 construction and reconstruction of marked
- 18.12 Trunk Highway 14 as a four-lane divided
- 18.13 highway from the interchange with marked
- 18.14 Interstate Highway 35 near the city of
- 18.15 Owatonna to the point near the city of Dodge
- 18.16 Center at which marked Trunk Highway 14
- 18.17 constitutes a four-lane divided highway
- 18.18 southeast of the intersection with marked
- 18.19 Trunk Highway 56.

- 18.20 **Sec. 7. BOND SALE EXPENSES** **\$** **325,000**
- 18.21 This appropriation is to the commissioner of
- 18.22 management and budget for bond sale
- 18.23 expenses under Minnesota Statutes, sections
- 18.24 16A.641, subdivision 8, and 167.50,
- 18.25 subdivision 4, and is available in the amounts
- 18.26 of \$175,000 in fiscal year 2018 and \$50,000
- 18.27 in each fiscal year from 2019 to 2021.

- 18.28 **Sec. 8. EFFECTIVE DATE.**
- 18.29 This article is effective July 1, 2017.

19.1

ARTICLE 3

19.2

TRANSPORTATION FINANCE

19.3 Section 1. Minnesota Statutes 2016, section 161.081, subdivision 1, is amended to read:

19.4 Subdivision 1. **Distribution of five percent.** ~~(a)~~ Pursuant to article 14, section 5, of the
19.5 Constitution, five percent of the net highway user tax distribution fund is set aside, and
19.6 apportioned to the county state-aid highway fund.

19.7 ~~(b)~~ That apportionment is further distributed as follows:

19.8 (1) ~~30.5 percent to the town road account created in section 162.081;~~

19.9 ~~(2) 16 percent to the town bridge account, which is created in the state treasury~~ 46.5
19.10 percent to the county state-aid highway fund, consisting of: (i) 30.5 percent to the town road
19.11 account created in section 162.081; and (ii) 16 percent to the town bridge account created
19.12 in the state treasury; and

19.13 ~~(3) 53.5 percent to the flexible highway account created in subdivision 3~~ (2) 53.5 percent
19.14 to the trunk highway fund.

19.15 **EFFECTIVE DATE.** This section is effective July 1, 2017.

19.16 Sec. 2. Minnesota Statutes 2016, section 297A.815, subdivision 3, is amended to read:

19.17 Subd. 3. **Motor vehicle lease sales tax revenue.** ~~(a) For purposes of this subdivision,~~
19.18 ~~"net revenue" means an amount equal to the revenues, including interest and penalties,~~
19.19 ~~collected under this section, during the fiscal year, less \$32,000,000 in each fiscal year.~~

19.20 ~~(b)~~ On or before June 30 of each fiscal year, the commissioner of revenue shall estimate
19.21 the amount of the ~~net revenue~~ revenues, including interest and penalties, collected under
19.22 this section for the current fiscal year.

19.23 ~~(c) On or after July 1~~ (b) By July 15 of the subsequent fiscal year, the commissioner of
19.24 management and budget ~~shall~~ must transfer the ~~net revenue~~ revenues as estimated in
19.25 paragraph ~~(b)~~ (a) from the general fund, as follows:

19.26 (1) ~~\$9,000,000 annually until January 1, 2015, and 50 percent annually thereafter~~

19.27 36 percent to the county state-aid highway fund. Notwithstanding any other law to the
19.28 contrary, the commissioner of transportation shall allocate the funds transferred under this
19.29 clause to the counties in the metropolitan area, as defined in section 473.121, subdivision
19.30 4, excluding the counties of Hennepin and Ramsey, so that each county shall receive of
19.31 such amount the percentage that its population, as defined in section 477A.011, subdivision

20.1 3, estimated or established by July 15 of the year prior to the current calendar year, bears
20.2 to the total population of the counties receiving funds under this clause; ~~and~~

20.3 (2) ~~the remainder~~ 36 percent to the greater Minnesota transit account; and

20.4 (3) the remainder to the highway user tax distribution fund.

20.5 (c) As part of the transfer that must occur by July 15, 2018, in addition to any amounts
20.6 transferred under paragraph (b), the commissioner of management and budget must transfer
20.7 \$10,000,000 of the revenues as estimated in paragraph (a) from the general fund to the small
20.8 cities assistance account under section 162.145.

20.9 **EFFECTIVE DATE.** This section is effective beginning with the estimate that must
20.10 be completed on or before June 30, 2018, for a transfer that occurs by July 15, 2018.

20.11 Sec. 3. Minnesota Statutes 2016, section 297A.94, is amended to read:

20.12 **297A.94 DEPOSIT OF REVENUES.**

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

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

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

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

20.22 The commissioner of management and budget shall certify to the commissioner the date on
20.23 which the project received the conditional commitment. The amount deposited in the loan
20.24 guaranty account must be reduced by any refunds and by the costs incurred by the Department
20.25 of Revenue to administer and enforce the assessment and collection of the taxes.

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

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

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

21.1 (d) Beginning with sales taxes remitted after July 1, 2017, the commissioner shall deposit
21.2 in the state treasury the revenues collected under section 297A.64, subdivision 1, and credit
21.3 them to the highway user tax distribution fund.

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

21.9 (e) (f) Beginning with sales taxes remitted after July 1, 2017, in conjunction with the
21.10 deposit of revenues under paragraph (d), the commissioner shall deposit into the state
21.11 treasury and credit to the highway user tax distribution fund an amount equal to the estimated
21.12 revenues derived from the tax rate imposed under section 297A.62, subdivision 1, on the
21.13 lease or rental for not more than 28 days of rental motor vehicles subject to section 297A.64.
21.14 The commissioner shall estimate the amount of sales tax revenue deposited under this
21.15 paragraph based on the amount of revenue deposited under paragraph (d).

21.16 (g) Starting after July 1, 2017, the commissioner shall deposit an amount of the
21.17 remittances monthly into the state treasury and credit them to the highway user tax
21.18 distribution fund as a portion of the estimated amount of taxes collected from the sale and
21.19 purchase of motor vehicle repair parts in that month. For the remittances between July 1,
21.20 2017, and June 30, 2019, the monthly deposit amount is \$10,282,000. For remittances in
21.21 each subsequent fiscal year, the monthly deposit amount is \$13,957,000. For purposes of
21.22 this paragraph, "motor vehicle" has the meaning given in section 297B.01, subdivision 11,
21.23 and "motor vehicle repair and replacement parts" includes (i) all parts, tires, accessories,
21.24 and equipment incorporated into or affixed to the motor vehicle as part of the motor vehicle
21.25 maintenance and repair, and (ii) paint, oil, and other fluids that remain on or in the motor
21.26 vehicle as part of the motor vehicle maintenance or repair.

21.27 (h) 72.43 percent of the revenues, including interest and penalties, transmitted to the
21.28 commissioner under section 297A.65, must be deposited by the commissioner in the state
21.29 treasury as follows:

21.30 (1) 50 percent of the receipts must be deposited in the heritage enhancement account in
21.31 the game and fish fund, and may be spent only on activities that improve, enhance, or protect
21.32 fish and wildlife resources, including conservation, restoration, and enhancement of land,
21.33 water, and other natural resources of the state;

22.1 (2) 22.5 percent of the receipts must be deposited in the natural resources fund, and may
22.2 be spent only for state parks and trails;

22.3 (3) 22.5 percent of the receipts must be deposited in the natural resources fund, and may
22.4 be spent only on metropolitan park and trail grants;

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

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

22.10 ~~(f)~~ (i) The revenue dedicated under paragraph ~~(e)~~ (h) may not be used as a substitute
22.11 for traditional sources of funding for the purposes specified, but the dedicated revenue shall
22.12 supplement traditional sources of funding for those purposes. Land acquired with money
22.13 deposited in the game and fish fund under paragraph ~~(e)~~ (h) must be open to public hunting
22.14 and fishing during the open season, except that in aquatic management areas or on lands
22.15 where angling easements have been acquired, fishing may be prohibited during certain times
22.16 of the year and hunting may be prohibited. At least 87 percent of the money deposited in
22.17 the game and fish fund for improvement, enhancement, or protection of fish and wildlife
22.18 resources under paragraph ~~(e)~~ (h) must be allocated for field operations.

22.19 ~~(g)~~ (j) The revenues deposited under paragraphs (a) to ~~(f)~~ (i) do not include the revenues,
22.20 including interest and penalties, generated by the sales tax imposed under section 297A.62,
22.21 subdivision 1a, which must be deposited as provided under the Minnesota Constitution,
22.22 article XI, section 15.

22.23 **EFFECTIVE DATE.** This section is effective July 1, 2017.

22.24 Sec. 4. Minnesota Statutes 2016, section 297A.992, subdivision 2, is amended to read:

22.25 Subd. 2. **Authorization; rates.** (a) Notwithstanding section 297A.99, subdivisions 1,
22.26 2, and 3, or 477A.016, or any other law, the board of a county participating in a joint powers
22.27 agreement as specified in this section shall impose by resolution (1) a transportation sales
22.28 and use tax at a rate of one-quarter of one percent on retail sales and uses taxable under this
22.29 chapter, and (2) an excise tax of \$20 per motor vehicle, as defined in section 297B.01,
22.30 subdivision 11, purchased or acquired from any person engaged in the business of selling
22.31 motor vehicles at retail, occurring within the jurisdiction of the taxing authority. The taxes
22.32 authorized are to fund transportation improvements as specified in this section, including
22.33 debt service on obligations issued to finance such improvements pursuant to subdivision 7.

23.1 (b) The tax imposed under this section is not included in determining if the total tax on
 23.2 lodging in the city of Minneapolis exceeds the maximum allowed tax under Laws 1986,
 23.3 chapter 396, section 5, as amended by Laws 2001, First Special Session chapter 5, article
 23.4 12, section 87, or in determining a tax that may be imposed under any other limitations.

23.5 (c) A county participating in a joint powers agreement as specified in this section may
 23.6 impose an additional transportation sales and use tax at a rate of one-fifth of one percent
 23.7 on retail sales and uses taxable under this chapter. Before imposing a tax authorized by this
 23.8 paragraph, the imposition of the tax must be approved by a majority of voters at a general
 23.9 election. The proceeds of the taxes imposed under this paragraph must be used for the
 23.10 purposes specified in section 297A.993, subdivision 2.

23.11 ARTICLE 4

23.12 TRANSPORTATION POLICY

23.13 Section 1. Minnesota Statutes 2016, section 85.016, is amended to read:

23.14 **85.016 BICYCLE TRAIL PROGRAM.**

23.15 The commissioner of natural resources ~~shall~~ must establish a program for the development
 23.16 of bicycle trails utilizing the state trails authorized by section 85.015, other state parks and
 23.17 recreation land, and state forests. "Bicycle trail," as used in this section, has the meaning
 23.18 given in section 169.011. The program ~~shall~~ must be coordinated with the local park trail
 23.19 grant program established by the commissioner pursuant to section 85.019, with the ~~bikeway~~
 23.20 ~~program~~ state bicycle routes established by the commissioner of transportation pursuant to
 23.21 section ~~160.265~~ 160.266, and with existing and proposed local bikeways. In the metropolitan
 23.22 area as defined in section 473.121, the program ~~shall~~ must be developed in accordance with
 23.23 plans and priorities established by the Metropolitan Council. The commissioner ~~shall~~ must
 23.24 provide technical assistance to local units of government in planning and developing bicycle
 23.25 trails in local parks. The bicycle trail program ~~shall~~ must, as a minimum, describe the
 23.26 location, design, construction, maintenance, and land acquisition needs of each component
 23.27 trail ~~and shall give due consideration to the model standards for the establishment of~~
 23.28 ~~recreational vehicle lanes promulgated by the commissioner of transportation pursuant to~~
 23.29 ~~section 160.262~~. The program ~~shall~~ must be developed after consultation with the state trail
 23.30 council and regional and local units of government and bicyclist organizations.

24.1 Sec. 2. Minnesota Statutes 2016, section 116.03, is amended by adding a subdivision to
24.2 read:

24.3 Subd. 7. **Clean Air Act settlement money.** "Clean Air Act settlement money" means
24.4 money required to be paid to the state as a result of litigation or settlements of alleged
24.5 violations of the federal Clean Air Act, United States Code, title 42, section 7401, et seq.,
24.6 or rules adopted thereunder, by an automobile manufacturer. The commissioner of
24.7 management and budget must establish the Clean Air Act settlement account in the
24.8 environmental fund. Notwithstanding sections 16A.013 to 16A.016, the commissioner of
24.9 management and budget must deposit Clean Air Act settlement money into the Clean Air
24.10 Act settlement account. Clean Air Act settlement money must not be spent until it is
24.11 specifically appropriated by law. The commissioner of management and budget must
24.12 eliminate the Clean Air Act settlement account in the environmental fund after all Clean
24.13 Air Act settlement money has been expended.

24.14 Sec. 3. Minnesota Statutes 2016, section 160.02, is amended by adding a subdivision to
24.15 read:

24.16 Subd. 1a. **Bikeway.** "Bikeway" means a bicycle lane, bicycle path, shared use path,
24.17 bicycle route, or similar bicycle facility, regardless of whether designed for the exclusive
24.18 use of bicycles or for shared use with other transportation modes.

24.19 Sec. 4. Minnesota Statutes 2016, section 160.02, subdivision 27, is amended to read:

24.20 Subd. 27. **Roadway; bicycle lane; bicycle route; bicycle path; bikeway.** The terms
24.21 "roadway," "bicycle lane," "bicycle route," and "bicycle path," and "~~bikeway~~" have the
24.22 meanings given in section 169.011.

24.23 Sec. 5. Minnesota Statutes 2016, section 160.02, is amended by adding a subdivision to
24.24 read:

24.25 Subd. 27a. **Shared use path.** "Shared use path" means a bicycle facility that is (1)
24.26 physically separated from motorized vehicular traffic by an open space or barrier, (2) located
24.27 within either the highway right-of-way or an independent right-of-way, and (3) available
24.28 for use by other nonmotorized users.

24.29 Sec. 6. Minnesota Statutes 2016, section 160.262, subdivision 1, is amended to read:

24.30 Subdivision 1. ~~Model standards~~ **Powers.** (a) The legislature determines that it is in the
24.31 interests of the public health, safety and welfare, to provide for the addition of bicycle and

25.1 ~~recreational vehicle lanes~~ bikeways to proposed and existing public highways. The
25.2 ~~commissioner of transportation shall adopt, in the manner provided in chapter 14, model~~
25.3 ~~standards for the establishment of recreational vehicle lanes on and along proposed and~~
25.4 ~~existing public highways. The model standards shall include but not be limited to the~~
25.5 ~~following: (a) criteria for desirability of a lane in any given location, (b) provision for~~
25.6 ~~maintenance of the lanes, and (c) the placement of the lanes in relation to roads. The model~~
25.7 ~~standards shall govern state trunk highways. The commissioner of transportation is authorized~~
25.8 to plan, design, establish, and maintain bikeways on the right-of-way of any trunk highway.
25.9 The commissioner is responsible for the design and construction of all bikeway projects
25.10 within the right-of-way of any trunk highway. The commissioner must consider the
25.11 development of bikeways during the planning, design, construction, reconstruction, or
25.12 improvement of any trunk highway, or allow the establishment of such bikeways within
25.13 trunk highway right-of-way.

25.14 (b) The commissioner must maintain bikeway design guidelines consistent with the state
25.15 transportation goals in section 174.01.

25.16 (c) The commissioner must compile and maintain a map of bikeways in the state and
25.17 must publish and distribute the map's information at least once every two years in a form
25.18 and manner suitable to assist persons wishing to use the bikeways.

25.19 (d) The commissioner must maintain bikeways within the limits of trunk highway
25.20 right-of-way unless a written agreement or limited use permit provides otherwise.

25.21 Sec. 7. Minnesota Statutes 2016, section 160.262, subdivision 3, is amended to read:

25.22 Subd. 3. **Cooperation among agencies and governments.** The following departments
25.23 and agencies ~~shall cooperate in providing~~ on the nonmotorized transportation advisory
25.24 committee identified in section 174.37 must provide information and advice for ~~amendments~~
25.25 ~~to the model standards~~ the bikeway design guidelines maintained by the commissioner of
25.26 transportation: ~~the Departments of Agriculture, Transportation, Natural Resources,~~
25.27 ~~Commerce, and Employment and Economic Development, and the Board of Water and Soil~~
25.28 ~~Resources.~~ The commissioner may cooperate with and enter into agreements with the United
25.29 States government, any department of the state of Minnesota, any unit of local government
25.30 ~~and, any tribal government,~~ or any public or private corporation in order to effect the purposes
25.31 of this section.

26.1 Sec. 8. Minnesota Statutes 2016, section 160.262, subdivision 4, is amended to read:

26.2 Subd. 4. **Design-build bridges for nonmotorized vehicles.** For streets and highways,
26.3 the commissioner ~~shall~~ must allow for the acceptance of performance-specification bids,
26.4 made by the lowest responsible bidder, for constructing design-build bridges for ~~bicycle~~
26.5 ~~paths, bicycle trails, bikeways~~ and pedestrian facilities that are:

26.6 (1) designed and used primarily for nonmotorized transportation, but may allow for
26.7 motorized wheelchairs, golf carts, necessary maintenance vehicles and, when otherwise
26.8 permitted by law, rule, or ordinance, snowmobiles; and

26.9 (2) located apart from any road or highway or protected by barriers, provided that a
26.10 design-built bridge may cross over and above a road or highway.

26.11 Sec. 9. Minnesota Statutes 2016, section 160.266, is amended by adding a subdivision to
26.12 read:

26.13 Subd. 1a. **State bicycle route; definition.** For the purposes of this section, "state bicycle
26.14 route" means a linear series of one or more roads or bikeways that is designated for bicycle
26.15 travel, regardless of whether for exclusive use by bicycles or shared use with other modes
26.16 of transportation.

26.17 Sec. 10. Minnesota Statutes 2016, section 160.266, is amended by adding a subdivision
26.18 to read:

26.19 Subd. 1b. **State bicycle routes.** The commissioner of transportation must identify state
26.20 bicycle routes primarily on existing road right-of-way and trails. State bicycle routes must
26.21 be identified in cooperation with road and trail authorities, including the commissioner of
26.22 natural resources, and with the advice of the advisory committee on nonmotorized
26.23 transportation under section 174.37. In a metropolitan area, state bicycle routes must be
26.24 identified in coordination with the plans and priorities established by metropolitan planning
26.25 organizations, as defined in United States Code, title 23, section 134.

26.26 Sec. 11. Minnesota Statutes 2016, section 160.266, subdivision 3, is amended to read:

26.27 Subd. 3. **Connections with other bikeways.** (a) The commissioner, in cooperation with
26.28 road and trail authorities including the commissioner of natural resources, ~~shall~~ must:

26.29 (1) identify existing bikeways of regional significance that are in reasonable proximity
26.30 but not connected to the ~~bikeway~~ state bicycle routes established in under this section,

27.1 ~~including but not limited to the Lake Wobegon Trail in the counties of Stearns and Todd;~~
27.2 and

27.3 (2) support development of linkages between ~~bikeways identified under clause (1) and~~
27.4 ~~the bikeway~~ state bicycle routes established ~~in~~ under this section.

27.5 (b) The requirements of this subdivision are a secondary priority for use of funds available
27.6 under this section following establishment and enhancement of ~~the bikeway~~ state bicycle
27.7 routes under ~~subdivision 1~~ this section.

27.8 Sec. 12. Minnesota Statutes 2016, section 160.266, subdivision 4, is amended to read:

27.9 Subd. 4. **Cooperation with other entities.** The commissioner may contract and enter
27.10 into agreements with federal agencies, other state agencies, local governments, ~~and tribal~~
27.11 governments, or private entities to establish, develop, maintain, and operate ~~the bikeway~~
27.12 state bicycle routes and to interpret associated natural and cultural resources.

27.13 Sec. 13. Minnesota Statutes 2016, section 160.266, subdivision 5, is amended to read:

27.14 Subd. 5. **Funding.** ~~Bicycle~~ Shared use paths included within ~~the bikeway~~ state bicycle
27.15 routes and not administered by the commissioner of natural resources are eligible for funding
27.16 from the environment and natural resources trust fund under chapter 116P, from the parks
27.17 and trails grant program under section 85.535, from the local recreation grants program
27.18 under section 85.019, subdivision 4b, and from other sources.

27.19 Sec. 14. Minnesota Statutes 2016, section 160.266, is amended by adding a subdivision
27.20 to read:

27.21 Subd. 6. **Mississippi River Trail.** The Mississippi River Trail bikeway must originate
27.22 at Itasca State Park in Clearwater, Beltrami, and Hubbard Counties, then generally parallel
27.23 the Mississippi River through the cities of Bemidji in Beltrami County, Grand Rapids in
27.24 Itasca County, Brainerd in Crow Wing County, Little Falls in Morrison County, Sauk Rapids
27.25 in Benton County, St. Cloud in Stearns County, Minneapolis in Hennepin County, St. Paul
27.26 in Ramsey County, Hastings in Dakota County, Red Wing in Goodhue County, Wabasha
27.27 in Wabasha County, Winona in Winona County, and La Crescent in Houston County to
27.28 Minnesota's boundary with Iowa and there terminate. Where opportunities exist, the bikeway
27.29 may be designated on both sides of the Mississippi River.

28.1 Sec. 15. Minnesota Statutes 2016, section 160.266, is amended by adding a subdivision
28.2 to read:

28.3 Subd. 7. **North Star Bicycle Route.** The North Star Bicycle Route must originate in the
28.4 city of St. Paul in Ramsey County, then proceed north through the cities of North Branch
28.5 in Chisago County, Hinckley in Pine County, Carlton in Carlton County, Duluth in St. Louis
28.6 County, Two Harbors in Lake County, and Grand Marais in Cook County to Minnesota's
28.7 boundary with Canada and there terminate. Notwithstanding subdivision 5 or any law to
28.8 the contrary, the commissioner must not spend trunk highway funds on creating, constructing,
28.9 marking, or maintaining this route.

28.10 Sec. 16. Minnesota Statutes 2016, section 161.088, subdivision 4, is amended to read:

28.11 Subd. 4. **Project eligibility.** (a) The ~~commissioner shall establish~~ eligibility requirements
28.12 for projects that can be funded under the program. ~~Eligibility must include~~ are:

28.13 (1) consistency with the statewide multimodal transportation plan under section 174.03;

28.14 (2) location of the project on an interregional corridor, for a project located outside of
28.15 the Department of Transportation metropolitan district;

28.16 (3) placement into at least one project classification under subdivision 3;

28.17 (4) a maximum length of time, as determined by the commissioner, until commencement
28.18 of construction work on the project; and

28.19 (5) for each type of project classification under subdivision 3, a maximum allowable
28.20 amount for the total project cost estimate, as determined by the commissioner with available
28.21 data.

28.22 (b) A project whose construction is programmed in the state transportation improvement
28.23 program is not eligible for funding under the program. This paragraph does not apply to a
28.24 project that is programmed as result of selection under this section.

28.25 (c) A project may be, but is not required to be, identified in the 20-year state highway
28.26 capital investment plan under section 174.03.

28.27 Sec. 17. Minnesota Statutes 2016, section 161.088, subdivision 5, is amended to read:

28.28 Subd. 5. **Project selection process; criteria.** (a) The commissioner ~~shall~~ must establish
28.29 a process ~~for identification, evaluation, and selection of~~ to identify, evaluate, and select
28.30 projects under the program. The process must be consistent with the requirements of this
28.31 subdivision and must not include any additional evaluation criteria.

29.1 (b) As part of the project selection process, the commissioner ~~shall~~ must annually accept
29.2 recommendations on candidate projects from area transportation partnerships and other
29.3 interested stakeholders in each Department of Transportation district. The commissioner
29.4 must determine the eligibility for each candidate project identified under this paragraph;
29.5 ~~the commissioner shall determine eligibility, classify, and if appropriate, evaluate the project~~
29.6 ~~for the program.~~ For each eligible project, the commissioner must classify and evaluate the
29.7 project for the program.

29.8 (c) ~~Project evaluation and prioritization must be performed on the basis of objective~~
29.9 ~~criteria, which must include~~ Projects must be evaluated using the following criteria:

29.10 (1) a return on investment measure that provides for comparison across eligible projects;

29.11 (2) measurable impacts on commerce and economic competitiveness;

29.12 (3) efficiency in the movement of freight, including but not limited to:

29.13 (i) measures of annual average daily traffic and commercial vehicle miles traveled, which
29.14 may include data near the project location on that trunk highway or on connecting trunk
29.15 and local highways; and

29.16 (ii) measures of congestion or travel time reliability, which may be within or near the
29.17 project limits, or both;

29.18 (4) improvements to traffic safety;

29.19 (5) connections to regional trade centers, local highway systems, and other transportation
29.20 modes;

29.21 (6) the extent to which the project addresses multiple transportation system policy
29.22 objectives and principles; ~~and~~

29.23 (7) support and consensus for the project among members of the surrounding community;
29.24 and

29.25 (8) regional balance throughout the state.

29.26 (d) The commissioner must adopt a policy that assigns a weight to each criteria under
29.27 paragraph (c). This policy must be applied consistently to each project evaluated. Each
29.28 project must be assigned a score based on the evaluation. The projects must be prioritized
29.29 based on the score. The list of all projects evaluated must be made public and must include
29.30 the score of each project.

30.1 (e) As part of the project selection process, the commissioner may divide funding to be
30.2 separately available among projects within each classification under subdivision 3, and may
30.3 apply separate or modified criteria among those projects falling within each classification.

30.4 Sec. 18. Minnesota Statutes 2016, section 161.088, is amended by adding a subdivision
30.5 to read:

30.6 Subd. 6a. Corridors of commerce long-term plan. The commissioner must create a
30.7 corridors of commerce long-term plan that includes all projects deemed eligible for the
30.8 program. The projects in the long-term plan must be prioritized based on the score assigned
30.9 under subdivision 5. The commissioner may create a plan for each district or for the entire
30.10 state.

30.11 Sec. 19. Minnesota Statutes 2016, section 161.088, subdivision 7, is amended to read:

30.12 Subd. 7. Legislative report; evaluation. (a) ~~Starting in 2014, annually~~ By November
30.13 1 each year, the commissioner ~~shall~~ must electronically submit a report on the corridors of
30.14 commerce program to the chairs and ranking minority members of the legislative committees
30.15 with jurisdiction over transportation policy and finance. At a minimum, the report must
30.16 include:

30.17 (1) a summary of the program, including a review of the project selection process,
30.18 ~~eligibility and criteria~~ the policy that provides the weight given each criteria, funds expended
30.19 in the previous selection cycle, and total funds expended since program inception;

30.20 (2) a ~~listing~~ list of projects funded under the program in the previous selection cycle,
30.21 including:

30.22 (i) project classification;

30.23 (ii) a breakdown of project costs and funding sources;

30.24 (iii) any future operating costs assigned under subdivision 6; and

30.25 (iv) a brief description that is comprehensible to a lay audience;

30.26 (3) a ~~listing~~ list of all candidate project recommendations required under subdivision 5,
30.27 paragraph (b), including the eligibility determination for each project and, for eligible
30.28 projects, the project classification and disposition in the selection process; and

30.29 (4) a list of all projects evaluated and the score for each project; and

30.30 (5) any recommendations for changes to statutory requirements of the program.

31.1 (b) ~~Starting in 2016, and~~ In every even-numbered year ~~thereafter~~, the commissioner
31.2 ~~shall~~ must incorporate into the report the results of an independent evaluation of impacts
31.3 and effectiveness of the program. The evaluation must be performed by agency staff or a
31.4 consultant. The individual or individuals performing the evaluation must have experience
31.5 in program evaluation, but must not be regularly involved in the program's implementation.

31.6 Sec. 20. Minnesota Statutes 2016, section 161.115, subdivision 190, is amended to read:

31.7 Subd. 190. **Route No. 259.** Beginning at a point on Statutory Route No. 100, at or near
31.8 Henderson; thence extending in a general southeasterly direction to a point ~~on Statutory~~
31.9 ~~Route No. 123~~, at or near Le Sueur.

31.10 **EFFECTIVE DATE.** This section is effective the day after the commissioner of
31.11 transportation receives a copy of the agreement between the commissioner of transportation
31.12 and the governing body of Le Sueur County to transfer jurisdiction of Legislative Route
31.13 No. 123 and after the commissioner notifies the revisor of statutes under section 43, paragraph
31.14 (b).

31.15 Sec. 21. Minnesota Statutes 2016, section 161.14, is amended by adding a subdivision to
31.16 read:

31.17 Subd. 83. **Senator Jim Metzen Memorial Highway.** That segment of marked Trunk
31.18 Highway 52 located within Dakota County is designated as "Senator Jim Metzen Memorial
31.19 Highway." Notwithstanding section 161.139, the commissioner shall adopt a suitable design
31.20 to mark this highway and erect appropriate signs.

31.21 Sec. 22. Minnesota Statutes 2016, section 161.21, subdivision 1, is amended to read:

31.22 Subdivision 1. **Location and design of highways.** The commissioner may make or
31.23 cause to be made such studies and investigations as the commissioner deems necessary for
31.24 the purpose of determining the most advantageous location and design of trunk highways
31.25 from the standpoint of both present and future traffic needs, and in making such
31.26 determinations the commissioner may take into consideration the probable future
31.27 development of both urban and rural areas and the effect of such development on future
31.28 traffic needs as indicated by such studies and investigations and the location and design
31.29 with respect to ~~recreational vehicle lane~~ bikeway establishment.

32.1 Sec. 23. Minnesota Statutes 2016, section 161.321, subdivision 6, is amended to read:

32.2 Subd. 6. **Rules; eligibility.** ~~(a)~~ The rules adopted by the commissioner of administration
32.3 to define small businesses and to set time and other eligibility requirements for participation
32.4 in programs under sections 16C.16 to 16C.19 apply to this section. The commissioner may
32.5 promulgate other rules necessary to carry out this section.

32.6 ~~(b) In addition to other eligibility requirements, a small targeted group business or~~
32.7 ~~veteran-owned small business is eligible for the bid preferences under this section only for~~
32.8 ~~eight years following the latest of:~~

32.9 ~~(1) May 1, 2012;~~

32.10 ~~(2) for a targeted group business, the date of initial certification by the commissioner of~~
32.11 ~~administration, as provided under section 16C.19;~~

32.12 ~~(3) for a veteran-owned small business, the date of initial certification by the United~~
32.13 ~~States Department of Veterans Affairs, as provided under section 16C.19, paragraph (d);~~

32.14 ~~or~~

32.15 ~~(4) for a veteran-owned small business, the release or discharge of any one of the owners~~
32.16 ~~from military active service, as defined in section 190.05, subdivision 5, lasting for a period~~
32.17 ~~of 179 days or longer.~~

32.18 Sec. 24. Minnesota Statutes 2016, section 161.44, subdivision 5, is amended to read:

32.19 Subd. 5. **Conveyance to highest bidder in certain cases.** If the larger tract has been
32.20 platted into lots or divided into smaller tracts and the commissioner elects to proceed under
32.21 this subdivision, ~~or if~~ the lands constituted an entire tract and the person from whom the
32.22 lands were acquired and the person's spouse are deceased, or ~~if~~ the offers ~~as provided for~~
32.23 received are not accepted and the amount of money not tendered within the time prescribed,
32.24 the lands may be sold and conveyed to the owner of the land abutting upon the lands in the
32.25 same manner and under the same terms provided under subdivision 2, or the commissioner
32.26 may sell the lands to the highest responsible bidder upon three weeks' published notice of
32.27 such sale in a newspaper or other periodical of general circulation in the general area where
32.28 the lands are located. All bids may be rejected and new bids received upon like advertisement.

32.29 Sec. 25. Minnesota Statutes 2016, section 161.44, subdivision 6a, is amended to read:

32.30 Subd. 6a. **Services of licensed real estate broker.** If the lands ~~remain unsold after being~~
32.31 ~~offered for sale to the highest bidder~~ are withdrawn from sale under subdivision 6b, the
32.32 commissioner may retain the services of a licensed real estate broker to find a buyer. The

33.1 sale price may be negotiated by the broker, but must not be less than 90 percent of the
33.2 appraised market value as determined by the commissioner. The broker's fee must be
33.3 established by prior agreement between the commissioner and the broker, and must not
33.4 exceed ten percent of the sale price for sales of \$10,000 or more. The broker's fee must be
33.5 paid to the broker from the proceeds of the sale.

33.6 Sec. 26. Minnesota Statutes 2016, section 161.44, is amended by adding a subdivision to
33.7 read:

33.8 Subd. 6b. **Unsold lands.** If lands remain unsold after being offered for sale to the highest
33.9 bidder, the commissioner may offer the remaining lands to any person who agrees to pay
33.10 the minimum bid established for the public sale. The sale must continue until all eligible
33.11 lands have been sold or the commissioner withdraws the remaining lands from sale. The
33.12 lands to be sold must be listed on the department's Unsold Property Inventory list.

33.13 Sec. 27. Minnesota Statutes 2016, section 169.14, is amended by adding a subdivision to
33.14 read:

33.15 Subd. 5h. **St. Louis County Road 128.** Notwithstanding any provision to the contrary
33.16 in this section, the speed limit on St. Louis County Road 128 in Eagles Nest Township
33.17 between Trunk Highway 169 and County Road 989 is 40 miles per hour. Notwithstanding
33.18 section 10.49, the segment of County Road 128 described in this subdivision shall be known
33.19 as the "Senator Scott Newman Scenic Byway." The commissioner must erect appropriate
33.20 signs displaying the 40 miles per hour speed limit and the designated name.

33.21 **EFFECTIVE DATE.** This section is effective the day following final enactment and
33.22 the speed limit shall be effective when the required signs are erected.

33.23 Sec. 28. Minnesota Statutes 2016, section 169.80, subdivision 1, is amended to read:

33.24 Subdivision 1. **Limitations; misdemeanor.** (a) It is a misdemeanor for a person to drive
33.25 or move, or for the owner to cause or knowingly permit to be driven or moved, on a highway
33.26 a vehicle or vehicles of a size or weight exceeding the limitations stated in sections 169.80
33.27 to 169.88, or otherwise in violation of sections 169.80 to 169.88, other than section 169.81,
33.28 subdivision 5a, and the maximum size and weight of vehicles as prescribed in sections
33.29 169.80 to 169.88 shall be lawful throughout this state, and local authorities shall have no
33.30 power or authority to alter these limitations except as express authority may be granted in
33.31 sections 169.80 to 169.88.

34.1 (b) When all the axles of a vehicle or combination of vehicles are weighed separately
34.2 the sum of the weights of the axles so weighed shall be evidence of the total gross weight
34.3 of the vehicle or combination of vehicles so weighed.

34.4 (c) When each of the axles of any group that contains two or more consecutive axles of
34.5 a vehicle or combination of vehicles have been weighed separately the sum of the weights
34.6 of the axles so weighed shall be evidence of the total gross weight on the group of axles so
34.7 weighed.

34.8 (d) When, in any group of three or more consecutive axles of a vehicle or combination
34.9 of vehicles any axles have been weighed separately and two or more axles consecutive to
34.10 each other in the group have been weighed together, the sum of the weights of the axles
34.11 weighed separately and the axles weighed together shall be evidence of the total gross weight
34.12 of the group of axles so weighed.

34.13 (e) The provisions of sections 169.80 to 169.88 governing size, weight, and load shall
34.14 do not apply to a fire apparatus, or to a vehicle operated under the terms of a special permit
34.15 issued as provided by law.

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

34.17 Sec. 29. Minnesota Statutes 2016, section 169.829, is amended by adding a subdivision
34.18 to read:

34.19 **Subd. 4. Certain emergency vehicles.** The provisions of sections 169.80 to 169.88
34.20 governing size, weight, and load do not apply to a fire apparatus, a police special response
34.21 vehicle, or a licensed land emergency ambulance service vehicle.

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

34.23 Sec. 30. Minnesota Statutes 2016, section 169.865, subdivision 3, is amended to read:

34.24 **Subd. 3. Requirements; restrictions.** (a) A vehicle or combination of vehicles operating
34.25 under this section:

34.26 (1) is subject to axle weight limitations under section 169.824, subdivision 1;

34.27 (2) is subject to seasonal load restrictions under section 169.87;

34.28 (3) is subject to bridge load limits posted under section 169.84;

34.29 (4) may only be operated on paved streets and highways other than interstate highways;

35.1 (5) may not be operated with loads that exceed the manufacturer's gross vehicle weight
35.2 rating as affixed to the vehicle, or other certification of gross vehicle weight rating complying
35.3 with Code of Federal Regulations, title 49, sections 567.4 to 567.7;

35.4 (6) must be issued a permit from each road authority having jurisdiction over a road on
35.5 which the vehicle is operated, if required;

35.6 (7) must comply with the requirements of section 169.851, subdivision 4; and

35.7 (8) must have brakes on all wheels.

35.8 (b) The percentage allowances for exceeding gross weights if transporting unfinished
35.9 forest products under section 168.013, subdivision 3, paragraph (b), or for the first haul of
35.10 unprocessed or raw farm products or unfinished forest products under section 168.013,
35.11 subdivision 3, paragraph (d), clause (3), do not apply to a vehicle or combination of vehicles
35.12 operated under this section.

35.13 (c) Notwithstanding paragraph (a), clause (4), a vehicle or combination of vehicles
35.14 hauling fluid milk under a permit issued by the commissioner of transportation may also
35.15 operate on interstate highways as provided under United States Code, title 23, section 127.

35.16 Sec. 31. Minnesota Statutes 2016, section 171.12, subdivision 6, is amended to read:

35.17 Subd. 6. **Certain convictions not recorded.** (a) Except as provided in paragraph ~~(e)~~
35.18 (d), the department ~~shall~~ must not keep on the record of a driver any conviction for a violation
35.19 of a speed limit of 55 miles per hour unless the violation consisted of a speed greater than
35.20 ten miles per hour in excess of the speed limit.

35.21 (b) Except as provided in paragraph ~~(e)~~ (d), the department shall not keep on the record
35.22 of a driver any conviction for a violation of a speed limit of 60 miles per hour unless the
35.23 violation consisted of a speed greater than:

35.24 (1) ten miles per hour in excess of the speed limit, for any violation occurring on or after
35.25 August 1, 2012, and before August 1, 2014; or

35.26 (2) five miles per hour in excess of the speed limit, for any violation occurring on or
35.27 after August 1, 2014.

35.28 (c) Except as provided in paragraph (d), the department shall not keep on the record of
35.29 a driver any conviction for a violation of a speed limit of 45 miles per hour on marked
35.30 Interstate Highway 35E in the city of St. Paul, from its intersection with West Seventh Street
35.31 to its intersection with marked Interstate Highway 94, unless the violation consisted of a
35.32 speed greater than ten miles per hour in excess of the speed limit.

36.1 (d) This subdivision does not apply to (1) a violation that occurs in a commercial motor
36.2 vehicle, or (2) a violation committed by a holder of a class A, B, or C commercial driver's
36.3 license or commercial driver learner's permit, without regard to whether the violation was
36.4 committed in a commercial motor vehicle or another vehicle.

36.5 Sec. 32. Minnesota Statutes 2016, section 174.03, subdivision 1a, is amended to read:

36.6 Subd. 1a. **Revision of statewide multimodal transportation plan.** (a) The commissioner
36.7 ~~shall~~ must revise the statewide multimodal transportation plan by January 15, ~~2013~~ 2022,
36.8 and by January 15 of every ~~four~~ five years thereafter. Before final adoption of a revised
36.9 plan, the commissioner ~~shall~~ must hold a hearing to receive public comment on the
36.10 preliminary draft of the revised plan.

36.11 (b) Each revised statewide multimodal transportation plan must:

- 36.12 (1) incorporate the goals of the state transportation system in section 174.01;
- 36.13 (2) establish objectives, policies, and strategies for achieving those goals; and
- 36.14 (3) identify performance targets for measuring progress and achievement of transportation
36.15 system goals, objectives, or policies.

36.16 Sec. 33. Minnesota Statutes 2016, section 174.03, subdivision 1c, is amended to read:

36.17 Subd. 1c. **Statewide highway 20-year capital investment plan.** ~~By January 15, 2013,~~
36.18 ~~and in conjunction with~~ Within one year of each future revision of the statewide multimodal
36.19 transportation plan under subdivision 1a, the commissioner ~~shall~~ must prepare a 20-year
36.20 statewide highway capital investment plan that:

36.21 (1) incorporates performance measures and targets for assessing progress and achievement
36.22 of the state's transportation goals, objectives, and policies identified in this chapter for the
36.23 state trunk highway system, and those goals, objectives, and policies established in the
36.24 statewide multimodal transportation plan. Performance targets must be based on objectively
36.25 verifiable measures, and address, at a minimum, preservation and maintenance of the
36.26 structural condition of state highway bridges and pavements, safety, and mobility;

36.27 (2) summarizes trends and impacts for each performance target over the past five years;

36.28 (3) summarizes the amount and analyzes the impact of the department's capital
36.29 investments and priorities over the past five years on each performance target, including a
36.30 comparison of prior plan projected costs with actual costs;

37.1 (4) identifies the investments required to meet the established performance targets over
37.2 the next 20-year period;

37.3 (5) projects available state and federal funding over the 20-year period, including any
37.4 unique, competitive, time-limited, or focused funding opportunities;

37.5 (6) identifies strategies to ensure the most efficient use of existing transportation
37.6 infrastructure, and to maximize the performance benefits of projected available funding;

37.7 (7) establishes investment priorities for projected funding, including a schedule of major
37.8 projects or improvement programs for the 20-year period together with projected costs and
37.9 impact on performance targets; and

37.10 (8) identifies those performance targets identified under clause (1) not expected to meet
37.11 the target outcome over the 20-year period together with alternative strategies that could
37.12 be implemented to meet the targets.

37.13 **Sec. 34. [174.38] ACTIVE TRANSPORTATION PROGRAM.**

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

37.16 (b) "Bond-eligible cost" means:

37.17 (1) expenditures under this section for acquisition of land or permanent easements,
37.18 predesign, design, preliminary and final engineering, environmental analysis, construction,
37.19 and reconstruction of publicly owned infrastructure for nonmotorized transportation in
37.20 Minnesota with a useful life of at least ten years;

37.21 (2) preparation of land for which a nonmotorized transportation route is established,
37.22 including demolition of structures and remediation of any hazardous conditions on the land;
37.23 and

37.24 (3) the unpaid principal on debt issued by a political subdivision for a nonmotorized
37.25 transportation project.

37.26 (c) "Commissioner" means the commissioner of transportation.

37.27 **Subd. 2. Program established.** The commissioner must establish a program to support
37.28 bicycling, pedestrian activities, and other forms of nonmotorized transportation.

37.29 **Subd. 3. Active transportation accounts.** (a) An active transportation account is
37.30 established in the bond proceeds fund. The account consists of state bond proceeds
37.31 appropriated to the commissioner. Money in the account must be expended only on

38.1 bond-eligible costs of a project receiving financial assistance under this section. All uses
38.2 of funds from the account must be for publicly owned property.

38.3 (b) An active transportation account is established in the special revenue fund. The
38.4 account consists of funds provided by law and any other money donated, allotted, transferred,
38.5 or otherwise provided to the account. Money in the account must be expended only on a
38.6 project that receives financial assistance under this section.

38.7 (c) In each federal fiscal year, the commissioner must transfer \$16,000,000 of the National
38.8 Highway Performance Program funds to the active transportation account.

38.9 Subd. 4. **Program administration.** (a) The commissioner must establish program
38.10 requirements, including:

38.11 (1) assistance eligibility, subject to the requirements under paragraph (b);

38.12 (2) a solicitation and application process that minimizes the burden on applicants; and

38.13 (3) procedures to award and pay financial assistance.

38.14 (b) Eligible recipients of financial assistance under this section are:

38.15 (1) a political subdivision; and

38.16 (2) a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code, as
38.17 amended.

38.18 (c) The commissioner must make reasonable efforts to publicize each application
38.19 solicitation among all eligible recipients. The commissioner must assist applicants to create
38.20 and submit applications, with an emphasis on providing assistance in communities that are
38.21 historically and currently underrepresented in local or regional planning, including
38.22 communities of color, low-income households, people with disabilities, and people with
38.23 limited English proficiency.

38.24 (d) The commissioner may provide grants or other financial assistance for a project.

38.25 (e) The commissioner is prohibited from expending more than one percent of available
38.26 funds in a fiscal year under this section on program administration.

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

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

39.3 Subd. 6. Use of funds. (a) For a project funded by state bond proceeds under this section,
39.4 financial assistance is limited to bond-eligible costs.

39.5 (b) Subject to paragraph (a), the commissioner must determine permissible uses of
39.6 financial assistance under this section, which must include:

39.7 (1) construction and maintenance of bicycle, trail, and pedestrian infrastructure, including
39.8 but not limited to safe routes to school infrastructure and bicycle facilities and centers; and

39.9 (2) noninfrastructure programming, including activities as specified in section 174.40,
39.10 subdivision 7a, paragraph (b).

39.11 Subd. 7. Project evaluation and selection. (a) The commissioner must establish a
39.12 project evaluation and selection process that is competitive, criteria-based, and objective.

39.13 (b) The process must include criteria and prioritization of projects based on:

39.14 (1) the project's inclusion in a municipal or regional nonmotorized transportation system
39.15 plan;

39.16 (2) the project's location in a jurisdiction with a complete streets policy, as provided
39.17 under section 174.75, either in effect or under development with estimated enactment within
39.18 six months of the grant award date;

39.19 (3) the extent to which the project supports development of continuous and convenient
39.20 safe routes to school;

39.21 (4) the extent to which the project supports development of routes to and connections
39.22 with educational facilities, centers of employment, governmental services, health care
39.23 facilities, food sources, transit facilities, and other community destinations;

39.24 (5) the project's general benefits to public health and safety;

39.25 (6) geographic equity in project benefits, with an emphasis on communities that are
39.26 historically and currently underrepresented in local or regional planning, including
39.27 communities of color, low-income households, people with disabilities, and people with
39.28 limited English proficiency; and

39.29 (7) benefits in areas or locations experiencing high rates of pedestrian or bicycle
39.30 collisions.

40.1 Subd. 8. Grant cancellation. If, five years after execution of a grant agreement, the
40.2 commissioner determines that the grantee has not proceeded in a timely manner with
40.3 implementation of the funded project, the commissioner must cancel the grant. The grantee
40.4 must repay to the commissioner all grant money received under the program. Section
40.5 16A.642 applies to any appropriation made from the bond proceeds fund to the commissioner
40.6 under this section that has not been awarded as financial assistance.

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

40.8 Sec. 35. [174.95] PROJECT SELECTION REQUIREMENTS.

40.9 (a) The commissioner, after consultation with the Federal Highway Administration,
40.10 metropolitan planning organizations, regional development commissions, area transportation
40.11 partnerships, local governments, the Metropolitan Council, and transportation stakeholders,
40.12 must develop, adopt, and implement a project evaluation and selection policy to apply to
40.13 the standard project selection process. The commissioner may update the policy only after
40.14 consultation with the Federal Highway Administration, metropolitan planning organizations,
40.15 regional development commissions, area transportation partnerships, local governments,
40.16 the Metropolitan Council, and transportation stakeholders. The commissioner must publicize
40.17 the policy and updates on the department's Web site and through other effective means
40.18 selected by the commissioner.

40.19 (b) The policy adopted under this section must include:

40.20 (1) a ranking system that assigns scores to each project, the criteria that will be considered,
40.21 and the weight of each criterion; the ranking system may consider project readiness as a
40.22 criterion for evaluation, but project readiness must not be a major factor in determining the
40.23 final score;

40.24 (2) a process to inform the stakeholders and the general public of the score for each
40.25 project considered, which projects were selected, and which projects were not selected; and

40.26 (3) a process that requires the involvement of area transportation partnerships and other
40.27 local authorities in the process of ranking and scoring projects.

40.28 (c) The projects in the state transportation improvement program must include the score
40.29 assigned to the project under this section. The projects must be prioritized based on the
40.30 score assigned and executed in that priority order.

40.31 (d) The policy required by this section must be adopted by October 1, 2018, and must
40.32 be applied to project evaluation and selection that occurs on or after that date. The assigned

41.1 scores must first appear in the first state transportation improvement program update that
41.2 is completed on or after October 1, 2018.

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

41.4 Sec. 36. Minnesota Statutes 2016, section 221.031, is amended by adding a subdivision
41.5 to read:

41.6 Subd. 2e. Exemptions for pipeline welding trucks. A pipeline welding truck, as defined
41.7 in Code of Federal Regulations, title 49, section 390.38, paragraph (b), including an individual
41.8 operating a pipeline welding truck and the employer of the individual, is exempt from any
41.9 requirement relating to:

41.10 (1) registration as a motor carrier, including the requirement to obtain and display a
41.11 United States Department of Transportation number under subdivision 6 and section 168.185;

41.12 (2) driver qualifications under section 221.0314, subdivision 2;

41.13 (3) driving of commercial motor vehicles under section 221.0314, subdivision 6;

41.14 (4) parts, accessories, and inspection, repair, and maintenance of commercial motor
41.15 vehicles under section 221.0314, subdivisions 7 and 10; and

41.16 (5) hours of service of drivers, including maximum driving and on-duty time under
41.17 section 221.0314, subdivision 9.

41.18 Sec. 37. **ACTIVE TRANSPORTATION PROGRAM RECOMMENDATIONS.**

41.19 (a) By October 1, 2017, the Advisory Committee on Nonmotorized Transportation under
41.20 Minnesota Statutes, section 174.37, must develop and submit recommendations to the
41.21 commissioner of transportation regarding the project evaluation and selection processes
41.22 under Minnesota Statutes, section 174.38, subdivision 7.

41.23 (b) The advisory committee is encouraged to consult with representatives from the
41.24 Bicycle Alliance of Minnesota; Minnesota Chamber of Commerce; Metropolitan Council
41.25 Transportation Accessibility Advisory Committee; Minnesota Department of Transportation
41.26 district area transportation partnerships; organizations representing elderly populations;
41.27 public health organizations with experience in active transportation; the Minnesota State
41.28 Council on Disability and other Minnesota state councils and commissions, including the
41.29 Council on Asian-Pacific Minnesotans, the Minnesota Council on Latino Affairs, the Council
41.30 for Minnesotans of African Heritage, the Minnesota Indian Affairs Council, the Office on

42.1 the Economic Status of Women, and the Cultural and Ethnic Communities Leadership
42.2 Council; and other stakeholders with expertise in equitable active transportation.

42.3 (c) In its next annual report under Minnesota Statutes, section 174.37, subdivision 4, the
42.4 advisory committee must include a summary of the recommendations under this section
42.5 and submit a copy of the report to the chairs and ranking minority members of the legislative
42.6 committees with jurisdiction over transportation policy and finance. The report is subject
42.7 to Minnesota Statutes, section 3.195.

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

42.9 Sec. 38. **CONVEYANCE FOR HISTORICAL PURPOSES; MCKINSTRY SURPLUS**
42.10 **LANDS.**

42.11 (a) Notwithstanding any other law to the contrary, the commissioner may convey as
42.12 provided in Minnesota Statutes, section 161.44, land described in paragraph (b), including
42.13 any improvements on the lands, owned in fee by the state for trunk highway purposes, but
42.14 no longer needed, to the Minnesota Historical Society for historical purposes. The conveyance
42.15 must be without financial consideration. The lands conveyed must become a part of the
42.16 state's historic sites program under Minnesota Statutes, chapter 138.

42.17 (b) The lands that may be conveyed are specifically related to the properties of the
42.18 McKinstry Mounds and portions of the McKinstry Village site owned by the Department
42.19 of Transportation, located along Trunk Highway 11 in Koochiching County.

42.20 Sec. 39. **HIGHWAY CONSTRUCTION COSTS STUDY.**

42.21 Subdivision 1. **Construction costs study; report.** (a) The commissioner of transportation
42.22 must enter into an agreement to conduct a study with an organization or entity having
42.23 relevant expertise.

42.24 (b) At a minimum, the study must include:

42.25 (1) an overview of highway construction cost issues;

42.26 (2) comparison of costs in Minnesota relative to other states and regions;

42.27 (3) identification of factors specific to Minnesota, if any, that contribute to cost
42.28 differences;

42.29 (4) evaluation of the methodology used for highway construction cost calculation and
42.30 indexing in Minnesota, including review of associated best practices; and

43.1 (5) specific recommendations for road authorities and legislative changes to reduce
43.2 highway construction costs.

43.3 (c) By February 15, 2018, the commissioner must submit a report on the study to the
43.4 chairs and ranking minority members of the senate and house of representatives committees
43.5 with jurisdiction over transportation policy and finance.

43.6 Subd. 2. **Project cost comparison report.** By February 15, 2018, the commissioner of
43.7 transportation must report to the chairs and ranking minority members of the senate and
43.8 house of representatives committees and divisions with jurisdiction over transportation
43.9 policy and finance comparing the estimated cost of projects and the actual cost of projects.
43.10 The report must include all projects completed in whole or in part by MnDOT from July 1,
43.11 2007, to July 1, 2017. For each project, the report must list the estimated cost of the project
43.12 prior to starting the project and the total actual cost for the project after completion. For
43.13 each project, if the actual cost was less than the estimated cost, the report must explain how
43.14 the excess funds were expended.

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

43.16 Sec. 40. **INTERSTATE 94/494/694 INTERCHANGE SAFETY IMPROVEMENT**
43.17 **AND CONGESTION RELIEF STUDY.**

43.18 The commissioner of transportation must conduct a safety improvement and congestion
43.19 relief study for the interchange of signed Interstate Highways 94, 494, and 694 in the cities
43.20 of Oakdale and Woodbury. At a minimum, the study must (1) provide specific
43.21 recommendations to improve the safety of the interchange and reduce congestion at the
43.22 interchange and on associated arterial roads, and (2) include cost estimates for each
43.23 recommended improvement. The commissioner must report the findings and
43.24 recommendations of the study to the chairs and ranking minority members of the senate
43.25 and house of representatives committees having jurisdiction over transportation policy and
43.26 finance within 180 days after the effective date of this section.

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

43.28 Sec. 41. **LEGISLATIVE ROUTE NO. 123 REMOVED.**

43.29 (a) Minnesota Statutes, section 161.115, subdivision 54, is repealed effective the day
43.30 after the commissioner of transportation receives a copy of the agreement between the
43.31 commissioner and the governing body of Le Sueur County to transfer jurisdiction of

44.1 Legislative Route No. 123 and after the commissioner notifies the revisor of statutes under
44.2 paragraph (b).

44.3 (b) The revisor of statutes must delete the route identified in paragraph (a) from Minnesota
44.4 Statutes when the commissioner of transportation sends notice to the revisor electronically
44.5 or in writing that the conditions required to transfer the route have been satisfied.

44.6 Sec. 42. **LEGISLATIVE ROUTE NO. 225 REMOVED.**

44.7 (a) Minnesota Statutes, section 161.115, subdivision 156, is repealed effective the day
44.8 after the commissioner of transportation receives a copy of the agreement between the
44.9 commissioner and the governing body of Becker County to transfer jurisdiction of Legislative
44.10 Route No. 225 and after the commissioner notifies the revisor of statutes under paragraph
44.11 (b).

44.12 (b) The revisor of statutes must delete the route identified in paragraph (a) from Minnesota
44.13 Statutes when the commissioner of transportation sends notice to the revisor electronically
44.14 or in writing that the conditions required to transfer the route have been satisfied.

44.15 Sec. 43. **MARKED TRUNK HIGHWAY 316 SPEED LIMIT IN HASTINGS;**
44.16 **MORATORIUM AND REPORT.**

44.17 Subdivision 1. **Moratorium.** The commissioner of transportation is prohibited from
44.18 adjusting or requiring adjustment to the speed on marked Trunk Highway 316, known as
44.19 Red Wing Boulevard, from the intersection with marked U.S. Highway 61 to Tuttle Drive,
44.20 in the city of Hastings. The prohibition in this subdivision does not apply to (1) a local road
44.21 authority that is authorized to adjust a speed limit without a traffic and engineering study
44.22 as provided in Minnesota Statutes, section 169.14; or (2) establishment of a work zone speed
44.23 limit under Minnesota Statutes, section 169.14, subdivision 5d.

44.24 Subd. 2. **Legislative report.** (a) By March 1, 2018, the commissioner of transportation
44.25 must submit a report on speed limits in the segment of marked Trunk Highway 316 specified
44.26 in subdivision 1, to the chairs and ranking minority members of the legislative committees
44.27 with jurisdiction over transportation policy and finance. As part of developing the report,
44.28 the commissioner must hold at least two hearings at a location within the city of Hastings
44.29 regarding proposed speed limit adjustments. This report shall be made within existing funds.

44.30 (b) At a minimum, the report must provide details on the decision making process for
44.31 proposed speed limit adjustments, summarize and respond to comments from the hearings

45.1 required under paragraph (a), and include copies of recent traffic and engineering studies
45.2 on adjusting speed limits in Hastings.

45.3 **EFFECTIVE DATE.** This section is effective retroactively from January 1, 2017.

45.4 Sec. 44. **REPORT TO LEGISLATURE ON PROJECT SELECTION POLICY.**

45.5 By February 15, 2018, the commissioner of transportation must report to the chairs and
45.6 ranking minority members of the senate and house of representatives committees having
45.7 jurisdiction over transportation policy and finance concerning the policy adopted pursuant
45.8 to Minnesota Statutes, section 174.95, and how the policy is anticipated to improve the
45.9 consistency, objectivity, and transparency of the selection process. The report must include
45.10 information on input from members of the public and the organizations identified in
45.11 Minnesota Statutes, section 174.95, paragraph (a). The report must also include proposed
45.12 legislation to codify the ranking system established in the policy.

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

45.14 Sec. 45. **REPORT BY COMMISSIONER OF TRANSPORTATION ON MNPASS**
45.15 **LANES.**

45.16 On or before January 2, 2018, the commissioner of transportation must report to the
45.17 chairs and ranking minority members of the senate and house of representatives committees
45.18 and divisions with jurisdiction over transportation policy and finance concerning MnPASS
45.19 lanes to reduce congestion and raise revenue. The report must be prepared with existing
45.20 appropriations. At a minimum, the report must:

45.21 (1) for each lane, state the capital costs, maintenance and repair costs, and operation
45.22 costs;

45.23 (2) for each lane, indicate the current condition and the projected life expectancy;

45.24 (3) for each lane, list and explain the cost recovery ratio;

45.25 (4) list the amounts of the deposit of revenues made each year since pursuant to Minnesota
45.26 Statutes, section 160.93, subdivisions 2 and 2a, including a breakdown of deposits for each
45.27 lane for each year the lane has been in existence;

45.28 (5) list the cost to participate in the MnPASS program, broken down by each year a lane
45.29 has been in existence;

45.30 (6) for each lane, list the total number of users, including a breakdown of the total number
45.31 of each type of user; and

46.1 (7) provide an explanation of how MnPASS lane regulations are enforced.

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

46.3 Sec. 46. **REPORT BY COMMISSIONER OF TRANSPORTATION ON TOLLING.**

46.4 On or before January 2, 2018, the commissioner of transportation must report to the
46.5 chairs and ranking minority members of the senate and house of representatives committees
46.6 and divisions with jurisdiction over transportation policy and finance concerning expanding
46.7 the use of tolling in Minnesota in order to reduce congestion and raise revenue. The report
46.8 must be prepared with existing appropriations. At a minimum, the report must:

46.9 (1) summarize current state and federal laws that affect the use of tolling in this state;

46.10 (2) identify any federal pilot projects for which this state is eligible to participate;

46.11 (3) discuss the feasibility and cost of expanding use of tolling, the possibility of private
46.12 investment in toll roads, and projected costs and cost recovery in establishing, operating,
46.13 and maintaining toll roads;

46.14 (4) review tolling models and technology options;

46.15 (5) summarize the experience of other states that have widely implemented tolling;

46.16 (6) identify and evaluate the feasibility of toll implementation for specific corridors;

46.17 (7) project the likely range of revenues that could be generated by wider implementation
46.18 of tolling and identify the percentage of revenues that are projected to be paid by nonresidents
46.19 of the state;

46.20 (8) discuss options for use of tolling revenue and measures to ensure compliance with
46.21 laws governing operation of toll roads and use of revenues;

46.22 (9) recommend and discuss possible ways to reduce cost to Minnesotans, such as tax
46.23 deductions or credits, or types of discounts; and

46.24 (10) provide recommendations for needed statutory or rule changes that would facilitate
46.25 wider implementation of tolling and achieve maximum revenues for the state and equity
46.26 for its residents.

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

47.1 Sec. 47. **REPORT BY COMMISSIONER OF TRANSPORTATION ON**
47.2 **TURNBACKS.**

47.3 (a) By February 15, 2018, the commissioner of transportation must report to the chairs
47.4 and ranking minority members of the senate and house of representatives committees having
47.5 jurisdiction over transportation policy and finance concerning turnbacks. At a minimum,
47.6 the report must include:

47.7 (1) a current list of proposed turnback projects, including a description of each segment
47.8 of highway that is to be turned back; a description of the restoration work to be completed;
47.9 estimated cost of restoration work; to which entity the highway will be turned back; and
47.10 the total estimated cost related to all aspects of the turnback;

47.11 (2) the amount that the commissioner of transportation anticipates will be needed for
47.12 turnbacks during the next two fiscal years and a list of the turnbacks that will be accomplished
47.13 with the anticipated funds;

47.14 (3) a description of the turnback process, including an explanation of how turnback
47.15 projects are selected; and

47.16 (4) for each of the past five years:

47.17 (i) the amount of money that accrued to the county turnback account and to the municipal
47.18 turnback account;

47.19 (ii) a description of each segment of highway that was restored and turned back, including
47.20 what restoration work was completed; total cost of restoration work; to which entity the
47.21 highway was turned back; and the total cost related to all aspects of the turnback; and

47.22 (iii) the amount of surplus funds, if any, that were transferred to the county state-aid
47.23 highway fund or to the municipal state-aid street fund pursuant to Minnesota Statutes, section
47.24 161.084.

47.25 (b) By February 15, 2019, and each year thereafter, the commissioner of transportation
47.26 must report to the chairs and ranking minority members of the senate and house of
47.27 representatives committees having jurisdiction over transportation policy and finance
47.28 concerning turnbacks. At a minimum, the report must include:

47.29 (1) a current list of proposed turnback projects, including a description of each segment
47.30 of highway that is to be turned back; a description of the restoration work to be completed;
47.31 estimated cost of restoration work; to which entity the highway will be turned back; and
47.32 the total estimated cost related to all aspects of the turnback;

48.1 (2) the amount that the commissioner of transportation anticipates will be needed for
48.2 turnbacks during the next two fiscal years and a list of the turnbacks that will be accomplished
48.3 with the anticipated funds; and

48.4 (3) for the past calendar year, a description of each segment of highway that was restored
48.5 and turned back, including what restoration work was completed; total cost of restoration
48.6 work; to which entity the highway was turned back; and the total cost related to all aspects
48.7 of the turnback.

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

48.9 Sec. 48. **SAFETY IMPROVEMENT PROJECT AT THE INTERSECTION OF**
48.10 **HIGHWAY 55 AND WILKIN COUNTY ROAD 19.**

48.11 (a) By September 1, 2017, the commissioner of transportation must report to the chairs
48.12 and ranking minority members of the senate and house of representatives committees and
48.13 divisions with jurisdiction over transportation policy and finance concerning the issue of
48.14 trucks stopping on Wilkin County Road 19 between Highway 55 and the railroad tracks
48.15 north of Highway 55. The commissioner must identify project options that would allow
48.16 trucks to safely stop at this intersection, including an option to add a turn lane on County
48.17 Road 19. For each identified project, the commissioner must include an estimated cost and
48.18 the estimated time to complete the project. In preparing the report, the commissioner must
48.19 consult with the Minn-Dak Farmers Cooperative, the city of Nashua, the town of Champion,
48.20 and Wilkin County.

48.21 (b) Within 14 days after submitting the report required in paragraph (a), the commissioner
48.22 must convene a working group consisting of the commissioner and one representative from
48.23 each of the following: Minn-Dak Farmers Cooperative, Nashua city council, Champion
48.24 town board, and Wilkin County board. The working group must consider the options
48.25 identified in the report submitted pursuant to paragraph (a). If the working group reaches
48.26 consensus on a proposed option, MnDOT must pursue that option.

48.27 (c) If the working group does not reach a consensus by January 1, 2018, the commissioner
48.28 must (1) design and construct a turn lane on the north side of the intersection of Wilkin
48.29 County Road 19 with Highway 55, or (2) install a four-way traffic light at the intersection.
48.30 The project must be designed so that a school bus or semitrailer is able to stop at the
48.31 intersection without extending into cross-traffic or over the railroad tracks.

49.1 (d) The commissioner must begin planning and construction of a project required in this
49.2 section during the 2018 construction season. A project required under this section must be
49.3 completed with the existing funds allocated for the district.

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

49.5 Sec. 49. **REPEALER.**

49.6 (a) Minnesota Statutes 2016, sections 160.262, subdivision 2; 160.265; 160.266,
49.7 subdivisions 1 and 2; and 161.115, subdivision 32, are repealed.

49.8 (b) Minnesota Rules, parts 8810.6000; 8810.6100; 8810.6300; 8810.6400; 8810.6500;
49.9 8810.6600; 8810.6700; 8810.6800; 8810.6900; 8810.7000; 8810.9910; 8810.9911;
49.10 8810.9912; and 8810.9913, are repealed.

49.11 **ARTICLE 5**

49.12 **TRANSIT**

49.13 Section 1. Minnesota Statutes 2016, section 117.189, is amended to read:

49.14 **117.189 PUBLIC SERVICE CORPORATION EXCEPTIONS.**

49.15 (a) Sections 117.031; 117.036; 117.055, subdivision 2, paragraph (b); 117.186; 117.187;
49.16 117.188; and 117.52, subdivisions 1a and 4, do not apply to the use of eminent domain
49.17 authority by public service corporations for any purpose other than construction or expansion
49.18 of:

49.19 (1) a high-voltage transmission line of 100 kilovolts or more, or ancillary substations;

49.20 ~~or~~

49.21 (2) a natural gas, petroleum, or petroleum products pipeline, or ancillary compressor
49.22 stations or pumping stations; or

49.23 (3) a light rail transit or bus rapid transit line.

49.24 (b) For purposes of an award of appraisal fees under section 117.085, the fees awarded
49.25 may not exceed \$1,500 for all types of property except for a public service corporation's
49.26 use of eminent domain for a high-voltage transmission line, where the award may not exceed
49.27 \$3,000.

49.28 (c) For purposes of this section, "pipeline" does not include a natural gas distribution
49.29 line transporting gas to an end user.

49.30 **EFFECTIVE DATE.** This section is effective retroactively from January 1, 2017.

50.1 Sec. 2. Minnesota Statutes 2016, section 473.388, subdivision 2, is amended to read:

50.2 Subd. 2. **Replacement service; eligibility.** (a) The council may provide assistance under
50.3 the program to a statutory or home rule charter city or town or combination thereof, that:

50.4 ~~(a)~~ (1) is located in the metropolitan transit taxing district;

50.5 ~~(b)~~ (2) is not served by the council bus service or is served only with council bus routes
50.6 which begin or end within the applying city or town or combination thereof; and

50.7 ~~(c)~~ (3) has fewer than four scheduled runs of council bus service during off-peak hours
50.8 as defined by the Metropolitan Council.

50.9 (b) Eligible cities or towns or combinations thereof may apply on behalf of a transit
50.10 operator with whom they propose to contract for service.

50.11 (c) The council may not provide assistance under this section to a statutory or home rule
50.12 charter city or town unless:

50.13 (1) the city or town;

50.14 (i) was receiving assistance under Minnesota Statutes 1982, section 174.265, by July 1,
50.15 1984;

50.16 (ii) had submitted an application for assistance under that section by July 1, 1984; or

50.17 (iii) had submitted a letter of intent to apply for assistance under that section by July 1,
50.18 1984, and submits an application for assistance under this section by July 1, 1988. A statutory
50.19 or home rule charter city or town has an additional 12-month extension if it notified the
50.20 former regional transit board before July 1, 1988, that the city or town is in the process of
50.21 completing a transportation evaluation study that includes an assessment of the local transit
50.22 needs of the city or town; or

50.23 (2) the city or town submits an application for assistance under this section between July
50.24 1, 2017, and December 31, 2017.

50.25 Sec. 3. Minnesota Statutes 2016, section 473.4051, subdivision 2, is amended to read:

50.26 Subd. 2. **Operating costs.** (a) After operating revenue and federal money have been
50.27 used to pay for light rail transit operations, 50 percent of the remaining operating costs for
50.28 a light rail transit line must be paid by the state if:

50.29 (1) the light rail transit line is in revenue operations as of the effective date of this section;

50.30 or

51.1 (2) a law is enacted on or after the effective date of this section making an appropriation
51.2 that (i) is from state sources, (ii) specifies the light rail transit project, and (iii) is for a portion
51.3 of project capital costs.

51.4 (b) For a light rail transit line that does not meet the requirements in paragraph (a), all
51.5 operating and ongoing capital maintenance costs must be paid from nonstate sources.

51.6 (c) For purposes of this subdivision, a light rail transit extension that adds additional
51.7 stops is a separate project or light rail transit line.

51.8 **EFFECTIVE DATE; APPLICABILITY.** This section is effective the day following
51.9 final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey,
51.10 Scott, and Washington.

51.11 Sec. 4. **METRO MOBILITY ENHANCEMENT TASK FORCE.**

51.12 Subdivision 1. **Task force established.** A Metro Mobility Enhancement Task Force is
51.13 established to examine options to enhance Metro Mobility program service under Minnesota
51.14 Statutes, section 473.386. The goal of the task force is to partner with taxi services and
51.15 transportation network companies, as defined in Minnesota Statutes, section 65B.472,
51.16 subdivision 1, paragraph (e), to increase program service levels and efficiency.

51.17 Subd. 2. **Membership.** (a) The task force consists of the following members:

51.18 (1) one representative from Metro Mobility, appointed by the Metropolitan Council;

51.19 (2) one elected official from each metropolitan county, as defined in Minnesota Statutes,
51.20 section 473.121, subdivision 4, each of whom must be from a district or unit of government
51.21 that is located within the Metro Mobility service area, appointed by the respective county
51.22 board in consultation with cities in that county;

51.23 (3) at least one and no more than three individuals representing transportation network
51.24 companies, as defined in Minnesota Statutes, section 65B.472, subdivision 1, appointed as
51.25 provided under paragraph (b);

51.26 (4) at least one and no more than three individuals representing taxi service providers,
51.27 appointed as provided in paragraph (c);

51.28 (5) one representative appointed by the Transportation Accessibility Advisory Committee
51.29 established under Minnesota Statutes, section 473.375, subdivision 9a;

51.30 (6) one representative appointed by the Council on Disability;

51.31 (7) one individual appointed by the Association of Residential Resources of Minnesota;

52.1 (8) one individual, who must reside in a metropolitan county, appointed by the Best
52.2 Choice Alliance; and

52.3 (9) one individual appointed by the Center for Transportation Studies at the University
52.4 of Minnesota.

52.5 (b) An interested transportation network company may appoint no more than one person
52.6 as a task force member. Appointment under this paragraph is on a first-come, first-appointed
52.7 basis by written notification to the Metropolitan Council.

52.8 (c) An interested taxi service provider may appoint no more than one person as a task
52.9 force member. Appointment under this paragraph is on a first-come, first-appointed basis
52.10 by written notification to the Metropolitan Council.

52.11 Subd. 3. **Task force duties.** (a) The task force must evaluate the Metro Mobility program,
52.12 which must include but is not limited to analysis of customer service, program costs and
52.13 expenditures, service coverage area and hours, reservation and scheduling, and buses and
52.14 equipment.

52.15 (b) The task force must analyze approaches to improve Metro Mobility program service
52.16 by using partnerships with transportation network companies. At a minimum, the analysis
52.17 must consider:

52.18 (1) geographic service areas of transportation network companies;

52.19 (2) demand responsiveness and service levels of transportation network companies;

52.20 (3) the share of trips in which specially equipped vehicles that comply with the Americans
52.21 with Disabilities Act are necessary;

52.22 (4) technology accessibility for Metro Mobility customers;

52.23 (5) liability considerations; and

52.24 (6) integration of billing systems of transportation network companies with current Metro
52.25 Mobility fare collection.

52.26 (c) The task force must analyze approaches to improve Metro Mobility program service
52.27 by incorporating the use of taxi service. At a minimum, the analysis must consider:

52.28 (1) availability of taxi service throughout the Metro Mobility service area;

52.29 (2) demand responsiveness and service levels of taxi services;

52.30 (3) the share of trips in which specially equipped vehicles that comply with the Americans
52.31 with Disabilities Act are necessary;

53.1 (4) technology accessibility for Metro Mobility customers;

53.2 (5) liability considerations;

53.3 (6) options for contracting with taxi providers or other methods of billing for taxi rides;

53.4 and

53.5 (7) the potential to use taxi service to provide an enhanced service option where riders

53.6 pay a higher fare than other users of Metro Mobility Services.

53.7 (d) The task force must review proposals and models for incorporating transportation

53.8 network companies and taxi service providers into transit systems in other service areas.

53.9 Subd. 4. **Administration.** (a) Each appointing entity under subdivision 2 must make

53.10 appointments and notify the Metropolitan Council by August 1, 2017.

53.11 (b) The Metropolitan Council representative appointed to the task force must convene

53.12 the initial meeting of the task force no later than September 1, 2017. At the initial meeting,

53.13 the members of the task force must elect a chair or cochairs from among the task force

53.14 members.

53.15 (c) Upon request of the task force, the council must use existing resources to provide

53.16 data, information, meeting space, and administrative services.

53.17 (d) Members of the task force serve without compensation or payment of expenses.

53.18 (e) The task force may accept gifts and grants, which are accepted on behalf of the state

53.19 and constitute donations to the Metropolitan Council. Funds received under this paragraph

53.20 are appropriated to the Metropolitan Council for purposes of the task force.

53.21 Subd. 5. **Legislative report.** (a) By February 15, 2018, the task force must submit a

53.22 report to the chairs and ranking minority members of the legislative committees with

53.23 jurisdiction over transportation policy and finance.

53.24 (b) At a minimum the report must:

53.25 (1) summarize the work of the task force and its findings;

53.26 (2) describe the current Metro Mobility program;

53.27 (3) identify at least three potential service level approaches that involve partnering with

53.28 and incorporating transportation network companies, taxi service providers, or both; and

53.29 (4) provide any recommendations for program and legislative changes.

53.30 Subd. 6. **Expiration.** The task force under this section expires February 15, 2018, or

53.31 upon submission of the report required under subdivision 5, whichever is earlier.

54.1 Sec. 5. VIBRATION SUSCEPTIBILITY STUDY ON CALHOUN ISLES54.2 PROPERTY.

54.3 Within 21 days of the effective date of this act, the Metropolitan Council must enter into
 54.4 a contract with an engineering group for the engineering group to conduct a vibration
 54.5 susceptibility study on Calhoun Isles property, including the high-rise building, townhomes,
 54.6 and parking ramp. The study must:

54.7 (1) evaluate the susceptibility of the Calhoun Isles property to vibration during
 54.8 construction and during operations of a light rail train;

54.9 (2) categorize the Calhoun Isles property based on the susceptibility evaluation; and

54.10 (3) address mitigation measures and operational changes required to protect the Calhoun
 54.11 Isles property from vibratory damage.

54.12 The Calhoun Isles Condominium Association must select the engineering group and notify
 54.13 the Metropolitan Council of the selection within seven days of the effective date of this act.

54.14 The Metropolitan Council must bear the entire cost of the study.

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

54.16 **ARTICLE 6**54.17 **DEPARTMENT OF PUBLIC SAFETY**

54.18 Section 1. Minnesota Statutes 2016, section 168.013, subdivision 1d, is amended to read:

54.19 Subd. 1d. **Trailer.** (a) On trailers registered at a gross vehicle weight of greater than
 54.20 3,000 pounds, the annual tax is based on total gross weight and is 30 percent of the Minnesota
 54.21 base rate prescribed in subdivision 1e, when the gross weight is 15,000 pounds or less, and
 54.22 when the gross weight of a trailer is more than 15,000 pounds, the tax for the first eight
 54.23 years of vehicle life is 100 percent of the tax imposed in the Minnesota base rate schedule,
 54.24 and during the ninth and succeeding years of vehicle life the tax is 75 percent of the
 54.25 Minnesota base rate prescribed by subdivision 1e. A trailer registered at a gross vehicle
 54.26 weight greater than 3,000 pounds but no greater than 7,200 pounds may be taxed either: (1)
 54.27 annually as provided in this paragraph; or (2) once every three years on the basis of total
 54.28 gross weight and is 90 percent of the Minnesota base rate prescribed in subdivision 1e;
 54.29 ~~provided that the filing fee under section 168.33, subdivision 7, paragraph (a), is multiplied~~
 54.30 ~~by three, with funds collected by the commissioner allocated proportionally in the same~~
 54.31 ~~manner as provided in section 168.33, subdivision 7, paragraph (e).~~

55.1 (b) Farm trailers with a gross weight in excess of 10,000 pounds and as described in
55.2 section 168.002, subdivision 8, are taxed as farm trucks as prescribed in subdivision 1c.

55.3 (c) Effective on and after July 1, 2001, trailers registered at a gross vehicle weight of
55.4 3,000 pounds or less must display a distinctive plate. The registration on the license plate
55.5 is valid for the life of the trailer only if it remains registered at the same gross vehicle weight.
55.6 The onetime registration tax for trailers registered for the first time in Minnesota is \$55.
55.7 For trailers registered in Minnesota before July 1, 2001, and for which:

55.8 (1) registration is desired for the remaining life of the trailer, the registration tax is \$25;
55.9 or

55.10 (2) permanent registration is not desired, the biennial registration tax is \$10 for the first
55.11 renewal if registration is renewed between and including July 1, 2001, and June 30, 2003.
55.12 These trailers must be issued permanent registration at the first renewal on or after July 1,
55.13 2003, and the registration tax is \$20.

55.14 For trailers registered at a gross weight of 3,000 pounds or less before July 1, 2001, but
55.15 not renewed until on or after July 1, 2003, the registration tax is \$20 and permanent
55.16 registration must be issued.

55.17 Sec. 2. Minnesota Statutes 2016, section 168.021, subdivision 1, is amended to read:

55.18 Subdivision 1. **Disability plates; application.** (a) When a motor vehicle registered under
55.19 section 168.017, a motorcycle, a motorized bicycle, a one-ton pickup truck, or a self-propelled
55.20 recreational vehicle is owned or primarily operated by a permanently physically disabled
55.21 person or a custodial parent or guardian of a permanently physically disabled minor, the
55.22 owner may apply for and secure from the commissioner (1) immediately, a temporary permit
55.23 valid for 30 days if the applicant is eligible for the disability plates issued under this section
55.24 and (2) two disability plates with attached emblems, one plate to be attached to the front,
55.25 and one to the rear of the motor vehicle, truck, or recreational vehicle, or, in the case of a
55.26 motorcycle or a motorized bicycle, one disability plate the same size as a regular motorcycle
55.27 plate.

55.28 (b) The commissioner shall not issue more than one plate to the owner of a motorcycle
55.29 or a motorized bicycle and not more than one set of plates to any owner of another vehicle
55.30 described in paragraph (a) at the same time unless the state Council on Disability approves
55.31 the issuance of a second plate or set of plates to an owner.

56.1 (c) When the owner first applies for the disability plate or plates, the owner must submit
56.2 a medical statement in a format approved by the commissioner under section 169.345, or
56.3 proof of physical disability provided for in that section.

56.4 (d) No medical statement or proof of disability is required when an owner applies for a
56.5 plate or plates for one or more vehicles listed in paragraph (a) that are specially modified
56.6 for and used exclusively by permanently physically disabled persons.

56.7 (e) The owner of a vehicle listed in paragraph (a) may apply for and secure (i)
56.8 immediately, a permit valid for 30 days, if the applicant is eligible to receive the disability
56.9 plate or plates issued under this section, and (ii) a disability plate or plates for the vehicle
56.10 if:

56.11 (1) the owner employs a permanently physically disabled person who would qualify for
56.12 the disability plate or plates under this section; and

56.13 (2) the owner furnishes the motor vehicle to the physically disabled person for the
56.14 exclusive use of that person in the course of employment.

56.15 **EFFECTIVE DATE.** This section is effective January 1, 2018.

56.16 Sec. 3. Minnesota Statutes 2016, section 168.021, subdivision 2, is amended to read:

56.17 Subd. 2. **Plate design; furnished by commissioner.** The commissioner shall design
56.18 and furnish two disability plates, or one disability plate for a motorcycle or a motorized
56.19 bicycle that is the same size as a regular motorcycle plate, with attached emblem or emblems
56.20 to an eligible owner. The emblem must bear the internationally accepted wheelchair symbol,
56.21 as designated in section 326B.106, subdivision 9, approximately three inches square. The
56.22 emblem must be large enough to be visible plainly from a distance of 50 feet. An applicant
56.23 eligible for a disability plate or plates shall pay the motor vehicle registration fee authorized
56.24 by sections 168.013 and 168.09.

56.25 **EFFECTIVE DATE.** This section is effective January 1, 2018.

56.26 Sec. 4. Minnesota Statutes 2016, section 168.021, subdivision 2a, is amended to read:

56.27 Subd. 2a. **Plate transfer.** (a) When ownership of a vehicle described in subdivision 1,
56.28 is transferred, the owner of the vehicle shall remove the disability plate or plates. The buyer
56.29 of the motor vehicle is entitled to receive a regular plate or plates for the vehicle without
56.30 further cost for the remainder of the registration period.

57.1 (b) Notwithstanding section 168.12, subdivision 1, the disability plate or plates may be
57.2 transferred to a replacement vehicle on notification to the commissioner. However, the
57.3 disability plate or plates may not be transferred unless the replacement vehicle (1) is listed
57.4 under section 168.012, subdivision 1, and, in case of a single plate for a motorcycle or a
57.5 motorized bicycle, the replacement vehicle is a motorcycle or a motorized bicycle, and (2)
57.6 is owned or primarily operated by the permanently physically disabled person.

57.7 **EFFECTIVE DATE.** This section is effective January 1, 2018.

57.8 Sec. 5. **[168.1294] LAW ENFORCEMENT MEMORIAL PLATES.**

57.9 **Subdivision 1. Issuance of plates.** The commissioner must issue special law enforcement
57.10 memorial license plates or a single motorcycle plate to an applicant who:

57.11 (1) is a registered owner of a passenger automobile, noncommercial one-ton pickup
57.12 truck, motorcycle, or recreational motor vehicle;

57.13 (2) pays an additional fee of \$10 for each set of plates;

57.14 (3) pays the registration tax as required under section 168.013, along with any other fees
57.15 required by this chapter;

57.16 (4) contributes \$25 upon initial application and a minimum of \$5 annually to the law
57.17 enforcement memorial account; and

57.18 (5) complies with this chapter and rules governing registration of motor vehicles and
57.19 licensing of drivers.

57.20 **Subd. 2. Design.** The commissioner, in consultation with representatives from the
57.21 Minnesota Law Enforcement Memorial Association, must adopt a suitable design for the
57.22 plate that must include a blue line with a black line of equal proportion above and below
57.23 the blue line, representing the thin blue line.

57.24 **Subd. 3. Plates transfer.** On application to the commissioner and payment of a transfer
57.25 fee of \$5, special plates may be transferred to another qualified motor vehicle that is
57.26 registered to the same individual to whom the special plates were originally issued.

57.27 **Subd. 4. Exemption.** Special plates issued under this section are not subject to section
57.28 168.1293, subdivision 2.

57.29 **Subd. 5. Fees.** Fees collected under subdivision 1, clauses (2) and (3), and subdivision
57.30 3 are credited to the vehicle services operating account in the special revenue fund.

58.1 Subd. 6. **Contributions; memorial account; appropriation.** Contributions collected
58.2 under subdivision 1, clause (4), must be deposited in the Minnesota law enforcement
58.3 memorial account, which is established in the special revenue fund. Money in the account
58.4 is appropriated to the commissioner of public safety. This appropriation is first for the annual
58.5 cost of administering the account funds, and the remaining funds are for distribution to the
58.6 Minnesota Law Enforcement Memorial Association to be used to further the mission of the
58.7 association in assisting the families and home agencies of Minnesota law enforcement
58.8 officers who have died in the line of duty.

58.9 **EFFECTIVE DATE.** This section is effective January 1, 2018, for special law
58.10 enforcement memorial plates issued on or after that date.

58.11 Sec. 6. **[168.1295] "START SEEING MOTORCYCLES" PLATES.**

58.12 Subdivision 1. **Issuance of plates.** The commissioner must issue special "Start Seeing
58.13 Motorcycles" license plates or a single motorcycle plate to an applicant who:

58.14 (1) is a registered owner of a passenger automobile, noncommercial one-ton pickup
58.15 truck, motorcycle, or recreational motor vehicle;

58.16 (2) pays a fee of \$10 for each set of plates;

58.17 (3) pays the registration tax as required under section 168.013, along with any other fees
58.18 required by this chapter;

58.19 (4) contributes a minimum of \$10 annually to the motorcycle safety fund, created under
58.20 section 171.06, subdivision 2a, paragraph (a), clause (1); and

58.21 (5) complies with this chapter and rules governing registration of motor vehicles and
58.22 licensing of drivers.

58.23 Subd. 2. **Design.** The representatives of American Bikers for Awareness, Training, and
58.24 Education of Minnesota must design the special plate to contain the inscription "Start Seeing
58.25 Motorcycles" between the bolt holes on the bottom of the plate with a design area on the
58.26 left side of the plate, subject to the approval of the commissioner.

58.27 Subd. 3. **Plates transfer.** On application to the commissioner and payment of a transfer
58.28 fee of \$5, special plates issued under this section may be transferred to another motor vehicle
58.29 if the subsequent vehicle is:

58.30 (1) qualified under subdivision 1, clause (1), to bear the special plates; and

58.31 (2) registered to the same individual to whom the special plates were originally issued.

59.1 Subd. 4. **Exemption.** Special plates issued under this section are not subject to section
59.2 168.1293, subdivision 2.

59.3 Subd. 5. **Fees.** Fees collected under subdivision 1, clause (2), and subdivision 3 are
59.4 credited to the vehicle services operating account in the special revenue fund.

59.5 Subd. 6. **No refund.** Contributions under this section must not be refunded.

59.6 **EFFECTIVE DATE.** This section is effective January 1, 2018, for special "Start Seeing
59.7 Motorcycles" plates issued on or after that date.

59.8 Sec. 7. Minnesota Statutes 2016, section 168A.09, subdivision 1, is amended to read:

59.9 Subdivision 1. **Application, issuance, form, bond, and notice.** In the event a certificate
59.10 of title is lost, stolen, mutilated, ~~or~~ destroyed, or becomes illegible, the owner or legal
59.11 representative of the owner named in the certificate may ~~make~~ submit an application to the
59.12 department or a deputy registrar for a duplicate in a format prescribed by the department.
59.13 The department ~~shall~~ or deputy registrar must issue a duplicate certificate of title if satisfied
59.14 that the applicant is entitled ~~thereto~~ to the duplicate certificate of title. The duplicate certificate
59.15 of title ~~shall~~ must be plainly marked as a duplicate and mailed or delivered to the owner.
59.16 The department ~~shall~~ or deputy registrar must indicate in ~~its~~ the driver and vehicle information
59.17 system records that a duplicate certificate of title has been issued. As a condition to issuing
59.18 a duplicate certificate of title, the department may require a bond from the applicant in the
59.19 manner and format prescribed in section 168A.07, subdivision 1, clause (2). The duplicate
59.20 certificate of title ~~shall~~ must contain the legend: "This duplicate certificate of title may be
59.21 subject to the rights of a person under the original certificate."

59.22 Sec. 8. [168A.125] **TRANSFER-ON-DEATH TITLE TO MOTOR VEHICLE.**

59.23 Subdivision 1. **Titled as transfer-on-death.** A natural person who is the owner of a
59.24 motor vehicle may have the motor vehicle titled in transfer-on-death or TOD form by
59.25 including in the application for the certificate of title a designation of a beneficiary or
59.26 beneficiaries to whom the motor vehicle must be transferred on death of the owner or the
59.27 last survivor of joint owners with rights of survivorship, subject to the rights of secured
59.28 parties.

59.29 Subd. 2. **Designation of beneficiary.** A motor vehicle is registered in transfer-on-death
59.30 form by designating on the certificate of title the name of the owner and the names of joint
59.31 owners with identification of rights of survivorship, followed by the words "transfer-on-death
59.32 to (name of beneficiary or beneficiaries)." The designation "TOD" may be used instead of

60.1 "transfer-on-death." A title in transfer-on-death form is not required to be supported by
60.2 consideration, and the certificate of title in which the designation is made is not required to
60.3 be delivered to the beneficiary or beneficiaries in order for the designation to be effective.
60.4 If the owner of the motor vehicle is married at the time of the designation, the designation
60.5 of a beneficiary other than the owner's spouse requires the spouse's written consent.

60.6 Subd. 3. **Interest of beneficiary.** The transfer-on-death beneficiary or beneficiaries have
60.7 no interest in the motor vehicle until the death of the owner or the last survivor of joint
60.8 owners with rights of survivorship. A beneficiary designation may be changed at any time
60.9 by the owner or by all joint owners with rights of survivorship, without the consent of the
60.10 beneficiary or beneficiaries, by filing an application for a new certificate of title.

60.11 Subd. 4. **Vesting of ownership in beneficiary.** Ownership of a motor vehicle titled in
60.12 transfer-on-death form vests in the designated beneficiary or beneficiaries on the death of
60.13 the owner or the last of the joint owners with rights of survivorship, subject to the rights of
60.14 secured parties. The transfer-on-death beneficiary or beneficiaries who survive the owner
60.15 may apply for a new certificate of title to the motor vehicle upon submitting a certified death
60.16 record of the owner of the motor vehicle. If no transfer-on-death beneficiary or beneficiaries
60.17 survive the owner of a motor vehicle, the motor vehicle must be included in the probate
60.18 estate of the deceased owner. A transfer of a motor vehicle to a transfer-on-death beneficiary
60.19 or beneficiaries is not a testamentary transfer.

60.20 Subd. 5. **Rights of creditors.** (a) This section does not limit the rights of any secured
60.21 party or creditor of the owner of a motor vehicle against a transfer-on-death beneficiary or
60.22 beneficiaries.

60.23 (b) The state or a county agency with a claim or lien authorized by section 246.53,
60.24 256B.15, 261.04, or 270C.63 is a creditor for purposes of this subdivision. A claim authorized
60.25 by section 256B.15 against the estate of an owner of a motor vehicle titled in
60.26 transfer-on-death form voids any transfer-on-death conveyance of a motor vehicle as
60.27 described in this section. A claim or lien under section 246.53, 261.04, or 270C.63 continues
60.28 to apply against the designated beneficiary or beneficiaries after the transfer under this
60.29 section if other assets of the deceased owner's estate are insufficient to pay the amount of
60.30 the claim. The claim or lien continues to apply to the motor vehicle until the designated
60.31 beneficiary sells or transfers it to a person against whom the claim or lien does not apply
60.32 and who did not have actual notice or knowledge of the claim or lien.

60.33 Sec. 9. Minnesota Statutes 2016, section 168A.141, is amended to read:

60.34 **168A.141 MANUFACTURED HOME AFFIXED TO REAL PROPERTY.**

61.1 Subdivision 1. **Certificates surrendered for cancellation.** (a) When a manufactured
61.2 home is to be affixed or is affixed, as defined in section 273.125, subdivision 8, paragraph
61.3 (b), to real property, ~~and financed by the giving of a mortgage on the real property~~, the
61.4 owner of the manufactured home ~~shall~~ may surrender the manufacturer's certificate of origin
61.5 or certificate of title to the department for cancellation. ~~The owner of~~ so that the manufactured
61.6 home ~~shall give the department the address and legal description of the~~ becomes an
61.7 improvement to real property. ~~The department may require the filing of other information~~
61.8 and is no longer titled as personal property. The department must not issue a certificate of
61.9 title for a manufactured home under chapter 168A if the manufacturer's certificate of origin
61.10 is or has been surrendered under this subdivision, except as provided in section 168A.142.
61.11 Upon surrender of the manufacturer's certificate of origin or the certificate of title, the
61.12 department shall issue notice of surrender to the owner, and upon recording an affidavit of
61.13 affixation, which the county recorder or registrar of titles, as applicable, shall accept, the
61.14 manufactured home is deemed to be an improvement to real property. ~~The notice of surrender~~
61.15 ~~may be recorded in the office of the county recorder or with the registrar of titles if the land~~
61.16 ~~is registered but need not contain an acknowledgment~~. An affidavit of affixation by the
61.17 owner of the manufactured home must include the following information:

61.18 (1) the name, residence address, and mailing address of owner or owners of the
61.19 manufactured home;

61.20 (2) the legal description of the real property in which the manufactured home is, or will
61.21 be, located;

61.22 (3) a copy of the surrendered manufacturer's certificate of origin or certificate of title
61.23 and the notice of surrender;

61.24 (4) a written statement from the county auditor or county treasurer of the county where
61.25 the manufactured home is located stating that all property taxes payable in the current year,
61.26 as provided under section 273.125, subdivision 8, paragraph (b), have been paid, or are not
61.27 applicable;

61.28 (5) the name and address of the person designated by the applicant to record the original
61.29 affidavit of affixation with the county recorder or registrar of titles for the county where the
61.30 real property is located;

61.31 (6) the signature of the person who executes the affidavit, properly executed before a
61.32 person authorized to authenticate an affidavit in this state;

62.1 (7) the person designated in clause (5) shall record, or arrange for the recording of, the
62.2 affidavit of affixation, accompanied by the fees for recording and for issuing a certified
62.3 copy of the notice, including all attachments, showing the recording date; and

62.4 (8) upon obtaining the certified copy of the notice under clause (7), the person designated
62.5 in the affidavit shall deliver the certified copy to the county auditor of the county in which
62.6 the real property to which the manufactured home was affixed is located.

62.7 (b) The department is not liable for any errors, omissions, misstatements, or other
62.8 deficiencies or inaccuracies in documents presented to the department under this section,
62.9 if the documents presented appear to satisfy the requirements of this section. The department
62.10 has no obligation to investigate the accuracy of statements contained in the documents.

62.11 Subd. 1a. Affidavit form. The affidavit referred to in subdivision 1 shall be in
62.12 substantially the following form and shall contain the following information.

62.13 **MANUFACTURED HOME AFFIDAVIT OF AFFIXATION**

62.14 **PURSUANT TO MINNESOTA STATUTES, SECTION 168A.141**

62.15 Homeowner, being duly sworn, on his or her oath, states as follows:

62.16 1. Homeowner owns the manufactured home ("home") described as follows:

62.17

62.18		<u>Manufacturer's</u>	<u>Model Name or</u>	<u>Manufacturer's</u>	
62.19	<u>New/Used</u>	<u>Year</u>	<u>Name</u>	<u>Model No.</u>	<u>Serial No.</u>
					<u>Length/Width</u>

62.20 2. A copy of the surrendered manufacturer's certificate of origin or certificate of title is
62.21 attached hereto.

62.22 3. A copy of the notice of surrender issued from the Minnesota Department of Public Safety
62.23 Driver and Vehicle Services is attached hereto.

62.24 4. The home is or will be located at the following "Property Address":

62.25

62.26 Street or Route City County State Zip Code

62.27 5. The legal description of the property address ("land") is as follows or as attached hereto:
62.28

62.29

62.30

62.31 6. The homeowner is the owner of the land.

63.1 7. The home is, or shall be promptly upon delivery, anchored to the land by attachment to
63.2 a permanent foundation and connected to appropriate residential utilities (e.g., water, gas,
63.3 electricity, sewer).

63.4 8. The homeowner intends that the home be an immovable permanent improvement to the
63.5 land, free of any personal property security interest.

63.6 9. A copy of the written statement from the county auditor or county treasurer of the county
63.7 in which the manufactured home is then located, stating that all property taxes payable in
63.8 the current year (pursuant to Minnesota Statutes, section 273.125, subdivision 8, paragraph
63.9 (b)), have been paid, or are not applicable, is attached hereto.

63.10 10. The home shall be assessed and taxed as an improvement to the land.

63.11 11. The name and address of the person designated by the homeowner to record the original
63.12 affidavit of surrender with the county recorder or registrar of titles of the county in which
63.13 the real estate is located is:

63.14 Name

63.15 Street Address

63.16 City, State, Zip Code

63.17 Phone

63.18 E-mail

63.19 IN WITNESS WHEREOF, homeowner(s) have executed this affidavit on this day of
63.20, 20...

63.21

63.22 Homeowner Signature Address

63.23

63.24 Printed Name City, State

63.25

63.26 Homeowner Signature (if applicable)

63.27

63.28 Printed Name

63.29 This instrument was drafted by, and when recorded return to:

63.30

63.31

63.32

63.33 Subscribed and sworn to before me this day of,

63.34

64.1 Signature of Notary Public or Other Official

64.2 Notary Stamp or Seal

64.3 (optional)

64.4 Lender's Statement of Intent:

64.5 The undersigned ("lender") intends that the home be immovable and a permanent
64.6 improvement to the land free of any personal property security interest.

64.7

64.8 Lender

64.9 By:

64.10 Authorized Signature

64.11 STATE OF)

64.12) ss:

64.13 COUNTY OF)

64.14 On the day of in the year before me, the undersigned, a Notary Public in and
64.15 for said state, personally appeared

64.16

64.17 personally known to me or proved to me on the basis of satisfactory evidence to be the
64.18 individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged
64.19 to me that he/she/they executed the same in his/her/their capacity(ies), and that by
64.20 his/her/their signature(s) on the instrument, the individual(s), or the person on behalf of
64.21 which the individual(s) acted, executed the instrument.

64.22

64.23 Notary Signature

64.24

64.25 Notary Printed Name

64.26 Notary Public, State of

64.27 Qualified in the County of

64.28 My commission expires

64.29 Official seal:

64.30 Subd. 2. **Perfected security interest avoids cancellation prevents surrender.** The
64.31 department may not cancel a certificate of title if, under this chapter, a security interest has
64.32 been perfected on the manufactured home. If a security interest has been perfected, the
64.33 department shall notify the owner and that each secured party that the must release or satisfy
64.34 the security interest prior to proceeding with surrender of the manufacturer's certificate of

65.1 ~~origin or certificate of title and a description of the security interest have been surrendered~~
 65.2 ~~to the department and that the department will not cancel the certificate of title until the~~
 65.3 ~~security interest is satisfied~~ for cancellation. Permanent attachment to real property or the
 65.4 recording of an affidavit of affixation does not extinguish an otherwise valid security interest
 65.5 in or tax lien on the manufactured home, unless the requirements of section 168A.141,
 65.6 subdivisions 1, 1a, and 2, including the release of any security interest, have been satisfied.

65.7 Subd. 3. **Notice of security interest avoids surrender.** ~~The manufacturer's certificate~~
 65.8 ~~of origin or the certificate of title need not be surrendered to the department under subdivision~~
 65.9 ~~4~~ When a perfected security interest exists, or will exist, on the manufactured home at the
 65.10 time the manufactured home is affixed to real property, if and the owner has not satisfied
 65.11 the requirements of section 168A.141, subdivision 1, the owner of the manufactured home
 65.12 ~~files,~~ or its secured party, may record a notice with the county recorder, or with the registrar
 65.13 of titles, if the land is registered, stating that the manufactured home located on the property
 65.14 is encumbered by a perfected security interest and is not an improvement to real property.
 65.15 The notice must state the name and address of the secured party as set forth on the certificate
 65.16 of title, the legal description of the real property, and the name and address of the record
 65.17 fee owner of the real property on which the manufactured home is affixed. When the security
 65.18 interest is released or satisfied, the secured party shall attach a copy of the release or
 65.19 satisfaction to a notice executed by the secured party containing the county recorder or
 65.20 registrar of titles document number of the notice of security interest. The notice of release
 65.21 or satisfaction must be ~~filed~~ recorded with the county recorder, or registrar of titles, if the
 65.22 land is registered. Neither the notice described in this subdivision nor the security interest
 65.23 on the certificate of title is deemed to be an encumbrance on the real property. The notices
 65.24 provided for in this subdivision need not be acknowledged.

65.25 Sec. 10. Minnesota Statutes 2016, section 168A.142, is amended to read:

65.26 **168A.142 MANUFACTURED HOME UNAFFIXED FROM REALTY.**

65.27 Subdivision 1. **Certificate of title requirements.** The department shall issue an initial
 65.28 certificate of title or reissue a previously surrendered certificate of title for a manufactured
 65.29 home to an applicant if:

65.30 (1) ~~for the purpose of affixing the manufactured home to real property,~~ the owner of the
 65.31 manufactured home, or a previous owner, surrendered the manufacturer's certificate of
 65.32 origin or certificate of title to the department as provided in section 168A.141, subdivision
 65.33 ~~1 or 2;~~

66.1 (2) the applicant provides the written proof evidence specified in subdivision 2 ~~that the~~
66.2 ~~applicant owns (i) the manufactured home and (ii) the real property to which the~~
66.3 ~~manufactured home was affixed as provided under section 273.125, subdivision 8, paragraph~~
66.4 ~~(b);~~

66.5 ~~(3) the applicant provides proof that no liens exist on the manufactured home, including~~
66.6 ~~liens on the real property to which it is affixed; and~~

66.7 ~~(4) (3) the owner of the manufactured home meets~~ fulfills the applicable application
66.8 requirements of section 168A.04₂; and

66.9 (4) the application is accompanied by a written statement from the county auditor or
66.10 county treasurer of the county in which the manufactured home is then located and affixed,
66.11 stating that all property taxes payable in the current year, as provided under section 273.125,
66.12 subdivision 8, paragraph (b), have been paid.

66.13 Subd. 2. **Proof Evidence of eligibility for reissuance.** (a) The proof evidence required
66.14 under subdivision 1, ~~clauses clause~~ (2) and (3), is as follows:

66.15 (1) an affidavit of severance recorded in the office of the county recorder or registrar of
66.16 titles, which they shall accept, and whichever applies to the real property, of the county ~~in~~
66.17 ~~which~~ where the affidavit of affixation or notice of surrender was recorded under as required
66.18 in section 168A.141, subdivision 1, and the affidavit of severance contains:

66.19 (i) the name, residence address, and mailing address of the owner or owners of the
66.20 manufactured home;

66.21 (ii) a description of the manufactured home being severed, including the name of the
66.22 manufacturer; ~~the make, model number, model year, and dimensions, and if available, the~~
66.23 make, model year, and manufacturer's serial number of the manufactured home; and whether
66.24 ~~the manufactured home is new or used,~~ such information as may be available from the
66.25 previously recorded affidavit of affixation or notice of surrender as required in section
66.26 168A.141, subdivision 1; and

66.27 (iii) a statement of any facts or information known to the person executing the affidavit
66.28 that could affect the validity of the title of the manufactured home ~~or, the existence or~~
66.29 ~~nonexistence of a security interest in the manufactured home or a lien on it, or, and~~ a
66.30 statement that no such facts or information are known to the person executing the affidavit;

66.31 (2) as an attachment to the affidavit of severance, an opinion by an attorney admitted to
66.32 practice law in this state, stating:

67.1 (i) the nature of the examination of title performed prior to giving this opinion by the
67.2 person signing the opinion;

67.3 (ii) that the manufactured home and the real property on which it is located is not subject
67.4 to, or pending completion of a refinance, purchase, or sale transaction, and will not be
67.5 subject to any recorded mortgages, security interests, liens, or other encumbrances of any
67.6 kind;

67.7 (iii) that the person signing the opinion knows of no facts or circumstances that could
67.8 affect the validity of the title of the manufactured home or the existence or nonexistence of
67.9 any recorded mortgages, security interests, or other encumbrances of any kind, other than
67.10 property taxes payable in the year the affidavit is signed;

67.11 (iv) the person or persons owning record title to the real property to which the
67.12 manufactured home has been affixed and the nature and extent of the title owned by each
67.13 of these persons; and

67.14 (v) that the person signing the opinion has reviewed all provisions of the affidavit of
67.15 severance and certifies that they are correct and complete to the best of the knowledge of
67.16 the person signing the opinion;

67.17 (3) the name and address of the person ~~or~~ persons designated by the applicant to file a
67.18 ~~certified copy of the original~~ affidavit of severance with ~~the county auditor of the county~~
67.19 ~~in which the real estate is located, after the affidavit has been properly recorded in the office~~
67.20 ~~of~~ the county recorder or county registrar of titles, whichever applies to the real property;
67.21 and

67.22 (4) the signature of the person who executes the affidavit, properly executed before a
67.23 person authorized to authenticate an affidavit in this state.

67.24 (b) The person designated in paragraph (a), clause (3), shall record, or arrange for the
67.25 recording of, the affidavit of severance as referenced in that item, accompanied by the fees
67.26 for recording and for issuing a certified copy of the affidavit, including all attachments,
67.27 showing the recording date.

67.28 (c) Upon obtaining the certified copy under paragraph (b), the person designated in the
67.29 affidavit shall deliver the certified copy to the county auditor of the county in which the
67.30 real estate to which it was affixed is located.

67.31 (d) The department is not liable for any errors, omissions, misstatements, or other
67.32 deficiencies or inaccuracies in documents presented to the department under this section,
67.33 so long as the documents presented appear to satisfy the requirements of this section. The

68.1 department has no obligation to investigate the accuracy of statements contained in the
68.2 documents.

68.3 Subd. 3. Affidavit form. The affidavit referred to in subdivision 2 shall be in substantially
68.4 the following form and shall contain the following information.

68.5 **MANUFACTURED HOME AFFIDAVIT OF SEVERANCE**

68.6 PURSUANT TO MINNESOTA STATUTES, SECTION 168A.142

68.7 Homeowner, being duly sworn, on his or her oath, states as follows:

68.8 1. Homeowner owns the manufactured home ("home") described as follows:

68.9

	<u>New/Used</u>	<u>Year</u>	<u>Manufacturer's Name</u>	<u>Model Name or Model No.</u>	<u>Manufacturer's Serial No.</u>	<u>Length/Width</u>
68.11						

68.12 2. A copy of the previously surrendered manufacturer's certificate of origin or certificate of
68.13 title is attached hereto (if available).

68.14 3. A copy of the notice of surrender issued from the Minnesota Department of Public Safety
68.15 Driver and Vehicle Services is attached hereto (if available).

68.16 4. The home is or will be located at the following "Property Address":

68.17

68.18 Street or Route City County State Zip Code

68.19 5. The legal description of the property address ("land") is as follows or as attached hereto:

68.20

68.21

68.22

68.23 6. The homeowner does not know of any facts or information that could affect the validity
68.24 of title of the manufactured home, except:

68.25

68.26

68.27 7. The homeowner does not know of any such security interest in the manufactured home
68.28 which has not been satisfied or released.

68.29 8. A copy of an opinion by an attorney admitted to practice law in Minnesota is attached,
68.30 which provides for the required title evidence as set forth in Minnesota Statutes, section
68.31 168A.142, subdivision 2, clause (2), items (i) to (v).

69.1 9. A copy of the written statement from the county auditor or county treasurer of the county
 69.2 in which the manufactured home is then located, stating that all property taxes payable in
 69.3 the current year (pursuant to Minnesota Statutes, section 273.125, subdivision 8, paragraph
 69.4 (b)), have been paid, or are not applicable, is attached hereto.

69.5 10. The name and address of the person designated by the homeowner to record the original
 69.6 affidavit of surrender with the county recorder or registrar of titles of the county in which
 69.7 the real estate is located is:

69.8 Name

69.9 Street Address

69.10 City, State, Zip Code

69.11 Phone

69.12 E-mail

69.13 IN WITNESS WHEREOF, homeowner(s) have executed this affidavit on this day of
 69.14, 20...

69.15

69.16 Homeowner Signature Address
 69.17

69.18 Printed Name City, State
 69.19

69.20 Homeowner Signature (if applicable)
 69.21

69.22 Printed Name

69.23 This instrument was drafted by, and when recorded return to:

69.24

69.25

69.26 Subscribed and sworn to before me this day of,

69.27

69.28 Signature of Notary Public or Other Official

69.29 Notary Stamp or Seal

69.30 **Sec. 11. [168A.143] MANUFACTURED HOMES; OWNERSHIP AT ISSUE.**

69.31 Subdivision 1. Requirements for certificate issuance or reissuance. When an applicant
 69.32 is unable to obtain from or locate previous owners no longer holding an interest in the
 69.33 manufactured home based on a certificate of title, or to locate, obtain, or produce the original

70.1 certificate of origin or certificate of title for a manufactured home, and there is no evidence
70.2 of a surrendered certificate of title or manufacturer's statement of origin as provided in
70.3 section 168A.141, subdivision 1, which has not otherwise been unaffixed or is being
70.4 unaffixed as provided in section 168A.142, the department must issue or reissue a certificate
70.5 of title to a manufactured home when the applicant submits:

70.6 (1) the application, pursuant to the requirements of section 168A.04, in a form prescribed
70.7 by the department;

70.8 (2) an affidavit that:

70.9 (i) identifies the name of the manufacturer and dimensions, and if available, the make,
70.10 model number, model year, and manufacturer's serial number of the manufactured home;
70.11 and

70.12 (ii) certifies the applicant is the owner of the manufactured home, has physical possession
70.13 of the manufactured home, knows of no facts or circumstances that materially affect the
70.14 validity of the title of the manufactured home as represented in the application, and provides
70.15 copies of such ownership documents, so far as the documents exist, including by way of
70.16 example:

70.17 (A) bill of sale;

70.18 (B) financing, replevin, or foreclosure documents;

70.19 (C) appraisal;

70.20 (D) insurance certification;

70.21 (E) personal property tax bill;

70.22 (F) landlord certification;

70.23 (G) affidavit of survivorship or estate documents;

70.24 (H) divorce decree; or

70.25 (I) court order;

70.26 (3) an affidavit by an attorney admitted to practice law in this state stating:

70.27 (i) the attorney has performed a search of the Minnesota Department of Public Safety
70.28 Driver and Vehicles Services records within 120 days of the date of application to obtain a
70.29 certificate of origin or certificate of title on behalf of the applicant, but was unable to
70.30 determine the names or locations of one or more owners or prior owners of the manufactured
70.31 home;

71.1 (ii) if applicable, the attorney was unable to successfully contact one or more owners,
71.2 or prior owners, after providing written notice 45 days prior to the registered and last known
71.3 owner by certified mail at the address shown on Driver and Vehicles Services records, or
71.4 if the last known address is different from Driver and Vehicles Services records, then also
71.5 the last known address as known to the applicant;

71.6 (iii) if the attorney is unable to contact one or more owners, or previous owners, by
71.7 sending a letter by certified mail, then the attorney must present to the department, as an
71.8 attachment to its affidavit, the returned letter as evidence of the attempted contact, or the
71.9 acknowledgement of receipt of the letter, together with an affidavit of nonresponse; and

71.10 (iv) the attorney knows of no facts or circumstances that materially affect the validity
71.11 of the title of the manufactured home as represented in the application, other than property
71.12 taxes payable in the year the affidavit is signed; and

71.13 (4) payment for required current year taxes and fees as prescribed by the department.

71.14 **Subd. 2. Satisfaction of manufactured home security lien; release.** A security interest
71.15 perfected under this chapter may be canceled seven years from the perfection date for a
71.16 manufactured home, upon the request of the owner of the manufactured home, if the owner
71.17 has paid the lien in full or the lien has been abandoned and the owner is unable to locate
71.18 the lienholder to obtain a lien release. The owner must send a letter to the lienholder by
71.19 certified mail, return receipt requested, stating the reason for the release and requesting a
71.20 lien release. If the owner is unable to obtain a lien release by sending a letter by certified
71.21 mail, then the owner must present to the department the returned letter as evidence of the
71.22 attempted contact, or the acknowledgement of receipt of the letter, together with a copy of
71.23 the letter and an owner affidavit of nonresponse.

71.24 **Subd. 3. Suspension or revocation of certificate.** (a) Pursuant to section 168A.23, the
71.25 department may revoke a previously issued certificate of title issued under this section.

71.26 (b) The department is not liable for any errors, omissions, misstatements, or other
71.27 deficiencies or inaccuracies in documents submitted to the department under this section,
71.28 provided the documents submitted appear to satisfy the requirements of this section. The
71.29 department is not required to investigate the accuracy of statements contained in submitted
71.30 documents.

71.31 Sec. 12. Minnesota Statutes 2016, section 169.345, subdivision 1, is amended to read:

71.32 Subdivision 1. **Scope of privilege.** (a) A vehicle described in section 168.021, subdivision
71.33 1, paragraph (a), that prominently displays the certificate authorized by this section or that

72.1 bears the disability plate or plates issued under section 168.021 may be parked by or solely
72.2 for the benefit of a physically disabled person:

72.3 (1) in a designated parking space for disabled persons, as provided in section 169.346;

72.4 (2) in a metered parking space without obligation to pay the meter fee and without time
72.5 restrictions unless time restrictions are separately posted on official signs; and

72.6 (3) without time restrictions in a nonmetered space where parking is otherwise allowed
72.7 for passenger vehicles but restricted to a maximum period of time and that does not
72.8 specifically prohibit the exercise of disabled parking privileges in that space.

72.9 A person may park the vehicle for a physically disabled person in a parking space described
72.10 in clause (1) or (2) only when actually transporting the physically disabled person for the
72.11 sole benefit of that person and when the parking space is within a reasonable distance from
72.12 the drop-off point.

72.13 (b) For purposes of this subdivision, a certificate is prominently displayed if it is displayed
72.14 so that it may be viewed from the front and rear of the motor vehicle by hanging it from the
72.15 rearview mirror attached to the front windshield of the motor vehicle or, in the case of a
72.16 motorcycle or a motorized bicycle, is secured to the vehicle. If there is no rearview mirror
72.17 or if the certificate holder's disability precludes placing the certificate on the mirror, the
72.18 certificate must be displayed on the dashboard of the vehicle. No part of the certificate may
72.19 be obscured.

72.20 (c) Notwithstanding paragraph (a), clauses (1), (2), and (3), this section does not permit
72.21 parking in areas prohibited by sections 169.32 and 169.34, in designated no parking spaces,
72.22 or in parking spaces reserved for specified purposes or vehicles. A local governmental unit
72.23 may, by ordinance, prohibit parking on any street or highway to create a fire lane, or to
72.24 accommodate heavy traffic during morning and afternoon rush hours and these ordinances
72.25 also apply to physically disabled persons.

72.26 **EFFECTIVE DATE.** This section is effective January 1, 2018.

72.27 Sec. 13. Minnesota Statutes 2016, section 169.345, subdivision 3, is amended to read:

72.28 Subd. 3. **Identifying certificate.** (a) The commissioner shall issue (1) immediately, a
72.29 permit valid for 30 days if the person is eligible for the certificate issued under this section
72.30 and (2) an identifying certificate for a vehicle described in section 168.021, subdivision 1,
72.31 paragraph (a), when a physically disabled applicant submits proof of physical disability
72.32 under subdivision 2a. The commissioner shall design separate certificates for persons with
72.33 permanent and temporary disabilities that can be readily distinguished from each other from

73.1 outside a vehicle at a distance of 25 feet or, in the case of a motorcycle or a motorized
73.2 bicycle, can be readily secured to the motorcycle or motorized bicycle. An applicant may
73.3 be issued up to two certificates if the applicant has not been issued disability plates under
73.4 section 168.021.

73.5 (b) The operator of a vehicle displaying a certificate has the parking privileges provided
73.6 in subdivision 1 only while the vehicle is actually parked while transporting a physically
73.7 disabled person.

73.8 (c) The commissioner shall cancel all certificates issued to an applicant who fails to
73.9 comply with the requirements of this subdivision.

73.10 **EFFECTIVE DATE.** This section is effective January 1, 2018.

73.11 Sec. 14. Minnesota Statutes 2016, section 171.06, subdivision 2a, is amended to read:

73.12 Subd. 2a. **Two-wheeled vehicle endorsement fee.** (a) The fee for any duplicate driver's
73.13 license obtained for the purpose of adding a two-wheeled vehicle endorsement is increased
73.14 by \$18.50 for each first such duplicate license and \$13 for each renewal thereof. The
73.15 additional fee must be paid into the state treasury and credited as follows:

73.16 (1) \$11 of the additional fee for each first duplicate license, and \$7 of the additional fee
73.17 for each renewal, must be credited to the motorcycle safety fund, which is hereby created;
73.18 ~~provided that ten percent of fee receipts in excess of \$750,000 in a fiscal year must be~~
73.19 ~~credited to the general fund.~~

73.20 (2) The remainder of the additional fee must be credited to the general fund.

73.21 (b) All application forms prepared by the commissioner for two-wheeled vehicle
73.22 endorsements must clearly state the amount of the total fee that is dedicated to the motorcycle
73.23 safety fund.

73.24 Sec. 15. Minnesota Statutes 2016, section 256B.15, subdivision 1a, is amended to read:

73.25 Subd. 1a. **Estates subject to claims.** (a) If a person receives medical assistance hereunder,
73.26 on the person's death, if single, or on the death of the survivor of a married couple, either
73.27 or both of whom received medical assistance, or as otherwise provided for in this section,
73.28 the amount paid for medical assistance as limited under subdivision 2 for the person and
73.29 spouse shall be filed as a claim against the estate of the person or the estate of the surviving
73.30 spouse in the court having jurisdiction to probate the estate or to issue a decree of descent
73.31 according to sections 525.31 to 525.313.

74.1 (b) For the purposes of this section, the person's estate must consist of:

74.2 (1) the person's probate estate;

74.3 (2) all of the person's interests or proceeds of those interests in real property the person
74.4 owned as a life tenant or as a joint tenant with a right of survivorship at the time of the
74.5 person's death;

74.6 (3) all of the person's interests or proceeds of those interests in securities the person
74.7 owned in beneficiary form as provided under sections 524.6-301 to 524.6-311 at the time
74.8 of the person's death, to the extent the interests or proceeds of those interests become part
74.9 of the probate estate under section 524.6-307;

74.10 (4) all of the person's interests in joint accounts, multiple-party accounts, and pay-on-death
74.11 accounts, brokerage accounts, investment accounts, or the proceeds of those accounts, as
74.12 provided under sections 524.6-201 to 524.6-214 at the time of the person's death to the
74.13 extent the interests become part of the probate estate under section 524.6-207; and

74.14 (5) assets conveyed to a survivor, heir, or assign of the person through survivorship,
74.15 living trust, transfer-on-death of title or deed, or other arrangements.

74.16 (c) For the purpose of this section and recovery in a surviving spouse's estate for medical
74.17 assistance paid for a predeceased spouse, the estate must consist of all of the legal title and
74.18 interests the deceased individual's predeceased spouse had in jointly owned or marital
74.19 property at the time of the spouse's death, as defined in subdivision 2b, and the proceeds of
74.20 those interests, that passed to the deceased individual or another individual, a survivor, an
74.21 heir, or an assign of the predeceased spouse through a joint tenancy, tenancy in common,
74.22 survivorship, life estate, living trust, or other arrangement. A deceased recipient who, at
74.23 death, owned the property jointly with the surviving spouse shall have an interest in the
74.24 entire property.

74.25 (d) For the purpose of recovery in a single person's estate or the estate of a survivor of
74.26 a married couple, "other arrangement" includes any other means by which title to all or any
74.27 part of the jointly owned or marital property or interest passed from the predeceased spouse
74.28 to another including, but not limited to, transfers between spouses which are permitted,
74.29 prohibited, or penalized for purposes of medical assistance.

74.30 (e) A claim shall be filed if medical assistance was rendered for either or both persons
74.31 under one of the following circumstances:

74.32 (1) the person was over 55 years of age, and received services under this chapter prior
74.33 to January 1, 2014;

75.1 (2) the person resided in a medical institution for six months or longer, received services
75.2 under this chapter, and, at the time of institutionalization or application for medical assistance,
75.3 whichever is later, the person could not have reasonably been expected to be discharged
75.4 and returned home, as certified in writing by the person's treating physician. For purposes
75.5 of this section only, a "medical institution" means a skilled nursing facility, intermediate
75.6 care facility, intermediate care facility for persons with developmental disabilities, nursing
75.7 facility, or inpatient hospital;

75.8 (3) the person received general assistance medical care services under the program
75.9 formerly codified under chapter 256D; or

75.10 (4) the person was 55 years of age or older and received medical assistance services on
75.11 or after January 1, 2014, that consisted of nursing facility services, home and
75.12 community-based services, or related hospital and prescription drug benefits.

75.13 (f) The claim shall be considered an expense of the last illness of the decedent for the
75.14 purpose of section 524.3-805. Notwithstanding any law or rule to the contrary, a state or
75.15 county agency with a claim under this section must be a creditor under section 524.6-307.
75.16 Any statute of limitations that purports to limit any county agency or the state agency, or
75.17 both, to recover for medical assistance granted hereunder shall not apply to any claim made
75.18 hereunder for reimbursement for any medical assistance granted hereunder. Notice of the
75.19 claim shall be given to all heirs and devisees of the decedent, and to other persons with an
75.20 ownership interest in the real property owned by the decedent at the time of the decedent's
75.21 death, whose identity can be ascertained with reasonable diligence. The notice must include
75.22 procedures and instructions for making an application for a hardship waiver under subdivision
75.23 5; time frames for submitting an application and determination; and information regarding
75.24 appeal rights and procedures. Counties are entitled to one-half of the nonfederal share of
75.25 medical assistance collections from estates that are directly attributable to county effort.
75.26 Counties are entitled to ten percent of the collections for alternative care directly attributable
75.27 to county effort.

75.28 Sec. 16. Minnesota Statutes 2016, section 297B.01, subdivision 16, is amended to read:

75.29 Subd. 16. **Sale, sells, selling, purchase, purchased, or acquired.** (a) "Sale," "sells,"
75.30 "selling," "purchase," "purchased," or "acquired" means any transfer of title of any motor
75.31 vehicle, whether absolutely or conditionally, for a consideration in money or by exchange
75.32 or barter for any purpose other than resale in the regular course of business.

75.33 (b) Any motor vehicle utilized by the owner only by leasing such vehicle to others or
75.34 by holding it in an effort to so lease it, and which is put to no other use by the owner other

76.1 than resale after such lease or effort to lease, shall be considered property purchased for
76.2 resale.

76.3 (c) The terms also shall include any transfer of title or ownership of a motor vehicle by
76.4 other means, for or without consideration, except that these terms shall not include:

76.5 (1) the acquisition of a motor vehicle by inheritance from or by bequest of, or
76.6 transfer-on-death of title by, a decedent who owned it;

76.7 (2) the transfer of a motor vehicle which was previously licensed in the names of two
76.8 or more joint tenants and subsequently transferred without monetary consideration to one
76.9 or more of the joint tenants;

76.10 (3) the transfer of a motor vehicle by way of gift from a limited used vehicle dealer
76.11 licensed under section 168.27, subdivision 4a, to an individual, when the transfer is with
76.12 no monetary or other consideration or expectation of consideration and the parties to the
76.13 transfer submit an affidavit to that effect at the time the title transfer is recorded;

76.14 (4) the transfer of a motor vehicle by gift between:

76.15 (i) spouses;

76.16 (ii) parents and a child; or

76.17 (iii) grandparents and a grandchild;

76.18 (5) the voluntary or involuntary transfer of a motor vehicle between a husband and wife
76.19 in a divorce proceeding; or

76.20 (6) the transfer of a motor vehicle by way of a gift to an organization that is exempt from
76.21 federal income taxation under section 501(c)(3) of the Internal Revenue Code when the
76.22 motor vehicle will be used exclusively for religious, charitable, or educational purposes.

76.23 **Sec. 17. DRIVER'S LICENSE AGENT IN NEW BRIGHTON.**

76.24 (a) The commissioner of public safety must revise the appointment of the city of New
76.25 Brighton as a driver's license agent to provide authority to operate as a full-service driver
76.26 licensing office located in New Brighton city hall. This paragraph applies notwithstanding:
76.27 (1) Minnesota Statutes, section 171.061, subdivision 2; (2) requirements under Minnesota
76.28 Rules, part 7404.0300, subpart 3; and (3) procedures for county board appointment of a
76.29 driver's license agent, including under Minnesota Rules, part 7404.0350. All other provisions
76.30 regarding the appointment and operation of a driver's license agent under Minnesota Statutes,
76.31 section 171.061, and Minnesota Rules, chapter 7404, apply.

- 77.1 (b) The commissioner must make the appointment under this section within two weeks
77.2 of receipt of an appointment application pursuant to the commissioner's procedures under
77.3 Minnesota Rules.