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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETIETH SESSION

H. F. No. **861**

02/06/2017 Authored by Torkelson
The bill was read for the first time and referred to the Committee on Transportation and Regional Governance Policy
02/16/2017 Adoption of Report: Amended and re-referred to the Committee on Government Operations and Elections Policy
02/27/2017 Adoption of Report: Re-referred to the Committee on Transportation Finance
03/27/2017 Adoption of Report: Amended and re-referred to the Committee on Taxes

1.1 A bill for an act

1.2 relating to transportation finance; establishing the budget for transportation

1.3 activities; modifying various provisions governing transportation finance and

1.4 policy; amending allocation of certain taxes and fees; establishing a fund; making

1.5 appropriations; authorizing the sale and issuance of state bonds; amending

1.6 Minnesota Statutes 2016, sections 16A.88, subdivision 2; 115A.908, subdivision

1.7 2; 117.189; 160.18, by adding a subdivision; 161.081, subdivision 3; 161.088,

1.8 subdivisions 4, 5, 7; 161.115, subdivision 190; 161.14, by adding subdivisions;

1.9 161.321, subdivision 6; 161.38, by adding a subdivision; 161.44, subdivisions 5,

1.10 6a, by adding a subdivision; 162.145, subdivision 2; 168.013, subdivision 1a, by

1.11 adding a subdivision; 168.021, subdivisions 1, 2, 2a; 168.33, subdivision 2;

1.12 168A.09, subdivision 1; 169.011, subdivision 34, by adding a subdivision; 169.18,

1.13 subdivision 5; 169.345, subdivisions 1, 3; 169.444, subdivision 2; 169.449,

1.14 subdivision 1; 169.865, subdivision 3; 171.02, subdivision 2b; 171.06, subdivision

1.15 2a; 171.061, subdivision 3; 171.12, subdivision 6; 173.02, subdivisions 18, 23, by

1.16 adding subdivisions; 173.06, subdivision 1; 173.07, subdivision 1; 173.08, by

1.17 adding subdivisions; 173.13, subdivision 11; 173.16, by adding subdivisions;

1.18 174.03, subdivisions 1a, 1c, by adding a subdivision; 174.50, subdivisions 5, 6b,

1.19 6c, 7; 174.56, subdivisions 1, 2, by adding a subdivision; 174.93; 219.166; 219.20,

1.20 subdivision 1; 221.031, by adding a subdivision; 222.49; 222.50, subdivision 6,

1.21 by adding a subdivision; 297A.815, subdivision 3; 297A.94; 297A.992, subdivision

1.22 6a; 297A.993, subdivision 2, by adding a subdivision; 299D.03, subdivision 6;

1.23 473.13, subdivision 1; 473.146, subdivision 3; 473.388, subdivision 4; 473.39, by

1.24 adding a subdivision; 473.3994, by adding subdivisions; 473.4051, subdivision 3;

1.25 Laws 2015, chapter 75, article 1, section 3, subdivision 3; proposing coding for

1.26 new law in Minnesota Statutes, chapters 168; 169; 173; 174; 219; 398A; 471; 473;

1.27 repealing Minnesota Statutes 2016, sections 161.115, subdivision 32; 297A.992,

1.28 subdivision 12; 473.4051, subdivision 2; Minnesota Rules, parts 8810.0800, subpart

1.29 3; 8810.1300, subpart 4.

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

1.31 **ARTICLE 1**

1.32 **TRANSPORTATION APPROPRIATIONS**

1.33 Section 1. **CITATION.**

2.1 This act may be cited as the "Road and Bridge Act."

2.2 **Sec. 2. SUMMARY OF APPROPRIATIONS.**

2.3 The amounts shown in this section summarize direct appropriations by fund made in
 2.4 this article and do not have legal effect.

	<u>2018</u>	<u>2019</u>	<u>Total</u>
2.6 <u>General</u> \$	<u>82,396,000</u>	<u>\$ 55,270,000</u>	<u>\$ 137,666,000</u>
2.7 <u>Airports</u>	<u>42,631,000</u>	<u>22,609,000</u>	<u>65,240,000</u>
2.8 <u>C.S.A.H.</u>	<u>744,172,000</u>	<u>759,502,000</u>	<u>1,503,673,000</u>
2.9 <u>M.S.A.S.</u>	<u>195,682,000</u>	<u>200,365,000</u>	<u>396,047,000</u>
2.10 <u>Special Revenue</u>	<u>66,445,000</u>	<u>65,087,000</u>	<u>131,532,000</u>
2.11 <u>H.U.T.D.</u>	<u>10,474,000</u>	<u>10,486,000</u>	<u>20,960,000</u>
2.12 <u>Transportation Priorities</u>	<u>105,104,000</u>	<u>128,147,000</u>	<u>233,251,000</u>
2.13 <u>Trunk Highway</u>	<u>1,882,987,000</u>	<u>1,758,547,000</u>	<u>3,648,534,000</u>
2.14 <u>Total</u> \$	<u>3,024,786,000</u>	<u>\$ 2,871,866,000</u>	<u>\$ 5,896,652,000</u>

2.15 **Sec. 3. TRANSPORTATION APPROPRIATIONS**

2.16 The sums shown in the columns marked "Appropriations" are appropriated to the agencies
 2.17 and for the purposes specified in this article. The appropriations are from the trunk highway
 2.18 fund, or another named fund, and are available for the fiscal years indicated for each purpose.
 2.19 Amounts for "Total Appropriation" and sums shown in the corresponding columns marked
 2.20 "Appropriations by Fund" are summary only and do not have legal effect. Unless specified
 2.21 otherwise, the amounts in the second year under "Appropriations by Fund" show the base
 2.22 appropriations within the meaning of Minnesota Statutes, section 16A.11, subdivision 3,
 2.23 by fund. The figures "2018" and "2019" used in this article mean that the appropriations
 2.24 listed under them are available for the fiscal year ending June 30, 2018, or June 30, 2019,
 2.25 respectively. "The first year" is fiscal year 2018. "The second year" is fiscal year 2019. "The
 2.26 biennium" is fiscal years 2018 and 2019.

	<u>APPROPRIATIONS</u>	
	<u>Available for the Year</u>	
	<u>Ending June 30</u>	
	<u>2018</u>	<u>2019</u>

2.31 **Sec. 4. DEPARTMENT OF**
 2.32 **TRANSPORTATION**

2.33 **Subdivision 1. Total Appropriations Summary** \$ **2,891,106,000** \$ **2,778,175,000**

3.1	<u>Appropriations by Fund</u>	
3.2	<u>2018</u>	<u>2019</u>
3.3	<u>General</u>	<u>24,879,000</u>
3.4	<u>Airports</u>	<u>18,358,000</u>
3.5	<u>C.S.A.H.</u>	<u>42,631,000</u>
3.6	<u>M.S.A.S.</u>	<u>22,609,000</u>
3.7	<u>Special Revenue</u>	<u>744,172,000</u>
3.8	<u>Transportation</u>	<u>195,682,000</u>
3.9	<u>Priorities</u>	<u>200,365,000</u>
3.10	<u>Trunk Highway</u>	<u>1,000,000</u>
		<u>-0-</u>
	<u>Transportation</u>	
	<u>Priorities</u>	<u>105,104,000</u>
	<u>Trunk Highway</u>	<u>128,147,000</u>
		<u>1,777,639,000</u>
		<u>1,649,194,000</u>

3.11 The appropriations in this section are to the
 3.12 commissioner of transportation. The amounts
 3.13 that may be spent for each purpose are
 3.14 specified in the following subdivisions.

3.15 **Subd. 2. Multimodal Systems**

3.16 **(a) Aeronautics**

3.17 **(1) Airport Development and Assistance** 17,298,000 17,298,000

3.18 This appropriation is from the state airports
 3.19 fund and must be spent according to
 3.20 Minnesota Statutes, section 360.305,
 3.21 subdivision 4.

3.22 The base is \$15,298,000 in each year for fiscal
 3.23 years 2020 and 2021.

3.24 Notwithstanding Minnesota Statutes, section
 3.25 16A.28, subdivision 6, this appropriation is
 3.26 available for five years after the year of the
 3.27 appropriation. If the appropriation for either
 3.28 year is insufficient, the appropriation for the
 3.29 other year is available for it.

3.30 If the commissioner of transportation
 3.31 determines that a balance remains in the state
 3.32 airports fund following the appropriations
 3.33 made in this article and that the appropriations
 3.34 made are insufficient for advancing airport
 3.35 development and assistance projects, an

4.1 amount necessary to advance the projects, not
 4.2 to exceed the balance in the state airports fund,
 4.3 is appropriated in each year to the
 4.4 commissioner and must be spent according to
 4.5 Minnesota Statutes, section 360.305,
 4.6 subdivision 4. Within two weeks of a
 4.7 determination under this contingent
 4.8 appropriation, the commissioner of
 4.9 transportation must notify the commissioner
 4.10 of management and budget and the chairs,
 4.11 ranking minority members, and staff of the
 4.12 legislative committees with jurisdiction over
 4.13 transportation finance concerning the funds
 4.14 appropriated. Funds appropriated under this
 4.15 contingent appropriation do not adjust the base
 4.16 for fiscal years 2020 and 2021.

4.17 **(2) Aviation Support Services** 6,710,000 6,854,000

	<u>Appropriations by Fund</u>	
	<u>2018</u>	<u>2019</u>
4.18		
4.19		
4.20	<u>5,231,000</u>	<u>5,231,000</u>
4.21	<u>1,479,000</u>	<u>1,623,000</u>

4.22 **(3) Civil Air Patrol** 3,580,000 80,000

4.23 This appropriation is from the state airports
 4.24 fund for the Civil Air Patrol.
 4.25 \$3,500,000 is for a grant to renovate a portion
 4.26 of and construct an addition to the training and
 4.27 maintenance facility located at the South St.
 4.28 Paul airport, and to furnish and equip the
 4.29 facility, including communications equipment
 4.30 and a mobile command post vehicle.
 4.31 Notwithstanding Minnesota Statutes, section
 4.32 16A.28, subdivision 6, this appropriation is
 4.33 available for five years after the year of the
 4.34 appropriation.

5.1 **(4) International Falls-Koochiching County**
 5.2 **Airport Commission** 3,000,000 -0-

5.3 (i) This appropriation is from the state airports
 5.4 fund for a grant to the International
 5.5 Falls-Koochiching County Airport
 5.6 Commission for the following improvements
 5.7 to the Falls International Airport:

5.8 (A) demolition of the existing terminal
 5.9 building;

5.10 (B) rehabilitation;

5.11 (C) site preparation, including utilities and
 5.12 civil work;

5.13 (D) design, construction, furnishing, and
 5.14 equipping Phase II of the new terminal
 5.15 building, including a Transportation Safety
 5.16 Administration office, weather office,
 5.17 conference room, circulation corridor, airport
 5.18 administration offices, United States Customs
 5.19 and Border Protection storage rooms, offices,
 5.20 restrooms, passenger-processing area,
 5.21 wet-hold room, interview room, search room,
 5.22 pre- and post-customs passenger waiting areas,
 5.23 and vestibule; and

5.24 (E) associated appurtenances of a capital
 5.25 nature.

5.26 (ii) After completion of the improvements
 5.27 under item (i), any unspent money from this
 5.28 appropriation may be used by the International
 5.29 Falls-Koochiching County Airport
 5.30 Commission for a commercial airline apron
 5.31 expansion project at the Falls International
 5.32 Airport.

5.33 (iii) This appropriation does not require a
 5.34 nonstate contribution or match.

6.1	<u>(5) Duluth Airport Authority</u>	<u>6,619,000</u>	<u>-0-</u>
6.2	<u>This appropriation is from the state airports</u>		
6.3	<u>fund for a grant to the Duluth Airport</u>		
6.4	<u>Authority to provide the federal match to</u>		
6.5	<u>design and construct runway infrastructure at</u>		
6.6	<u>the Duluth International Airport or the Sky</u>		
6.7	<u>Harbor Airport in accordance with Minnesota</u>		
6.8	<u>Statutes, section 360.017. For the purposes of</u>		
6.9	<u>this appropriation, the commissioner may</u>		
6.10	<u>waive the requirements of Minnesota Statutes,</u>		
6.11	<u>section 360.305, subdivision 4, paragraph (b).</u>		
6.12	<u>(6) Rochester International Airport</u>	<u>2,333,000</u>	<u>-0-</u>
6.13	<u>This appropriation is from the state airports</u>		
6.14	<u>fund for a grant to the city of Rochester to</u>		
6.15	<u>design, rehabilitate, demolish, and expand</u>		
6.16	<u>portions of the existing passenger terminal</u>		
6.17	<u>building at the Rochester International Airport,</u>		
6.18	<u>provided that this amount also includes money</u>		
6.19	<u>to remodel, construct, furnish, and equip the</u>		
6.20	<u>existing passenger terminal building and</u>		
6.21	<u>associated appurtenances to meet United States</u>		
6.22	<u>Customs and Border Protection and</u>		
6.23	<u>Transportation Security Administration</u>		
6.24	<u>standards for safety, security, and processing</u>		
6.25	<u>time to accommodate domestic and</u>		
6.26	<u>international flights. The capital improvements</u>		
6.27	<u>paid for with this appropriation may be used</u>		
6.28	<u>as the local contribution required by</u>		
6.29	<u>Minnesota Statutes, section 360.305,</u>		
6.30	<u>subdivision 4. This appropriation may be used</u>		
6.31	<u>to reimburse the city for costs incurred after</u>		
6.32	<u>May 1, 2016. This appropriation is not</u>		
6.33	<u>available until the commissioner of</u>		
6.34	<u>management and budget determines that at</u>		
6.35	<u>least an equal amount has been committed to</u>		

7.1 the project from nonstate sources. Work that
 7.2 may be completed with this appropriation
 7.3 includes but is not limited to:
 7.4 (i) site preparation, including utilities, site civil
 7.5 work, testing, and construction administration
 7.6 services;
 7.7 (ii) the relocation, modification, and addition
 7.8 of airline ticket counters, baggage claim
 7.9 devices, public spaces, offices, restrooms,
 7.10 support space, break rooms, lockers,
 7.11 equipment storage, communications, hallways,
 7.12 building signage, medical visitor rooms,
 7.13 special needs accommodations, hold rooms,
 7.14 secure storage, equipment maintenance areas,
 7.15 and building engineering and technology
 7.16 systems;
 7.17 (iii) improvements needed outside the terminal
 7.18 to remove, restore, and tie into adjacent
 7.19 utilities, sidewalks, driveways, parking lots,
 7.20 and aircraft aprons; and
 7.21 (iv) the construction of covered exterior
 7.22 equipment storage.

7.23 **(7) Carlton County Airport Hangar** 320,000 -0-

7.24 This appropriation is from the state airports
 7.25 fund for a grant to Carlton County to construct
 7.26 a hangar at the Cloquet - Carlton County
 7.27 Airport that (i) facilitates the basing of air
 7.28 ambulance aircraft and (ii) provides basing
 7.29 for corporate aircraft and turboprop and jet
 7.30 aircraft that operate under Code of Federal
 7.31 Regulations, title 14, part 135.

7.32 **(8) St. Cloud Regional Airport Study** 250,000 -0-

7.33 Notwithstanding Minnesota Statutes, section
 7.34 360.017, this appropriation is from the state

8.1 airports fund for a grant to the city of St.
 8.2 Cloud for an air transport optimization
 8.3 planning study for the St. Cloud Regional
 8.4 Airport. The study must be comprehensive
 8.5 and market-based, using economic
 8.6 development and air service expertise to
 8.7 research, analyze, and develop models and
 8.8 strategies that maximize the return on
 8.9 investments made to enhance the use and
 8.10 impact of the St. Cloud Regional Airport. By
 8.11 January 5, 2018, the city of St. Cloud shall
 8.12 submit a report to the governor and the
 8.13 members and staff of the legislative
 8.14 committees with jurisdiction over capital
 8.15 investment, transportation, and economic
 8.16 development with recommendations based on
 8.17 the findings of the study.

8.18 **(9) Availability of Funds**

8.19 Notwithstanding Minnesota Statutes, section
 8.20 16A.28, subdivision 6, the appropriations in
 8.21 clauses (4) to (7) are available for five years
 8.22 after the year of the appropriation.

8.23 **(b) Transit** 52,191,000 57,058,000

	<u>Appropriations by Fund</u>	
	<u>2018</u>	<u>2019</u>
8.24 <u>General</u>	<u>17,395,000</u>	<u>17,395,000</u>
8.25 <u>Transportation</u>		
8.26 <u>Priorities</u>	<u>33,950,000</u>	<u>38,790,000</u>
8.27 <u>Trunk Highway</u>	<u>846,000</u>	<u>873,000</u>

8.28 \$250,000 in each year is from the general fund
 8.29 to pay administrative costs for the safe routes
 8.30 to school program under Minnesota Statutes,
 8.31 section 174.40.

8.32 \$150,000 in each year is from the general fund
 8.33 for grants to transportation management

9.1 organizations that provide services exclusively
 9.2 or primarily in the city located along the
 9.3 marked Interstate Highway 494 corridor
 9.4 having the highest population as of the
 9.5 effective date of this section. The
 9.6 commissioner must not retain any portion of
 9.7 the funds appropriated under this section.
 9.8 From the appropriation in each fiscal year, the
 9.9 commissioner must make grant payments in
 9.10 full by July 31. Permissible uses of funds
 9.11 under this grant include administrative
 9.12 expenses and programming and service
 9.13 expansion, including but not limited to
 9.14 staffing, communications, outreach and
 9.15 education program development, and
 9.16 operations management.

9.17 The base from the general fund is \$17,245,000
 9.18 in each year for fiscal years 2020 and 2021.

9.19 The base from the transportation priorities
 9.20 fund is as established in Minnesota Statutes,
 9.21 section 174.54, subdivision 3.

9.22	<u>(c) Safe Routes to School</u>	<u>2,500,000</u>	<u>500,000</u>
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9.23 This appropriation is from the general fund
 9.24 for the safe routes to school program under
 9.25 Minnesota Statutes, section 174.40.

9.26 **(d) Freight**

9.27	<u>(1) Freight and Commercial Vehicle Operations</u>	<u>6,716,000</u>	<u>5,928,000</u>
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9.28 Appropriations by Fund

		<u>2018</u>	<u>2019</u>
9.29	<u>General</u>	<u>1,366,000</u>	<u>406,000</u>
9.30	<u>Trunk Highway</u>	<u>5,350,000</u>	<u>5,522,000</u>

9.32 \$960,000 in the first year is from the general
 9.33 fund for port development assistance grants
 9.34 under Minnesota Statutes, chapter 457A, in

10.1 the amounts of: (1) \$800,000 to the city of
 10.2 Red Wing; and (2) \$160,000 to the Port
 10.3 Authority of Winona. Any improvements
 10.4 made with the proceeds of the grants must be
 10.5 publicly owned. This appropriation is available
 10.6 in the second year.

10.7 \$150,000 in each year is for additional rail
 10.8 safety and rail service activities, and this
 10.9 amount annually is included in the base.

10.10 **(2) Minnesota Rail Service Improvement** 5,651,000 -0-

	<u>Appropriations by Fund</u>	
	<u>2018</u>	<u>2019</u>
10.11 <u>General</u>	3,151,000	-0-
10.12 <u>Transportation</u>		
10.13 <u>Priorities</u>	1,500,000	-0-
10.14 <u>Special Revenue</u>	1,000,000	-0-

10.15 This appropriation is for the Minnesota rail
 10.16 service improvement program under
 10.17 Minnesota Statutes, sections 222.49 and
 10.18 222.50.

10.19 \$1,000,000 in the first year is from the rail
 10.20 service improvement account in the special
 10.21 revenue fund for a grant to the city of Grand
 10.22 Rapids to fund rail planning studies, design,
 10.23 and preliminary engineering relating to the
 10.24 construction of a freight rail line located in the
 10.25 counties of Itasca, St. Louis, and Lake to serve
 10.26 local producers and shippers. The city of
 10.27 Grand Rapids shall collaborate with the Itasca
 10.28 Economic Development Corporation and the
 10.29 Itasca County Regional Railroad Authority in
 10.30 the activities funded with the proceeds of this
 10.31 grant. This appropriation is available until June
 10.32 30, 2019.

10.33 **(3) Hazardous Materials Rail Safety** 5,000,000 5,000,000

11.1	<u>This appropriation is from the transportation</u>		
11.2	<u>priorities fund for the hazardous materials rail</u>		
11.3	<u>safety program and grants under Minnesota</u>		
11.4	<u>Statutes, section 219.016.</u>		
11.5	<u>The base is as established in Minnesota</u>		
11.6	<u>Statutes, section 174.54, subdivision 3.</u>		
11.7	<u>(4) Railroad Warning Devices</u>	<u>3,000,000</u>	<u>3,000,000</u>
11.8	<u>This appropriation is from the transportation</u>		
11.9	<u>priorities fund to design, construct, and equip</u>		
11.10	<u>replacement of active highway-rail grade</u>		
11.11	<u>crossing warning devices that have reached</u>		
11.12	<u>the end of their useful life.</u>		
11.13	<u>The base is as established in Minnesota</u>		
11.14	<u>Statutes, section 174.54, subdivision 3.</u>		
11.15	<u>(5) Rail Quiet Zones</u>	<u>1,000,000</u>	<u>1,000,000</u>
11.16	<u>This appropriation is from the transportation</u>		
11.17	<u>priorities fund for the public highway-rail</u>		
11.18	<u>grade crossing quiet zone program and grants</u>		
11.19	<u>under Minnesota Statutes, section 219.166.</u>		
11.20	<u>Up to ten percent of this appropriation may</u>		
11.21	<u>be used for eligible activities necessary to</u>		
11.22	<u>support the implementation and delivery of</u>		
11.23	<u>the program.</u>		
11.24	<u>The base is as established in Minnesota</u>		
11.25	<u>Statutes, section 174.54, subdivision 3.</u>		
11.26	<u>Subd. 3. State Roads</u>		
11.27	<u>(a) Operations and Maintenance</u>	<u>343,446,000</u>	<u>348,101,000</u>
11.28	<u>\$4,000,000 in each year is for additional</u>		
11.29	<u>maintenance and improvements related to</u>		
11.30	<u>intelligent transportation systems. This amount</u>		
11.31	<u>is annually included in the base.</u>		

12.1 \$10,000,000 in each year is for additional
 12.2 pavement preservation activities. This amount
 12.3 is annually included in the base.

12.4 \$10,000,000 in each year is for additional fleet
 12.5 equipment replacement in conformance with
 12.6 performance targets. This amount is annually
 12.7 included in the base.

12.8 The commissioner is prohibited from
 12.9 implementing the workforce optimization plan
 12.10 proposed under the budget submitted for the
 12.11 biennium under Minnesota Statutes, section
 12.12 16A.11, and from otherwise appreciably
 12.13 increasing the staffing complement for snow
 12.14 and ice management.

12.15 The base is \$356,086,000 in fiscal year 2020
 12.16 and \$357,518,000 in fiscal year 2021.

12.17 **(b) Program Planning and Delivery**

12.18	<u>(1) Planning and Research</u>	<u>30,442,000</u>	<u>30,790,000</u>
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12.19 If a balance remains of this appropriation, the
 12.20 commissioner may transfer up to that amount
 12.21 for program delivery under clause (2).

12.22 Up to \$600,000 in the first year is for the
 12.23 congestion and safety improvements study
 12.24 under article 4, section 103.

12.25 Up to \$250,000 in the first year is for the
 12.26 marked Interstate 94/494/694 interchange
 12.27 improvement study under article 4, section
 12.28 104.

12.29 Up to \$160,000 in the first year is for the
 12.30 highway construction costs and cost inflation
 12.31 study under article 4, section 105.

13.1 \$130,000 in each year is available for
 13.2 administrative costs of the targeted group
 13.3 business program.

13.4 \$266,000 in each year is available for grants
 13.5 to metropolitan planning organizations outside
 13.6 the seven-county metropolitan area.

13.7 \$900,000 in each year is available for grants
 13.8 for transportation studies outside the
 13.9 metropolitan area to identify critical concerns,
 13.10 problems, and issues. These grants are
 13.11 available:

13.12 (1) to regional development commissions;
 13.13 (2) in regions where no regional development
 13.14 commission is functioning, to joint powers
 13.15 boards established under agreement of two or
 13.16 more political subdivisions in the region to
 13.17 exercise the planning functions of a regional
 13.18 development commission; and

13.19 (3) in regions where no regional development
 13.20 commission or joint powers board is
 13.21 functioning, to the Department of
 13.22 Transportation district office for that region.

13.23 **(2) Program Delivery**

13.24 This appropriation includes use of consultants
 13.25 to support development and management of
 13.26 projects.

13.27 \$968,000 in the first year is for a grant to the
 13.28 city of Red Wing for trunk highway costs in
 13.29 excess of the engineer's estimate and
 13.30 associated program delivery for State Project
 13.31 No. 2514-122, consisting of engineering and
 13.32 reconstruction of the segment of marked U.S.
 13.33 Highway 61 in Red Wing from westerly of

222,862,000

221,893,000

14.1 Old West Main Street to easterly of Potter
 14.2 Street.
 14.3 Up to \$140,000 in the first year is for
 14.4 development, implementation, and reporting
 14.5 on project selection best practices under article
 14.6 4, section 91.
 14.7 \$1,000,000 in each year is available for
 14.8 management of contaminated and regulated
 14.9 material on property owned by the Department
 14.10 of Transportation, including mitigation of
 14.11 property conveyances, facility acquisition or
 14.12 expansion, chemical release at maintenance
 14.13 facilities, and spills on the trunk highway
 14.14 system where there is no known responsible
 14.15 party. If the appropriation for either year is
 14.16 insufficient, the appropriation for the other
 14.17 year is available for it.

14.18 The base is \$229,878,000 in fiscal year 2020
 14.19 and \$231,305,000 in fiscal year 2021.

14.20	<u>(c) State Road Construction</u>	<u>1,066,938,000</u>	<u>919,196,000</u>
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14.21 This appropriation is for the actual
 14.22 construction, reconstruction, and improvement
 14.23 of trunk highways, including design-build
 14.24 contracts, internal department costs associated
 14.25 with delivering the construction program,
 14.26 consultant usage to support these activities,
 14.27 and the cost of actual payments to landowners
 14.28 for lands acquired for highway rights-of-way,
 14.29 payment to lessees, interest subsidies, and
 14.30 relocation expenses.

14.31 This appropriation includes federal highway
 14.32 aid.

15.1 \$10,000,000 in each year is for the
 15.2 transportation economic development program
 15.3 under Minnesota Statutes, section 174.12.

15.4 The commissioner may expend up to one-half
 15.5 of one percent of the federal appropriations
 15.6 under this paragraph as grants to opportunity
 15.7 industrialization centers and other nonprofit
 15.8 job training centers for job training programs
 15.9 related to highway construction.

15.10 The commissioner may transfer up to
 15.11 \$15,000,000 each year to the transportation
 15.12 revolving loan fund.

15.13 The commissioner may receive money
 15.14 covering other shares of the cost of partnership
 15.15 projects. These receipts are appropriated to
 15.16 the commissioner for these projects.

15.17 **(d) Corridors of Commerce** 25,000,000 25,000,000

15.18 This appropriation is for the corridors of
 15.19 commerce program under Minnesota Statutes,
 15.20 section 161.088.

15.21 The commissioner may use up to 17 percent
 15.22 of the amount each year for program delivery.

15.23 **(e) Highway Debt Service** 217,196,000 264,190,000

15.24 \$207,696,000 in fiscal year 2018 and
 15.25 \$254,690,000 in fiscal year 2019 are for
 15.26 transfer to the state bond fund. If this
 15.27 appropriation is insufficient to make all
 15.28 transfers required in the year for which it is
 15.29 made, the commissioner of management and
 15.30 budget must transfer the deficiency amount
 15.31 under the statutory open appropriation and
 15.32 notify the chairs, ranking minority members,
 15.33 and staff of the legislative committees with
 15.34 jurisdiction over transportation finance and

16.1 the chairs of the senate Finance Committee
 16.2 and the house of representatives Ways and
 16.3 Means Committee of the amount of the
 16.4 deficiency. Any excess appropriation cancels
 16.5 to the trunk highway fund.

16.6 **(f) Statewide Radio Communications** 5,648,000 5,829,000

	<u>Appropriations by Fund</u>	
	<u>2018</u>	<u>2019</u>
16.7		
16.8	<u>3,000</u>	<u>3,000</u>
16.9	<u>3,000</u>	<u>3,000</u>
16.10	<u>5,645,000</u>	<u>5,826,000</u>

16.11 \$3,000 in each year is from the general fund
 16.12 to equip and operate the Roosevelt signal
 16.13 tower for Lake of the Woods weather
 16.14 broadcasting.

16.15 **Subd. 4. Local Roads**

16.16 **(a) County State-Aid Roads** 744,172,000 759,502,000

16.17 This appropriation is from the county state-aid
 16.18 highway fund under Minnesota Statutes,
 16.19 section 161.081, and Minnesota Statutes,
 16.20 chapter 162, and is available until spent.

16.21 If the commissioner of transportation
 16.22 determines that a balance remains in the
 16.23 county state-aid highway fund following the
 16.24 appropriations and transfers made in this
 16.25 paragraph, and that the appropriations made
 16.26 are insufficient for advancing county state-aid
 16.27 highway projects, an amount necessary to
 16.28 advance the projects, not to exceed the balance
 16.29 in the county state-aid highway fund, is
 16.30 appropriated in each year to the commissioner.
 16.31 Within two weeks of a determination under
 16.32 this contingent appropriation, the
 16.33 commissioner of transportation must notify
 16.34 the commissioner of management and budget
 16.35 and the chairs, ranking minority members, and

17.1 staff of the legislative committees with
 17.2 jurisdiction over transportation finance
 17.3 concerning funds appropriated. The
 17.4 commissioner must identify in the next budget
 17.5 submission to the legislature under Minnesota
 17.6 Statutes, section 16A.11, any amount that is
 17.7 appropriated under this paragraph.

17.8 **(b) Municipal State-Aid Roads** 195,682,000 200,365,000

17.9 This appropriation is from the municipal
 17.10 state-aid street fund under Minnesota Statutes,
 17.11 chapter 162, and is available until spent.

17.12 If the commissioner of transportation
 17.13 determines that a balance remains in the
 17.14 municipal state-aid street fund following the
 17.15 appropriations and transfers made in this
 17.16 paragraph, and that the appropriations made
 17.17 are insufficient for advancing municipal
 17.18 state-aid street projects, an amount necessary
 17.19 to advance the projects, not to exceed the
 17.20 balance in the municipal state-aid street fund,
 17.21 is appropriated in each year to the
 17.22 commissioner. Within two weeks of a
 17.23 determination under this contingent
 17.24 appropriation, the commissioner of
 17.25 transportation must notify the commissioner
 17.26 of management and budget and the chairs,
 17.27 ranking minority members, and staff of the
 17.28 legislative committees with jurisdiction over
 17.29 transportation finance concerning funds
 17.30 appropriated. The commissioner must identify
 17.31 in the next budget submission to the legislature
 17.32 under Minnesota Statutes, section 16A.11, any
 17.33 amount that is appropriated under this
 17.34 paragraph.

17.35 **(c) Metropolitan Area County Roads** 33,950,000 38,790,000

18.1	<u>This appropriation is from the transportation</u>		
18.2	<u>priorities fund for distribution as provided</u>		
18.3	<u>under Minnesota Statutes, section 174.54,</u>		
18.4	<u>subdivision 5.</u>		
18.5	<u>The base is as established in Minnesota</u>		
18.6	<u>Statutes, section 174.54, subdivision 3.</u>		
18.7	<u>(d) Small Cities Assistance</u>	<u>12,500,000</u>	<u>12,500,000</u>
18.8	<u>This appropriation is from the transportation</u>		
18.9	<u>priorities fund for the small cities assistance</u>		
18.10	<u>program under Minnesota Statutes, section</u>		
18.11	<u>162.145.</u>		
18.12	<u>The base is as established in Minnesota</u>		
18.13	<u>Statutes, section 174.54, subdivision 3.</u>		
18.14	<u>(e) Local Bridge Replacement and Rehabilitation</u>	<u>12,383,000</u>	<u>12,384,000</u>
18.15	<u>This appropriation is from the transportation</u>		
18.16	<u>priorities fund for the local bridge replacement</u>		
18.17	<u>and rehabilitation program as provided in</u>		
18.18	<u>Minnesota Statutes, section 174.50,</u>		
18.19	<u>subdivisions 5 to 7.</u>		
18.20	<u>The base is as established in Minnesota</u>		
18.21	<u>Statutes, section 174.54, subdivision 3.</u>		
18.22	<u>Subd. 5. Agency Management</u>		
18.23	<u>(a) Agency Services</u>	<u>44,316,000</u>	<u>45,206,000</u>
18.24	<u>(b) Tribal Training</u>	<u>192,000</u>	<u>218,000</u>
18.25	<u>This appropriation is from the general fund to</u>		
18.26	<u>facilitate tribal training for state agencies.</u>		
18.27	<u>This is a onetime appropriation.</u>		
18.28	<u>(c) Buildings</u>	<u>28,585,000</u>	<u>29,439,000</u>
18.29	<u>Appropriations by Fund</u>		
18.30		<u>2018</u>	<u>2019</u>
18.31	<u>General</u>	<u>54,000</u>	<u>54,000</u>
18.32	<u>Trunk Highway</u>	<u>28,531,000</u>	<u>29,385,000</u>

19.1 Any money appropriated to the commissioner
 19.2 of transportation for building construction for
 19.3 any fiscal year before the first year is available
 19.4 to the commissioner during the biennium to
 19.5 the extent that the commissioner spends the
 19.6 money on the building construction projects
 19.7 for which the money was originally
 19.8 encumbered during the fiscal year for which
 19.9 it was appropriated. If the appropriation for
 19.10 either year is insufficient, the appropriation
 19.11 for the other year is available for it.

19.12	<u>(d) Tort Claims</u>	<u>600,000</u>	<u>600,000</u>
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19.13 If the appropriation for either year is
 19.14 insufficient, the appropriation for the other
 19.15 year is available for it.

19.16 **Subd. 6. Transfers**

19.17 (a) With the approval of the commissioner of
 19.18 management and budget, the commissioner
 19.19 of transportation may transfer unencumbered
 19.20 balances among the appropriations from the
 19.21 trunk highway fund and the state airports fund
 19.22 made in this section. Transfers under this
 19.23 paragraph must not be made:

19.24 (1) between funds;

19.25 (2) from the appropriations for state road
 19.26 construction or debt service;

19.27 (3) from the appropriations for operations and
 19.28 maintenance or program delivery, except for
 19.29 a transfer to state road construction or debt
 19.30 service; or

19.31 (4) if inconsistent with legislative intent.

19.32 (b) The commissioner of transportation must
 19.33 immediately report transfers under this

20.1 paragraph to the chairs, ranking minority
20.2 members, and staff of the legislative
20.3 committees with jurisdiction over
20.4 transportation finance. The authority for the
20.5 commissioner of transportation to make
20.6 transfers under Minnesota Statutes, section
20.7 16A.285, is superseded by the authority and
20.8 requirements under this paragraph.

20.9 (c) The commissioner of transportation must
20.10 transfer from the flexible highway account in
20.11 the county state-aid highway fund the entire
20.12 amount in each year to the county turnback
20.13 account in the county state-aid highway fund.
20.14 The funds transferred are for highway
20.15 turnback purposes under Minnesota Statutes,
20.16 section 161.081, subdivision 3.

20.17 **Subd. 7. Previous State Road Construction**
20.18 **Appropriations**

20.19 Any money appropriated to the commissioner
20.20 of transportation for state road construction
20.21 for any fiscal year before the first year is
20.22 available to the commissioner during the
20.23 biennium to the extent that the commissioner
20.24 spends the money on the state road
20.25 construction project for which the money was
20.26 originally encumbered during the fiscal year
20.27 for which it was appropriated.

20.28 **Subd. 8. Contingent Appropriations**

20.29 The commissioner of transportation, with the
20.30 approval of the governor and the written
20.31 approval of at least five members of a group
20.32 consisting of the members of the Legislative
20.33 Advisory Commission under Minnesota
20.34 Statutes, section 3.30, and the ranking minority
20.35 members of the legislative committees with

21.1 jurisdiction over transportation finance, may
 21.2 transfer all or part of the unappropriated
 21.3 balance in the trunk highway fund to an
 21.4 appropriation:

21.5 (1) for trunk highway design, construction, or
 21.6 inspection that takes advantage of an
 21.7 unanticipated receipt of income to the trunk
 21.8 highway fund or federal advanced construction
 21.9 funding;

21.10 (2) for emergency trunk highway maintenance;
 21.11 or

21.12 (3) to pay tort or environmental claims.

21.13 Nothing in this subdivision authorizes the
 21.14 commissioner to increase the use of federal
 21.15 advanced construction funding beyond
 21.16 amounts specifically authorized. Any transfer
 21.17 as a result of the use of federal advanced
 21.18 construction funding must include an analysis
 21.19 of the effects on the long-term trunk highway
 21.20 fund balance. The amount transferred is
 21.21 appropriated for the purpose of the account to
 21.22 which it is transferred.

21.23 **Subd. 9. Requirements for Certain Legal**
 21.24 **Activities**

21.25 The commissioner of transportation is
 21.26 prohibited from permitting legal counsel
 21.27 employed by the Department of Transportation
 21.28 to perform activities related to response to a
 21.29 data practices request of the department under
 21.30 Minnesota Statutes, chapter 13, and the
 21.31 commissioner must enter into an agreement
 21.32 with the attorney general for exclusive services
 21.33 regarding these activities.

21.34 **Sec. 5. METROPOLITAN COUNCIL** 39,046,000 22,530,000

22.1	<u>Appropriations by Fund</u>	
22.2	<u>2018</u>	<u>2019</u>
22.3	<u>General</u>	<u>37,546,000</u> <u>22,530,000</u>
22.4	<u>Transportation</u>	
22.5	<u>Priorities</u>	<u>1,500,000</u> <u>-0-</u>

22.6 This appropriation is from the general fund to
 22.7 the Metropolitan Council for transit system
 22.8 operations under Minnesota Statutes, sections
 22.9 473.371 to 473.449.

22.10 \$1,500,000 in the first year is from the
 22.11 transportation priorities fund for financial
 22.12 assistance to replacement service providers
 22.13 under Minnesota Statutes, section 473.388,
 22.14 for the purposes of the suburb-to-suburb transit
 22.15 demonstration project. The replacement
 22.16 service providers must collectively identify
 22.17 one or more demonstration projects for
 22.18 financial assistance and submit a notification
 22.19 of the allocation to the council. The council
 22.20 must allocate the appropriated funds as
 22.21 directed by the replacement service providers.
 22.22 Criteria for evaluating and identifying
 22.23 demonstration projects must include but are
 22.24 not limited to:

- 22.25 (1) scope of service offering improvements;
- 22.26 (2) integration with transit facilities and major
- 22.27 business, retail, or suburban centers;
- 22.28 (3) extent to which a proposed route
- 22.29 complements existing transit service; and
- 22.30 (4) density of employment along a proposed
- 22.31 route.

22.32 Up to \$210,000 in the first year and \$98,000
 22.33 in the second year are for the comprehensive

24.1 If the appropriation for either year is
 24.2 insufficient, the appropriation for the other
 24.3 year is available for it.

24.4 **(d) Public Safety Officer Reimbursements** 1,367,000 1,367,000

24.5 This appropriation is from the general fund to
 24.6 be deposited in the public safety officer's
 24.7 benefit account. This money is available for
 24.8 reimbursements under Minnesota Statutes,
 24.9 section 299A.465.

24.10 **(e) Soft Body Armor Reimbursements** 700,000 700,000

24.11 Appropriations by Fund

	<u>2018</u>	<u>2019</u>
24.12		
24.13 <u>General</u>	<u>600,000</u>	<u>600,000</u>
24.14 <u>Trunk Highway</u>	<u>100,000</u>	<u>100,000</u>

24.15 This appropriation is for soft body armor
 24.16 reimbursements under Minnesota Statutes,
 24.17 section 299A.38.

24.18 **(f) Technology and Support Service** 3,777,000 3,814,000

24.19 Appropriations by Fund

	<u>2018</u>	<u>2019</u>
24.20		
24.21 <u>General</u>	<u>1,353,000</u>	<u>1,365,000</u>
24.22 <u>H.U.T.D.</u>	<u>19,000</u>	<u>19,000</u>
24.23 <u>Trunk Highway</u>	<u>2,405,000</u>	<u>2,430,000</u>

24.24 **Subd. 3. State Patrol**

24.25 **(a) Patrolling Highways** 95,689,000 93,323,000

24.26 Appropriations by Fund

	<u>2018</u>	<u>2019</u>
24.27		
24.28 <u>General</u>	<u>5,787,000</u>	<u>37,000</u>
24.29 <u>H.U.T.D.</u>	<u>92,000</u>	<u>92,000</u>
24.30 <u>Trunk Highway</u>	<u>89,810,000</u>	<u>93,194,000</u>

24.31 \$5,750,000 from the general fund in the first
 24.32 year is to purchase a helicopter for the State
 24.33 Patrol.

25.1 From this appropriation, State Patrol trainee
 25.2 salaries as provided under Minnesota Statutes,
 25.3 section 299D.03, subdivision 6, must be
 25.4 provided as follows: (1) for trainees in the Law
 25.5 Enforcement Training Opportunity program,
 25.6 80 percent of the basic salary for patrol
 25.7 officers; and (2) for all other trainees, 100
 25.8 percent of the basic salary.

25.9 **(b) Commercial Vehicle Enforcement** 8,455,000 8,826,000

25.10 **(c) Capitol Security** 8,402,000 8,538,000

25.11 This appropriation is from the general fund.

25.12 The commissioner must not:

25.13 (1) spend any money from the trunk highway
 25.14 fund for capitol security; or

25.15 (2) permanently transfer any state trooper from
 25.16 the patrolling highways activity to capitol
 25.17 security.

25.18 The commissioner must not transfer any
 25.19 money appropriated to the commissioner under
 25.20 this section:

25.21 (1) to capitol security; or

25.22 (2) from capitol security.

25.23 **(d) Vehicle Crimes Unit** 761,000 773,000

25.24 This appropriation is from the highway user
 25.25 tax distribution fund.

25.26 This appropriation is to investigate:

25.27 (1) registration tax and motor vehicle sales tax
 25.28 liabilities from individuals and businesses that
 25.29 currently do not pay all taxes owed; and

25.30 (2) illegal or improper activity related to the
 25.31 sale, transfer, titling, and registration of motor
 25.32 vehicles.

26.1 Subd. 4. Driver and Vehicle Services

26.2 (a) Vehicle Services 30,745,000 31,159,000

26.3 Appropriations by Fund

	<u>2018</u>	<u>2019</u>
26.4 <u>Special Revenue</u>	<u>22,509,000</u>	<u>22,923,000</u>
26.5 <u>H.U.T.D.</u>	<u>8,236,000</u>	<u>8,236,000</u>

26.7 The special revenue fund appropriation is from
 26.8 the vehicle services operating account.

26.9 (b) Driver Services 32,014,000 32,725,000

26.10 This appropriation is from the driver services
 26.11 operating account in the special revenue fund.
 26.12 \$156,000 in each year is to maintain the
 26.13 automated knowledge test system, and this
 26.14 amount annually is included in the base.

26.15 (c) Minnesota Licensing and Registration System
 26.16 (MNLARS) 8,000,000 8,000,000

26.17 This appropriation is for operations and
 26.18 maintenance of the driver and vehicle
 26.19 information system known as the Minnesota
 26.20 Licensing and Registration System.
 26.21 \$1,000,000 in the first year and \$5,265,000 in
 26.22 the second year are from the driver services
 26.23 operating account in the special revenue fund.
 26.24 \$7,000,000 in the first year and \$2,735,000 in
 26.25 the second year are from the vehicle services
 26.26 operating account in the special revenue fund.

26.27 This is a onetime appropriation.

26.28 Subd. 5. Traffic Safety 941,000 962,000

26.29 Appropriations by Fund

	<u>2018</u>	<u>2019</u>
26.30 <u>General</u>	<u>470,000</u>	<u>470,000</u>
26.31 <u>Trunk Highway</u>	<u>471,000</u>	<u>492,000</u>

27.1 The appropriation from the general fund in
 27.2 each year is for maintenance of the crash
 27.3 record system, and this amount annually is
 27.4 included in the base.

27.5 **Subd. 6. Pipeline Safety** 1,422,000 1,439,000

27.6 This appropriation is from the pipeline safety
 27.7 account in the special revenue fund.

27.8 **Sec. 7. TRANSPORTATION PRIORITIES FUND TRANSFERS.**

27.9 \$180,896,000 in fiscal year 2018 and \$164,153,000 in fiscal year 2019 are transferred
 27.10 from the transportation priorities fund to the commissioner of transportation for deposit in
 27.11 the highway user tax distribution fund.

27.12 **Sec. 8. APPROPRIATION CANCELLATION.**

27.13 \$1,100,000 of the appropriation for port development assistance under Laws 2015,
 27.14 chapter 75, article 1, section 3, subdivision 2, paragraph (e), is canceled to the general fund
 27.15 on June 30, 2017.

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

27.17 **Sec. 9. APPROPRIATIONS BUDGET.**

27.18 In the budget submission to the legislature under Minnesota Statutes, section 16A.11,
 27.19 for fiscal years 2020 and 2021, the commissioner of transportation, and the commissioner
 27.20 of public safety with respect to the transportation portion of the public safety budget, must
 27.21 present budget narratives and proposed appropriations for each appropriation established
 27.22 in sections 3 and 5.

27.23 **Sec. 10. EFFECT OF APPROPRIATIONS.**

27.24 If an appropriation in this act is enacted more than once in the 2017 legislative session
 27.25 for the same purpose, the appropriation must be given effect only once.

27.26 **Sec. 11.** Laws 2015, chapter 75, article 1, section 3, subdivision 3, is amended to read:

27.27 **Subd. 3. State Roads**

27.28 **(a) Operations and Maintenance** 288,405,000 290,916,000

28.1 The base appropriation in fiscal year 2018 is
 28.2 \$292,140,000 and in fiscal year 2019 is
 28.3 \$301,545,000.

28.4	(b) Program Planning and Delivery	237,529,000	231,252,000
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28.5 \$130,000 in each year is available for
 28.6 administrative costs of the targeted group
 28.7 business program.

28.8 \$266,000 in each year is available for grants
 28.9 to metropolitan planning organizations outside
 28.10 the seven-county metropolitan area.

28.11 \$900,000 in each year is available for grants
 28.12 for transportation studies outside the
 28.13 metropolitan area to identify critical concerns,
 28.14 problems, and issues. These grants are
 28.15 available: (1) to regional development
 28.16 commissions; (2) in regions where no regional
 28.17 development commission is functioning, to
 28.18 joint powers boards established under
 28.19 agreement of two or more political
 28.20 subdivisions in the region to exercise the
 28.21 planning functions of a regional development
 28.22 commission; and (3) in regions where no
 28.23 regional development commission or joint
 28.24 powers board is functioning, to the
 28.25 department's district office for that region.

28.26 \$1,000,000 in each year is available for
 28.27 management of contaminated and regulated
 28.28 material on property owned by the Department
 28.29 of Transportation, including mitigation of
 28.30 property conveyances, facility acquisition or
 28.31 expansion, chemical release at maintenance
 28.32 facilities, and spills on the trunk highway
 28.33 system where there is no known responsible
 28.34 party. If the appropriation for either year is

29.1 insufficient, the appropriation for the other
 29.2 year is available for it.
 29.3 \$6,804,000 in the first year and \$1,000,000 in
 29.4 the second year are available for the purposes
 29.5 stated in Minnesota Statutes, section 12A.16,
 29.6 subdivision 2.

29.7 The base appropriation for program planning
 29.8 and delivery in fiscal year 2018 is
 29.9 \$227,004,000 and in fiscal year 2019 is
 29.10 \$234,331,000.

29.11			<u>744,166,000</u>
29.12	(c) State Road Construction	779,664,000	<u>849,166,000</u>

29.13 This appropriation is for the actual
 29.14 construction, reconstruction, and improvement
 29.15 of trunk highways, including design-build
 29.16 contracts, internal department costs associated
 29.17 with delivering the construction program, and
 29.18 consultant usage to support these activities.
 29.19 This includes the cost of actual payment to
 29.20 landowners for lands acquired for highway
 29.21 rights-of-way, payment to lessees, interest
 29.22 subsidies, and relocation expenses.

29.23 This appropriation includes federal highway
 29.24 aid.

29.25 \$1,000,000 in the first year is to complete
 29.26 projects using funds made available to the
 29.27 commissioner of transportation under title XII
 29.28 of the American Recovery and Reinvestment
 29.29 Act of 2009, Public Law 111-5, and
 29.30 implemented under Minnesota Statutes,
 29.31 section 161.36, subdivision 7.

29.32 \$10,000,000 in each year is for the
 29.33 transportation economic development program
 29.34 under Minnesota Statutes, section 174.12.

30.1 The commissioner may expend up to one-half
 30.2 of one percent of the federal appropriations
 30.3 under this paragraph as grants to opportunity
 30.4 industrialization centers and other nonprofit
 30.5 job training centers for job training programs
 30.6 related to highway construction.

30.7 The commissioner may transfer up to
 30.8 \$15,000,000 each year to the transportation
 30.9 revolving loan fund.

30.10 The commissioner may receive money
 30.11 covering other shares of the cost of partnership
 30.12 projects. These receipts are appropriated to
 30.13 the commissioner for these projects.

30.14 The base appropriation for state road
 30.15 construction in each of fiscal years 2018 and
 30.16 2019 is \$695,800,000.

30.17 **(d) Highway Debt Service** 197,381,000 231,199,000

30.18 \$187,881,000 the first year and \$221,699,000
 30.19 the second year are for transfer to the state
 30.20 bond fund. If this appropriation is insufficient
 30.21 to make all transfers required in the year for
 30.22 which it is made, the commissioner of
 30.23 management and budget shall transfer the
 30.24 deficiency amount under the statutory open
 30.25 appropriation, and notify the chairs and
 30.26 ranking minority members of the legislative
 30.27 committees with jurisdiction over
 30.28 transportation finance and the chairs of the
 30.29 senate Committee on Finance and the house
 30.30 of representatives Committee on Ways and
 30.31 Means of the amount of the deficiency. Any
 30.32 excess appropriation cancels to the trunk
 30.33 highway fund.

30.34 **(e) Statewide Radio Communications** 5,358,000 5,486,000

31.1	Appropriations by Fund		
31.2		2016	2017
31.3	General	35,000	3,000
31.4	Trunk Highway	5,323,000	5,483,000

31.5 \$3,000 in each year is from the general fund
 31.6 to equip and operate the Roosevelt signal
 31.7 tower for Lake of the Woods weather
 31.8 broadcasting.

31.9 \$32,000 in the first year is from the general
 31.10 fund for a weather transmitter in Lake of the
 31.11 Woods County.

31.12 The base appropriation from the trunk
 31.13 highway fund in fiscal year 2018 is \$5,645,000
 31.14 and in fiscal year 2019 is \$5,826,000.

31.15 **EFFECTIVE DATE.** This section is effective the day following submission by the
 31.16 commissioner of transportation of all communications and materials, in their entirety and
 31.17 without redaction, previously provided by the commissioner to any member of the legislature
 31.18 following a request pursuant to the Minnesota Government Data Practices Act, Minnesota
 31.19 Statutes, chapter 13, related to the Department of Transportation's 2016 request to the
 31.20 Legislative Advisory Commission for authorization to expend federal funds under the Fixing
 31.21 America's Surface Transportation Act (FAST Act). The submission must be made to the
 31.22 chairs and ranking minority members of the legislative committees with jurisdiction over
 31.23 transportation finance, finance, and ways and means, and to the revisor of statutes.

31.24 **ARTICLE 2**

31.25 **TRANSPORTATION BONDS**

31.26 Section 1. **BOND APPROPRIATIONS.**

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

32.1	<u>SUMMARY</u>	
32.2	<u>Department of Transportation</u>	<u>\$ 1,300,000,000</u>
32.3	<u>Department of Management and Budget</u>	<u>1,300,000</u>
32.4	<u>TOTAL</u>	<u>\$ 1,301,300,000</u>

32.5 **APPROPRIATIONS**

32.6 **Sec. 2. DEPARTMENT OF**
 32.7 **TRANSPORTATION**

32.8 **Subdivision 1. Corridors of Commerce** **\$ 250,000,000**

32.9 This appropriation is to the commissioner of
 32.10 transportation for the corridors of commerce
 32.11 program under Minnesota Statutes, section
 32.12 161.088.

32.13 For projects within the department's
 32.14 metropolitan district, the commissioner shall
 32.15 first select projects that: (1) are recommended
 32.16 under Minnesota Statutes, section 161.088,
 32.17 subdivision 5, paragraph (b), from previous
 32.18 selection processes; (2) are on (i) U.S.
 32.19 highways, or (ii) noninterstate highways
 32.20 having an average annual daily traffic volume
 32.21 of at least 50,000 vehicles; and (3) provide for
 32.22 capacity expansion through additional general
 32.23 purpose or auxiliary lanes of travel.

32.24 For projects outside of the department's
 32.25 metropolitan district, the commissioner shall
 32.26 first select any projects: (1) in which funds
 32.27 have been previously provided under the
 32.28 corridors of commerce program for
 32.29 right-of-way acquisition, design, or
 32.30 environmental analysis; and (2) that provide
 32.31 for capacity expansion through additional
 32.32 general purpose or auxiliary lanes of travel.

32.33 The commissioner may use up to 17 percent
 32.34 of the amount each year for program delivery.

33.1 **Subd. 2. State Road Construction** **\$ 1,000,000,000**

33.2 This appropriation is to the commissioner of
 33.3 transportation for construction, reconstruction,
 33.4 and improvement of trunk highways, including
 33.5 design-build contracts and use of consultants
 33.6 to support these activities. This includes the
 33.7 cost of actual payment to landowners for lands
 33.8 acquired for highway rights-of-way, payment
 33.9 to lessees, interest subsidies, and relocation
 33.10 expenses.

33.11 From this appropriation, \$250,000,000 is
 33.12 available in each year for fiscal years 2018 to
 33.13 2021.

33.14 **Subd. 3. State Road Construction** **\$ 50,000,000**

33.15 This appropriation is to the commissioner of
 33.16 transportation for the purposes specified in
 33.17 subdivision 2.

33.18 From this appropriation, \$25,000,000 is
 33.19 available in each year for fiscal years 2018
 33.20 and 2019.

33.21 **Subd. 4. Cancellations**

33.22 The appropriations in this section cancel as
 33.23 specified under Minnesota Statutes, section
 33.24 16A.642, except that the commissioner of
 33.25 management and budget shall count the start
 33.26 of authorization for issuance of state bonds as
 33.27 the first day of the fiscal year during which
 33.28 the bonds are available to be issued as
 33.29 specified under subdivision 1, 2, or 3, and not
 33.30 as the date of enactment of this section.

33.31 **Sec. 3. BOND SALE EXPENSES** **\$ 1,300,000**

33.32 This appropriation is to the commissioner of
 33.33 management and budget for bond sale

34.1 expenses under Minnesota Statutes, sections
 34.2 16A.641, subdivision 8, and 167.50,
 34.3 subdivision 4, and is effective through 2026.

34.4 **Sec. 4. BOND SALE AUTHORIZATION.**

34.5 To provide the money appropriated in this article from the bond proceeds account in the
 34.6 trunk highway fund, the commissioner of management and budget shall sell and issue bonds
 34.7 of the state in amount up to \$1,301,300,000 in the manner, upon the terms, and with the
 34.8 effect prescribed by Minnesota Statutes, sections 167.50 to 167.52, and by the Minnesota
 34.9 Constitution, article XIV, section 11, at the times and in the amounts requested by the
 34.10 commissioner of transportation. The proceeds of the bonds, except accrued interest and any
 34.11 premium received from the sale of the bonds, must be deposited in the bond proceeds account
 34.12 in the trunk highway fund.

34.13 **Sec. 5. EFFECTIVE DATE.**

34.14 This article is effective July 1, 2017.

34.15 **ARTICLE 3**

34.16 **TRANSPORTATION-RELATED TAXES**

34.17 Section 1. Minnesota Statutes 2016, section 297A.815, subdivision 3, is amended to read:

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

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

34.24 ~~(e)~~ (b) On or after July 1 of the subsequent fiscal year, the commissioner of management
 34.25 and budget shall transfer the ~~net revenue as~~ revenues estimated in paragraph ~~(b)~~ (a) from
 34.26 the general fund, ~~as follows:~~

34.27 ~~(1) \$9,000,000 annually until January 1, 2015, and 50 percent annually thereafter to the~~
 34.28 ~~county state-aid highway fund. Notwithstanding any other law to the contrary, the~~
 34.29 ~~commissioner of transportation shall allocate the funds transferred under this clause to the~~
 34.30 ~~counties in the metropolitan area, as defined in section 473.121, subdivision 4, excluding~~
 34.31 ~~the counties of Hennepin and Ramsey, so that each county shall receive of such amount the~~

35.1 ~~percentage that its population, as defined in section 477A.011, subdivision 3, estimated or~~
 35.2 ~~established by July 15 of the year prior to the current calendar year, bears to the total~~
 35.3 ~~population of the counties receiving funds under this clause; and~~

35.4 ~~(2) the remainder to the greater Minnesota transit account~~ to the transportation priorities
 35.5 fund.

35.6 (c) The revenues under this subdivision do not include the revenues, including interest
 35.7 and penalties, generated by the sales tax imposed under section 297A.62, subdivision 1a,
 35.8 which must be deposited as provided under the Minnesota Constitution, article XI, section
 35.9 15.

35.10 **EFFECTIVE DATE.** This section is effective the day following final enactment and
 35.11 applies beginning with the estimate that must be completed before June 30, 2017, for a
 35.12 transfer that occurs on or after July 1, 2017.

35.13 Sec. 2. Minnesota Statutes 2016, section 297A.94, is amended to read:

35.14 **297A.94 DEPOSIT OF REVENUES.**

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

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

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

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

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

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

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

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

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

36.7 (e) 72.43 percent of the revenues, including interest and penalties, transmitted to the
36.8 commissioner under section 297A.65, must be deposited by the commissioner in the state
36.9 treasury as follows:

36.10 (1) 50 percent of the receipts must be deposited in the heritage enhancement account in
36.11 the game and fish fund, and may be spent only on activities that improve, enhance, or protect
36.12 fish and wildlife resources, including conservation, restoration, and enhancement of land,
36.13 water, and other natural resources of the state;

36.14 (2) 22.5 percent of the receipts must be deposited in the natural resources fund, and may
36.15 be spent only for state parks and trails;

36.16 (3) 22.5 percent of the receipts must be deposited in the natural resources fund, and may
36.17 be spent only on metropolitan park and trail grants;

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

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

36.23 (f) The revenue dedicated under paragraph (e) may not be used as a substitute for
36.24 traditional sources of funding for the purposes specified, but the dedicated revenue shall
36.25 supplement traditional sources of funding for those purposes. Land acquired with money
36.26 deposited in the game and fish fund under paragraph (e) must be open to public hunting
36.27 and fishing during the open season, except that in aquatic management areas or on lands
36.28 where angling easements have been acquired, fishing may be prohibited during certain times
36.29 of the year and hunting may be prohibited. At least 87 percent of the money deposited in
36.30 the game and fish fund for improvement, enhancement, or protection of fish and wildlife
36.31 resources under paragraph (e) must be allocated for field operations.

36.32 (g) Beginning with sales taxes remitted after July 1, 2017, the commissioner shall deposit
36.33 the revenues, including interest and penalties, derived from the taxes imposed on the lease

37.1 or rental of a motor vehicle under section 297A.64, subdivision 1, into the state treasury
 37.2 and credit them to the transportation priorities fund.

37.3 (h) Beginning with sales taxes remitted after July 1, 2017, in conjunction with the deposit
 37.4 of revenues under paragraph (g), the commissioner shall deposit into the state treasury and
 37.5 credit to the transportation priorities fund an amount equal to the estimated revenues derived
 37.6 from the tax rate imposed under section 297A.62, subdivision 1, on the lease or rental for
 37.7 not more than 28 days of rental motor vehicles subject to section 297A.64. The commissioner
 37.8 shall estimate the amount of sales tax revenues deposited under this paragraph based on the
 37.9 amount of revenue deposited under paragraph (g).

37.10 (i) \$156,800,000 in fiscal year 2018, \$151,100,000 in fiscal year 2019, \$266,618,000
 37.11 in fiscal year 2020, and \$287,718,000 in fiscal year 2021 are transferred from the general
 37.12 fund to the commissioner for deposit in the transportation priorities fund. Annually in fiscal
 37.13 year 2022 and thereafter, 4.293 percent of the revenues generated by the sales tax imposed
 37.14 under section 297A.62, subdivision 1, is transferred from the general fund to the
 37.15 commissioner for deposit in the transportation priorities fund. The commissioner must make
 37.16 transfers under this paragraph by July 15 in each year. Transfers in this paragraph represent
 37.17 revenues attributable to sales and purchases of motor vehicle repair and replacement parts.

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

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

37.23 Sec. 3. Minnesota Statutes 2016, section 297A.992, subdivision 6a, is amended to read:

37.24 Subd. 6a. **Priority of fund uses.** (a) The joint powers board shall allocate all revenues
 37.25 from the taxes imposed under this section in conformance with the following priority order:

37.26 (1) payment of debt service necessary for the fiscal year on bonds or other obligations
 37.27 issued prior to January 1, 2011, under subdivision 7; and

37.28 (2) payment to the Metropolitan Council of 100 percent, or a portion that is not paid by
 37.29 counties under section 297A.993, subdivision 2a, of the annual net operating and capital
 37.30 maintenance costs, as certified by the Metropolitan Council, for all light rail transit lines in
 37.31 which a grant award for project development, capital, capital maintenance, or operating
 37.32 expenditures has been provided under this section; and

37.33 (3) as otherwise authorized under this section.

38.1 (b) Project development in this subdivision includes but is not limited to feasibility and
38.2 alternatives analysis, design, engineering, environmental analysis, property acquisition, and
38.3 construction.

38.4 **EFFECTIVE DATE.** This section is effective the day following final enactment and
38.5 applies to costs occurring on or after July 1, 2017.

38.6 Sec. 4. Minnesota Statutes 2016, section 297A.993, subdivision 2, is amended to read:

38.7 Subd. 2. **Allocation; termination.** The proceeds of the taxes must be dedicated
38.8 exclusively to: (1) payment of the capital cost of a specific transportation project or
38.9 improvement; (2) payment of the costs, which may include both capital and operating costs,
38.10 of a specific transit project or improvement; (3) payment of the capital costs of a safe routes
38.11 to school program under section 174.40; or (4) payment of transit operating and capital
38.12 maintenance costs, including as provided in subdivision 2a. The transportation or transit
38.13 project or improvement must be designated by the board of the county, or more than one
38.14 county acting under a joint powers agreement. Except for taxes for operating costs of a
38.15 transit project or improvement, or for transit operations, the taxes must terminate when
38.16 revenues raised are sufficient to finance the project.

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

38.18 Sec. 5. Minnesota Statutes 2016, section 297A.993, is amended by adding a subdivision
38.19 to read:

38.20 Subd. 2a. **Allocation for certain transitways.** (a) This subdivision applies to a county:

38.21 (1) that has previously imposed and is no longer imposing a local sales tax as part of a
38.22 joint powers agreement under section 297A.992;

38.23 (2) that imposes the tax under this section; and

38.24 (3) in which a light rail transit line is located, whether wholly or partially.

38.25 (b) All counties subject to this subdivision, and the joint powers board under section
38.26 297A.992 if the joint powers agreement under section 297A.992, subdivision 3, is not
38.27 terminated, must collectively enter into an agreement that determines and allocates payments
38.28 to the Metropolitan Council that, in total, equal at least the amount required to be provided
38.29 under section 297A.992, subdivision 6a, paragraph (a), clause (2). Nothing in this paragraph
38.30 prevents payments from other entities or sources of funds.

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

39.1 Sec. 6. **MOTOR VEHICLE PARTS SALES TAXES ESTIMATION.**

39.2 (a) By January 15, 2019, the commissioner of revenue must submit a report on state
39.3 general sales taxes attributable to motor vehicle repair and replacement parts to the members
39.4 and staff of the legislative committees with jurisdiction over taxes and transportation policy
39.5 and finance.

39.6 (b) The report must provide an estimate, based on federal data and department
39.7 consumption models, of the percentage of total sales tax revenues collected in a calendar
39.8 year from the tax rate imposed under Minnesota Statutes, section 297A.62, subdivision 1,
39.9 that is attributable to sales and purchases of motor vehicle repair and replacement parts.

39.10 (c) For purposes of this section, "motor vehicle repair and replacement parts" includes:

39.11 (1) all parts, motor vehicle tires, accessories, and equipment incorporated or affixed to
39.12 the motor vehicle as part of the motor vehicle maintenance or repair; and

39.13 (2) paint, oil, and other fluids that remain on or in the motor vehicle as part of the motor
39.14 vehicle maintenance or repair.

39.15 (d) For purposes of this section, "motor vehicle tire" means any tire of the type used on
39.16 highway vehicles if wholly or partially made of rubber and if marked according to federal
39.17 regulations for highway use. For purposes of this section, "motor vehicle" has the meaning
39.18 given in Minnesota Statutes, section 297B.01, subdivision 11.

39.19 Sec. 7. **REPEALER.**

39.20 Minnesota Statutes 2016, section 297A.992, subdivision 12, is repealed.

39.21 **ARTICLE 4**

39.22 **TRANSPORTATION POLICY AND FINANCE**

39.23 Section 1. Minnesota Statutes 2016, section 16A.88, subdivision 2, is amended to read:

39.24 **Subd. 2. Metropolitan area transit account.** (a) The metropolitan area transit account
39.25 is established within the transit assistance fund in the state treasury. All money in the account
39.26 is annually appropriated to the Metropolitan Council for the funding of transit systems
39.27 within the metropolitan area under sections 473.384, 473.386, 473.387, 473.388, and 473.405
39.28 to 473.449.

39.29 (b) From appropriations in this subdivision, the Metropolitan Council must first allocate
39.30 funds necessary for special transportation service under section 473.386.

40.1 Sec. 2. Minnesota Statutes 2016, section 115A.908, subdivision 2, is amended to read:

40.2 Subd. 2. **Deposit of revenue.** Revenue collected under this section shall be credited to
40.3 the ~~environmental~~ transportation priorities fund.

40.4 **EFFECTIVE DATE.** This section is effective July 1, 2020, and applies for revenues
40.5 collected on or after that date.

40.6 Sec. 3. Minnesota Statutes 2016, section 117.189, is amended to read:

40.7 **117.189 PUBLIC SERVICE CORPORATION EXCEPTIONS.**

40.8 (a) Sections 117.031; 117.036; 117.055, subdivision 2, paragraph (b); 117.186; 117.187;
40.9 117.188; and 117.52, subdivisions 1a and 4, do not apply to the use of eminent domain
40.10 authority by public service corporations for any purpose other than construction or expansion
40.11 of:

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

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

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

40.17 (b) For purposes of an award of appraisal fees under section 117.085, the fees awarded
40.18 may not exceed \$1,500 for all types of property except for a public service corporation's
40.19 use of eminent domain for:

40.20 (1) a high-voltage transmission line, where the award may not exceed \$3,000; and

40.21 (2) a light rail transit or bus rapid transit line, where the award shall be as provided in
40.22 section 117.085.

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

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

40.26 Sec. 4. Minnesota Statutes 2016, section 160.18, is amended by adding a subdivision to
40.27 read:

40.28 Subd. 4. **Trunk highway appeal process.** (a) Notwithstanding chapter 14 and section
40.29 14.386, the commissioner must establish a concise, expedited process that allows an owner
40.30 or occupant of a property abutting a trunk highway to appeal a denial or revocation of an

41.1 access permit. The owner or occupant must initiate an appeal no later than 30 days after the
41.2 date the commissioner issues written notice of the denial or revocation of an access permit.
41.3 The process must provide the owner or occupant and Department of Transportation staff
41.4 the opportunity to present information supporting each party's respective position. The
41.5 hearing must be conducted by an administrative law judge assigned by the chief
41.6 administrative law judge. The administrative law judge must maintain a transcript of the
41.7 hearing and keep a record of all documents and data submitted at the hearing. Within 30
41.8 days of the hearing's conclusion, the administrative law judge must transmit to the
41.9 commissioner the record of the proceedings, along with a report and recommendation based
41.10 on the record made in the informal hearing. The commissioner must make a written decision
41.11 regarding the access permit.

41.12 (b) Section 15.99 does not apply to appeals under this subdivision.

41.13 Sec. 5. Minnesota Statutes 2016, section 161.081, subdivision 3, is amended to read:

41.14 Subd. 3. **Flexible highway account; turnback accounts.** (a) The flexible highway
41.15 account is created in the state treasury. Money in the account ~~shall be used~~ must be allocated
41.16 as follows:

41.17 (1) ~~in fiscal years 2009 and 2010, 100 percent of the excess sum, as calculated in~~
41.18 ~~paragraph (i), and in fiscal years 2011 and thereafter, 50~~ 16 percent of the excess sum, as
41.19 ~~calculated in paragraph (i),~~ amount available in the flexible highway account for counties
41.20 in the metropolitan area, as defined in section 473.121, subdivision 4, but for the purposes
41.21 ~~of the calculation cities of the first class will be excluded in the metropolitan area~~ distributed
41.22 proportionally based on the most recent estimate of county population excluding the
41.23 population of any city of the first class; and

41.24 (2) of the amount available in the flexible highway account less the amount under clause
41.25 (1), as determined by the commissioner under this section for:

41.26 (i) restoration of former trunk highways that have reverted to counties or to statutory or
41.27 home rule charter cities, or for trunk highways that will be restored and subsequently turned
41.28 back by agreement between the commissioner and the local road authority;

41.29 (ii) safety improvements on county highways, municipal highways, streets, or town
41.30 roads; and

41.31 (iii) routes of regional significance.

41.32 (b) For purposes of this subdivision, "restoration" means the level of effort required to
41.33 improve the route that will be turned back to an acceptable condition as determined by

42.1 agreement made between the commissioner and the county or city before the route is turned
42.2 back.

42.3 (c) The commissioner shall review the need for funds to restore highways that have been
42.4 or will be turned back. The commissioner shall determine, on a biennial basis, the percentage
42.5 of funds in the flexible highway account to be distributed to each district, and within each
42.6 district the percentage to be used for each of the purposes specified in paragraph (a). Money
42.7 in the account may be used for safety improvements and routes of regional significance
42.8 only after money is set aside to restore the identified turnbacks. The commissioner shall
42.9 make these determinations only after meeting and holding discussions with committees
42.10 selected by the statewide associations of both county commissioners and municipal officials.
42.11 The commissioner shall, to the extent feasible, annually allocate 50 percent of the funds in
42.12 the flexible highway account to the department's metropolitan district, and 50 percent to
42.13 districts in greater Minnesota.

42.14 (d) Money that will be used for the restoration of trunk highways that have reverted or
42.15 that will revert to cities must be deposited in the municipal turnback account, which is
42.16 created in the state treasury.

42.17 (e) Money that will be used for the restoration of trunk highways that have reverted or
42.18 that will revert to counties must be deposited in the county turnback account, which is
42.19 created in the state treasury.

42.20 (f) Money that will be used for safety improvements must be deposited in the highway
42.21 safety improvement account, which is created in the state treasury to be used as grants to
42.22 statutory or home rule charter cities, towns, and counties to assist in paying the costs of
42.23 constructing or reconstructing city streets, county highways, or town roads to reduce crashes,
42.24 deaths, injuries, and property damage.

42.25 (g) Money that will be used for routes of regional significance must be deposited in the
42.26 routes of regional significance account, which is created in the state treasury, and used as
42.27 grants to statutory or home rule charter cities, towns, and counties to assist in paying the
42.28 costs of constructing or reconstructing city streets, county highways, or town roads with
42.29 statewide or regional significance that have not been fully funded through other state, federal,
42.30 or local funding sources.

42.31 (h) As part of each biennial budget submission to the legislature, the commissioner shall
42.32 describe how the money in the flexible highway account will be apportioned among the
42.33 county turnback account, the municipal turnback account, the trunk highway fund for routes

43.1 turned back to local governments by agreement, the highway safety improvement account,
43.2 and the routes of regional significance account.

43.3 ~~(i) The excess sum is calculated as the sum of revenue within the flexible highway~~
43.4 ~~account:~~

43.5 ~~(1) attributed to that portion of the gasoline excise tax rate under section 296A.07,~~
43.6 ~~subdivision 3, in excess of 20 cents per gallon, and to that portion of the excise tax rates in~~
43.7 ~~excess of the energy equivalent of a gasoline excise tax rate of 20 cents per gallon for E85~~
43.8 ~~and M85 under section 296A.07, subdivision 3, and special fuel under section 296A.08,~~
43.9 ~~subdivision 2;~~

43.10 ~~(2) attributed to a change in the passenger vehicle registration tax under section 168.013,~~
43.11 ~~imposed on or after July 1, 2008, that exceeds (i) the amount collected in fiscal year 2008,~~
43.12 ~~multiplied by (ii) the annual average United States Consumer Price Index for the calendar~~
43.13 ~~year previous to the current calendar year, divided by the annual average United States~~
43.14 ~~Consumer Price Index for calendar year 2007; and~~

43.15 ~~(3) attributed to that portion of the motor vehicle sales tax revenue in excess of the~~
43.16 ~~percentage allocated to the flexible highway account in fiscal year 2007.~~

43.17 ~~(j) For purposes of this subdivision, the United States Consumer Price Index identified~~
43.18 ~~in paragraph (i), clause (2), is for all urban consumers, United States city average, as~~
43.19 ~~determined by the United States Department of Labor.~~

43.20 Sec. 6. Minnesota Statutes 2016, section 161.088, subdivision 4, is amended to read:

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

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

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

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

43.27 (4) a ~~maximum~~ requirement that project construction work is able to commence within
43.28 three years, or a longer length of time; as determined by the commissioner, ~~until~~
43.29 ~~commencement of construction work on the project~~; and

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

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

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

44.6 Sec. 7. Minnesota Statutes 2016, section 161.088, subdivision 5, is amended to read:

44.7 Subd. 5. **Project selection process; criteria.** (a) The commissioner ~~shall~~ must establish
44.8 a process ~~for identification, evaluation, and selection of~~ to identify, evaluate, and select
44.9 projects under the program.

44.10 (b) As part of the project selection process, the commissioner ~~shall~~ must annually accept
44.11 recommendations on candidate projects from area transportation partnerships and other
44.12 interested stakeholders in each Department of Transportation district. For each candidate
44.13 project identified under this paragraph, the commissioner ~~shall~~ must determine eligibility,
44.14 classify, and if ~~appropriate~~ eligible, evaluate the project for the program.

44.15 (c) Project evaluation and prioritization must be performed on the basis of objective
44.16 criteria, which must include:

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

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

44.19 (3) efficiency in the movement of freight, ~~including but not limited to~~ which may include:

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

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

44.25 (4) improvements to traffic safety;

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

44.28 (6) the extent to which the project addresses multiple transportation system policy
44.29 objectives and principles; and

44.30 (7) support and consensus for the project among members of the surrounding community.

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

45.4 Sec. 8. Minnesota Statutes 2016, section 161.088, subdivision 7, is amended to read:

45.5 Subd. 7. **Legislative report; evaluation.** (a) ~~Starting in 2014,~~ Annually by November
 45.6 1, the commissioner shall electronically submit a report on the corridors of commerce
 45.7 program to the chairs and ranking minority members of the legislative committees with
 45.8 jurisdiction over transportation policy and finance. At a minimum, the report must include:

45.9 (1) a summary of the program, including a review of ~~the~~:

45.10 (i) project selection process details that address program design and implementation,
 45.11 decision-making procedures, and eligibility and criteria, evaluation; and

45.12 (ii) all criteria including any established by the commissioner, criteria measurement
 45.13 methodologies, and any criteria weighting or ranking used in project selection;

45.14 (2) a summary of program finance, including funds expended in the previous selection
 45.15 cycle, any future operating costs assigned under subdivision 6, and total funds expended
 45.16 since program inception;

45.17 ~~(2)~~ (3) a listing list of projects funded under the program in the previous selection cycle,
 45.18 including:

45.19 (i) project classification;

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

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

45.22 ~~(iv)~~ a brief project description that is comprehensible to a lay audience;

45.23 ~~(3)~~ (4) a listing comprehensive list of evaluated projects and candidate project
 45.24 recommendations as required under subdivision 5, paragraph (b), including that identifies
 45.25 for each project: eligibility, classification, evaluation results for each criterion, ranking if
 45.26 applicable, and disposition in the selection process; and

45.27 ~~(4)~~ (5) any recommendations for changes to statutory requirements of the program.

45.28 (b) ~~Starting in 2016, and in every even-numbered year thereafter~~ In every third year
 45.29 following a year in which project selection is completed, but not more frequently than every
 45.30 other year, the commissioner shall must incorporate into the report the results of an
 45.31 independent evaluation of impacts and effectiveness of the program. The evaluation must

46.1 be performed by agency staff or a consultant. The individual or individuals performing the
46.2 evaluation must have experience in program evaluation, but must not be regularly involved
46.3 in the program's implementation.

46.4 (c) Notwithstanding paragraph (a), a report is not required in a year in which:

46.5 (1) no project selection was completed during the preceding 12 months; and

46.6 (2) an evaluation under paragraph (b) is not due.

46.7 Sec. 9. Minnesota Statutes 2016, section 161.115, subdivision 190, is amended to read:

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

46.11 **EFFECTIVE DATE.** This section is effective the day after the commissioner of
46.12 transportation receives a copy of the agreement between the commissioner of transportation
46.13 and the governing body of Le Sueur County to transfer jurisdiction of Legislative Route
46.14 No. 123 and after the commissioner notifies the revisor of statutes under section 108,
46.15 paragraph (b).

46.16 Sec. 10. Minnesota Statutes 2016, section 161.14, is amended by adding a subdivision to
46.17 read:

46.18 Subd. 83. **Chip A. Imker Memorial Highway.** That segment of marked Trunk Highway
46.19 65 from Isanti County State-Aid Highway 19, known as 305th Avenue NE, to the northerly
46.20 limit of Cambridge Township is designated as "Chip A. Imker Memorial Highway." Subject
46.21 to section 161.139, the commissioner shall adopt a suitable design to mark this highway
46.22 and erect appropriate signs.

46.23 Sec. 11. Minnesota Statutes 2016, section 161.14, is amended by adding a subdivision to
46.24 read:

46.25 Subd. 84. **Medal of Honor Recipient Kenneth L. Olson Highway.** That segment of
46.26 marked Trunk Highway 23 within the city of Paynesville and the town of Paynesville is
46.27 designated as "Medal of Honor Recipient Kenneth L. Olson Highway." Subject to section
46.28 161.139, the commissioner shall adopt a suitable design to mark this highway and erect
46.29 appropriate signs.

47.1 Sec. 12. Minnesota Statutes 2016, section 161.14, is amended by adding a subdivision to
47.2 read:

47.3 Subd. 85. Corporal Benjamin S. Kopp Bridge. The bridge on Dakota County State-Aid
47.4 Highway 46, known as Brandel Drive within the city of Coates, over marked U.S. Highway
47.5 52 is designated as "Corporal Benjamin S. Kopp Bridge." Subject to section 161.139, the
47.6 commissioner shall adopt a suitable design to mark this highway and erect appropriate signs.

47.7 Sec. 13. Minnesota Statutes 2016, section 161.321, subdivision 6, is amended to read:

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

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

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

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

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

47.20 ~~or~~

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

47.24 Sec. 14. Minnesota Statutes 2016, section 161.38, is amended by adding a subdivision to
47.25 read:

47.26 Subd. 8. Spending on trunk highway system. The commissioner must maintain
47.27 information on expenditures by local road authorities from local funding sources for trunk
47.28 highway system projects.

47.29 Sec. 15. Minnesota Statutes 2016, section 161.44, subdivision 5, is amended to read:

47.30 Subd. 5. **Conveyance to highest bidder in certain cases.** If the larger tract has been
47.31 platted into lots or divided into smaller tracts and the commissioner elects to proceed under

48.1 this subdivision, ~~or if~~ the lands constituted an entire tract and the person from whom the
48.2 lands were acquired and the person's spouse are deceased, or ~~if~~ the offers as provided for
48.3 are not accepted and the amount of money not tendered within the time prescribed, the lands
48.4 may be sold and conveyed to the owner of the land abutting upon the lands in the same
48.5 manner and under the same terms provided under subdivision 2, or the commissioner may
48.6 sell the lands to the highest responsible bidder upon three weeks' published notice of such
48.7 sale in a newspaper or other periodical of general circulation in the general area where the
48.8 lands are located. All bids may be rejected and new bids received upon like advertisement.

48.9 Sec. 16. Minnesota Statutes 2016, section 161.44, subdivision 6a, is amended to read:

48.10 Subd. 6a. **Services of licensed real estate broker.** If the lands ~~remain unsold after being~~
48.11 ~~offered for sale to the highest bidder~~ are withdrawn from sale under subdivision 6b, the
48.12 commissioner may retain the services of a licensed real estate broker to find a buyer. The
48.13 sale price may be negotiated by the broker, but must not be less than 90 percent of the
48.14 appraised market value as determined by the commissioner. The broker's fee must be
48.15 established by prior agreement between the commissioner and the broker, and must not
48.16 exceed ten percent of the sale price for sales of \$10,000 or more. The broker's fee must be
48.17 paid to the broker from the proceeds of the sale.

48.18 Sec. 17. Minnesota Statutes 2016, section 161.44, is amended by adding a subdivision to
48.19 read:

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

48.25 Sec. 18. Minnesota Statutes 2016, section 162.145, subdivision 2, is amended to read:

48.26 Subd. 2. **Small cities assistance account.** A small cities assistance account is created
48.27 in the ~~special revenue~~ transportation priorities fund. The account consists of funds as provided
48.28 by law, and any other money donated, allotted, transferred, or otherwise provided to the
48.29 account. Money in the account may only be expended as provided under this section.

49.1 Sec. 19. Minnesota Statutes 2016, section 168.013, subdivision 1a, is amended to read:

49.2 Subd. 1a. **Passenger automobile; hearse.** (a) On passenger automobiles as defined in
 49.3 section 168.002, subdivision 24, and hearses, except as otherwise provided, the tax ~~shall be~~
 49.4 is \$10 plus an additional tax equal to 1.25 percent of the base value.

49.5 (b) Subject to the classification provisions herein, "base value" means the manufacturer's
 49.6 suggested retail price of the vehicle including destination charge using list price information
 49.7 published by the manufacturer or determined by the registrar if no suggested retail price
 49.8 exists, and shall not include the cost of each accessory or item of optional equipment
 49.9 separately added to the vehicle and the suggested retail price.

49.10 (c) If the manufacturer's list price information contains a single vehicle identification
 49.11 number followed by various descriptions and suggested retail prices, the registrar shall
 49.12 select from those listings only the lowest price for determining base value.

49.13 (d) If unable to determine the base value because the vehicle is specially constructed,
 49.14 or for any other reason, the registrar may establish such value upon the cost price to the
 49.15 purchaser or owner as evidenced by a certificate of cost but not including Minnesota sales
 49.16 or use tax or any local sales or other local tax.

49.17 (e) The registrar shall classify every vehicle in its proper base value class as follows:

49.18	FROM	TO
49.19	\$ 0	\$ 199.99
49.20	\$ 200	\$ 399.99

49.21 and thereafter a series of classes successively set in brackets having a spread of \$200
 49.22 consisting of such number of classes as will permit classification of all vehicles.

49.23 (f) The base value for purposes of this section shall be the middle point between the
 49.24 extremes of its class.

49.25 (g) The registrar shall establish the base value, when new, of every passenger automobile
 49.26 and hearse registered prior to the effective date of Extra Session Laws 1971, chapter 31,
 49.27 using list price information published by the manufacturer or any nationally recognized
 49.28 firm or association compiling such data for the automotive industry. If unable to ascertain
 49.29 the base value of any registered vehicle in the foregoing manner, the registrar may use any
 49.30 other available source or method. The registrar shall calculate tax using base value
 49.31 information available to dealers and deputy registrars at the time the application for
 49.32 registration is submitted. The tax on all previously registered vehicles shall be computed

50.1 upon the base value thus determined taking into account the depreciation provisions of
50.2 paragraph (h).

50.3 (h) The annual additional tax must be computed upon a percentage of the base value as
50.4 follows: during the first year of vehicle life, upon 100 percent of the base value; for the
50.5 second year, 90 percent of such value; for the third year, 80 percent of such value; for the
50.6 fourth year, 70 percent of such value; for the fifth year, 60 percent of such value; for the
50.7 sixth year, 50 percent of such value; for the seventh year, 40 percent of such value; for the
50.8 eighth year, 30 percent of such value; for the ninth year, 20 percent of such value; for the
50.9 tenth year, ten percent of such value; for the 11th and each succeeding year, the sum of \$25.

50.10 (i) In no event shall the annual additional tax be less than \$25.

50.11 (j) For any vehicle previously registered in Minnesota and regardless of prior ownership,
50.12 the annual additional tax total amount due under this subdivision and subdivision 1m must
50.13 not exceed the smallest total amount of annual additional tax previously paid or due on the
50.14 vehicle.

50.15 **EFFECTIVE DATE.** This section is effective the day following final enactment and
50.16 applies to taxes payable for a registration period starting on or after January 1, 2018.

50.17 Sec. 20. Minnesota Statutes 2016, section 168.013, is amended by adding a subdivision
50.18 to read:

50.19 Subd. 1m. **Electric vehicle.** In addition to the tax under subdivision 1a, a surcharge of
50.20 \$75 is imposed for an all-electric vehicle, as defined in section 169.011, subdivision 1a.
50.21 Notwithstanding subdivision 8, revenue from the fee imposed under this subdivision must
50.22 be deposited in the highway user tax distribution fund.

50.23 **EFFECTIVE DATE.** This section is the day following final enactment and applies for
50.24 a registration period starting on or after January 1, 2018.

50.25 Sec. 21. Minnesota Statutes 2016, section 168.021, subdivision 1, is amended to read:

50.26 Subdivision 1. **Disability plates; application.** (a) When a motor vehicle registered under
50.27 section 168.017, a motorcycle, a motorized bicycle, a one-ton pickup truck, or a self-propelled
50.28 recreational vehicle is owned or primarily operated by a permanently physically disabled
50.29 person or a custodial parent or guardian of a permanently physically disabled ~~minor~~ person,
50.30 the owner may apply for and secure from the commissioner (1) immediately, a temporary
50.31 permit valid for 30 days if the applicant is eligible for the disability plates issued under this
50.32 section and (2) two disability plates with attached emblems, one plate to be attached to the

51.1 front, and one to the rear of the motor vehicle, truck, or recreational vehicle, or, in the case
51.2 of a motorcycle or a motorized bicycle, one disability plate the same size as a regular
51.3 motorcycle plate.

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

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

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

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

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

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

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

51.23 Sec. 22. Minnesota Statutes 2016, section 168.021, subdivision 2, is amended to read:

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

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

52.1 Sec. 23. Minnesota Statutes 2016, section 168.021, subdivision 2a, is amended to read:

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

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

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

52.13 Sec. 24. **[168.1256] SPECIAL RETIRED LAW ENFORCEMENT PLATES.**

52.14 **Subdivision 1. Issuance of plates.** The commissioner shall issue special retired law
52.15 enforcement license plates or a single motorcycle plate to an applicant who:

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

52.18 (2) is a retired peace officer as defined in section 626.84, subdivision 1, paragraph (c)
52.19 or (d);

52.20 (3) provides a letter from the chief law enforcement officer affirming that the applicant
52.21 is a retired peace officer who served ten or more years and separated in good standing;

52.22 (4) pays a fee of \$10 for each set of plates, along with any other fees required by this
52.23 chapter;

52.24 (5) pays the registration tax as required under section 168.013; and

52.25 (6) complies with this chapter and rules governing registration of motor vehicles and
52.26 licensing of drivers.

52.27 **Subd. 2. Design.** The commissioner shall design an emblem and inscription for the
52.28 special plates, in consultation with interested law enforcement agencies and organizations.

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

53.1 (1) qualified under subdivision 1, clause (1), to bear the special plates; and
 53.2 (2) registered to the same individual to whom the special plates were originally issued.

53.3 Subd. 4. **Exemption.** Special plates issued under this section are not subject to section
 53.4 168.1293, subdivision 2.

53.5 **EFFECTIVE DATE.** This section is effective January 1, 2018, for special retired law
 53.6 enforcement plates issued on or after that date.

53.7 Sec. 25. **[168.1257] SPECIAL LAW ENFORCEMENT MEMORIAL PLATES.**

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

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

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

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

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

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

53.19 Subd. 2. **Design.** The commissioner shall adopt a suitable design for the plate that must
 53.20 include a black line with a blue line of equal proportion above and below the black line,
 53.21 representing the thin blue line.

53.22 Subd. 3. **Plates transfer.** On application to the commissioner and payment of a transfer
 53.23 fee of \$5, special plates may be transferred to another motor vehicle if the subsequent vehicle
 53.24 is:

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

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

53.27 Subd. 4. **Exemption.** Special plates issued under this section are not subject to section
 53.28 168.1293, subdivision 2.

53.29 Subd. 5. **Fees.** Fees collected under subdivision 1, clauses (2) and (3), and subdivision
 53.30 3 are credited to the vehicle services operating account in the special revenue fund.

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

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

54.11 Sec. 26. **[168.1294] SPECIAL "START SEEING MOTORCYCLES" PLATES.**

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

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

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

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

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

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

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

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

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

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

55.1 Subd. 4. **Exemption.** Special plates issued under this section are not subject to section
55.2 168.1293, subdivision 2.

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

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

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

55.8 Sec. 27. Minnesota Statutes 2016, section 168.33, subdivision 2, is amended to read:

55.9 Subd. 2. **Deputy registrars.** (a) The commissioner may appoint, and for cause
55.10 discontinue, a deputy registrar for any statutory or home rule charter city as the public
55.11 interest and convenience may require, without regard to whether the county auditor of the
55.12 county in which the city is situated has been appointed as the deputy registrar for the county
55.13 or has been discontinued as the deputy registrar for the county, and without regard to whether
55.14 the county in which the city is situated has established a county license bureau that issues
55.15 motor vehicle licenses as provided in section 373.32.

55.16 (b) The commissioner may appoint, and for cause discontinue, a deputy registrar for any
55.17 statutory or home rule charter city as the public interest and convenience may require, if
55.18 the auditor for the county in which the city is situated chooses not to accept appointment
55.19 as the deputy registrar for the county or is discontinued as a deputy registrar, or if the county
55.20 in which the city is situated has not established a county license bureau that issues motor
55.21 vehicle licenses as provided in section 373.32.

55.22 (c) The commissioner may appoint, and for cause discontinue, the county auditor of
55.23 each county as a deputy registrar.

55.24 (d) Despite any other provision, a person other than a county auditor or a director of a
55.25 county license bureau, who was appointed by the registrar before August 1, 1976, as a
55.26 deputy registrar for any statutory or home rule charter city, may continue to serve as deputy
55.27 registrar and may be discontinued for cause only by the commissioner. The county auditor
55.28 who appointed the deputy registrars is responsible for the acts of deputy registrars appointed
55.29 by the auditor.

55.30 (e) Each deputy, before entering upon the discharge of duties, shall take and subscribe
55.31 an oath to faithfully discharge the duties and to uphold the laws of the state.

56.1 (f) If a deputy registrar appointed under this subdivision is not an officer or employee
56.2 of a county or statutory or home rule charter city, the deputy shall in addition give bond to
56.3 the state in the sum of \$10,000, or a larger sum as may be required by the commissioner,
56.4 conditioned upon the faithful discharge of duties as deputy registrar.

56.5 (g) A corporation governed by chapter 302A or 317A may be appointed a deputy registrar.
56.6 Upon application by an individual serving as a deputy registrar and the giving of the requisite
56.7 bond as provided in this subdivision, personally assured by the individual or another
56.8 individual approved by the commissioner, a corporation named in an application then
56.9 becomes the duly appointed and qualified successor to the deputy registrar.

56.10 (h) Each deputy registrar appointed under this subdivision shall keep and maintain office
56.11 locations approved by the commissioner for the registration of vehicles and the collection
56.12 of taxes and fees on vehicles.

56.13 (i) The deputy registrar shall keep records and make reports to the commissioner as the
56.14 commissioner requires. The records must be maintained at the offices of the deputy registrar
56.15 in a manner that complies with sections 13.05, subdivision 5, and 13.055. As an alternative
56.16 to paper copy storage, a deputy registrar may retain records and documents in a secure
56.17 electronic medium that complies with the security requirements under the United States
56.18 Federal Bureau of Investigation, Criminal Justice Information Services Division, Policy 5.4
56.19 or any successor policy, provided 60 days have elapsed since the transaction and subject to
56.20 standards established by the commissioner. The deputy registrar is responsible for all costs
56.21 associated with the conversion to electronic records and maintenance of the electronic
56.22 storage medium, including the destruction of existing paper records after conversion to the
56.23 electronic format. All queries and responses in the secure electronic medium, and all actions
56.24 in which data are entered, updated, accessed, or shared or disseminated by the deputy
56.25 registrar must be contained in a data audit trail. Data contained in the audit trail are public
56.26 to the extent the data are not otherwise classified under this section. The records and offices
56.27 of the deputy registrar must at all times be open to the inspection of the commissioner or
56.28 the commissioner's agents. The deputy registrar shall report to the commissioner by the
56.29 next working day following receipt all registrations made and taxes and fees collected by
56.30 the deputy registrar.

56.31 (j) The filing fee imposed under subdivision 7 must be deposited in the treasury of the
56.32 place for which appointed or, if not a public official, a deputy shall retain the filing fee, but
56.33 the registration tax and any additional fees for delayed registration the deputy registrar has
56.34 collected the deputy registrar shall deposit by the next working day following receipt in an
56.35 approved state depository to the credit of the state through the commissioner of management

57.1 and budget. The place for which the deputy registrar is appointed through its governing
 57.2 body must provide the deputy registrar with facilities and personnel to carry out the duties
 57.3 imposed by this subdivision if the deputy is a public official. In all other cases, the deputy
 57.4 shall maintain a suitable facility for serving the public.

57.5 Sec. 28. Minnesota Statutes 2016, section 168A.09, subdivision 1, is amended to read:

57.6 Subdivision 1. **Application, issuance, form, bond, and notice.** (a) In the event a
 57.7 certificate of title is lost, stolen, mutilated, or destroyed, or becomes illegible, the owner or
 57.8 legal representative of the owner named in the certificate may make submit an application
 57.9 to the department or a deputy registrar for a duplicate in a format prescribed by the
 57.10 department. The department shall or deputy registrar must issue a duplicate certificate of
 57.11 title if satisfied that the applicant is entitled thereto to the duplicate certificate of title. The
 57.12 duplicate certificate of title shall must be plainly marked as a duplicate and mailed or
 57.13 delivered to the owner. The department shall or deputy registrar must indicate in its the
 57.14 driver and vehicle information system records that a duplicate certificate of title has been
 57.15 issued. As a condition to issuing a duplicate certificate of title, the department may require
 57.16 a bond from the applicant in the manner and format prescribed in section 168A.07,
 57.17 subdivision 1, clause (2). The duplicate certificate of title shall contain the legend: "This
 57.18 duplicate certificate of title may be subject to the rights of a person under the original
 57.19 certificate."

57.20 (b) On and after the effective date of this section, the commissioner must allow duplicate
 57.21 certificate of title issuance by a deputy registrar subject to procedures established by the
 57.22 commissioner.

57.23 **EFFECTIVE DATE.** This section is effective August 1, 2018.

57.24 Sec. 29. Minnesota Statutes 2016, section 169.011, is amended by adding a subdivision
 57.25 to read:

57.26 **Subd. 1a. All-electric vehicle.** (a) "All-electric vehicle" means an electric vehicle that
 57.27 is solely able to be powered by an electric motor drawing current from rechargeable storage
 57.28 batteries, fuel cells, or other portable sources of electrical current.

57.29 (b) All-electric vehicle excludes a plug-in hybrid electric vehicle.

57.30 Sec. 30. Minnesota Statutes 2016, section 169.011, subdivision 34, is amended to read:

57.31 **Subd. 34. Head Start bus.** (a) "Head Start bus" means a motor vehicle used to transport
 57.32 children and parents to or from a Head Start facility, or to or from Head Start-related

58.1 activities, by the Head Start grantee, or by someone under an agreement with the Head Start
58.2 grantee. A Head Start bus does not include a motor vehicle transporting children or parents
58.3 to or from a Head Start facility for which parents or guardians receive direct compensation
58.4 from a Head Start grantee, a motor coach operating under charter carrier authority, or a
58.5 transit bus providing services as defined in section 174.22, subdivision 7. A Head Start bus
58.6 may be a type A, B, C, or D bus ~~or type III vehicle, as described in subdivision 71.~~

58.7 (b) A Head Start bus manufactured after December 31, 1994, must meet the same
58.8 standards as a type A, B, C, or D school bus, except that a Head Start bus is not required to
58.9 be equipped with the warning signals required for a school bus under section 169.442,
58.10 subdivision 1. A Head Start bus that is not equipped as a school bus must be painted colors
58.11 other than national school bus yellow.

58.12 Sec. 31. Minnesota Statutes 2016, section 169.18, subdivision 5, is amended to read:

58.13 Subd. 5. **Driving left of roadway center; exception.** (a) No vehicle shall be driven to
58.14 the left side of the center of the roadway in overtaking and passing another vehicle proceeding
58.15 in the same direction unless such left side is clearly visible and is free of oncoming traffic
58.16 for a sufficient distance ahead to permit such overtaking and passing to be completely made
58.17 without interfering with the safe operation of any vehicle approaching from the opposite
58.18 direction or any vehicle overtaken. In every event the overtaking vehicle must return to the
58.19 right-hand side of the roadway before coming within 100 feet of any vehicle approaching
58.20 from the opposite direction.

58.21 (b) Except on a one-way roadway, no vehicle shall, in overtaking and passing another
58.22 vehicle or at any other time, be driven to the left half of the roadway under the following
58.23 conditions:

58.24 (1) when approaching the crest of a grade or upon a curve in the highway where the
58.25 driver's view along the highway is obstructed within a distance of 700 feet;

58.26 (2) when approaching within 100 feet of any underpass or tunnel, railroad grade crossing,
58.27 intersection within a city, or intersection outside of a city if the presence of the intersection
58.28 is marked by warning signs; or

58.29 (3) where official signs are in place prohibiting passing, or a distinctive centerline is
58.30 marked, which distinctive line also so prohibits passing, as declared in the Manual on
58.31 Uniform Traffic Control Devices adopted by the commissioner.

58.32 (c) Notwithstanding paragraph (b), clause (3), a motor vehicle may be driven to the left
58.33 side of the roadway to safely overtake a bicycle under the following circumstances:

59.1 (1) the bicycle is proceeding in the same direction as the motor vehicle;

59.2 (2) the driver of the motor vehicle either (i) provides a safe clearance distance, in no
59.3 case less than the greater of three feet or one-half the width of the motor vehicle, or (ii)
59.4 completely enters the left lane of the highway;

59.5 (3) the operator of the bicycle is not (i) making a left turn, or (ii) signaling that the bicycle
59.6 operator intends to make a left turn; and

59.7 (4) the driver of the motor vehicle complies with all other applicable requirements under
59.8 this section.

59.9 Sec. 32. Minnesota Statutes 2016, section 169.345, subdivision 1, is amended to read:

59.10 Subdivision 1. **Scope of privilege.** (a) A vehicle described in section 168.021, subdivision
59.11 1, paragraph (a), that prominently displays the certificate authorized by this section or that
59.12 bears the disability plate or plates issued under section 168.021 may be parked by or solely
59.13 for the benefit of a physically disabled person:

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

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

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

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

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

59.31 (c) Notwithstanding paragraph (a), clauses (1), (2), and (3), this section does not permit
59.32 parking in areas prohibited by sections 169.32 and 169.34, in designated no parking spaces,

60.1 or in parking spaces reserved for specified purposes or vehicles. A local governmental unit
60.2 may, by ordinance, prohibit parking on any street or highway to create a fire lane, or to
60.3 accommodate heavy traffic during morning and afternoon rush hours and these ordinances
60.4 also apply to physically disabled persons.

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

60.6 Sec. 33. Minnesota Statutes 2016, section 169.345, subdivision 3, is amended to read:

60.7 Subd. 3. **Identifying certificate.** (a) The commissioner shall issue (1) immediately, a
60.8 permit valid for 30 days if the person is eligible for the certificate issued under this section
60.9 and (2) an identifying certificate for a vehicle described in section 168.021, subdivision 1,
60.10 paragraph (a), when a physically disabled applicant submits proof of physical disability
60.11 under subdivision 2a. The commissioner shall design separate certificates for persons with
60.12 permanent and temporary disabilities that can be readily distinguished from each other from
60.13 outside a vehicle at a distance of 25 feet or, in the case of a motorcycle or a motorized
60.14 bicycle, can be readily secured to the motorcycle or motorized bicycle. An applicant may
60.15 be issued up to two certificates if the applicant has not been issued disability plates under
60.16 section 168.021.

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

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

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

60.23 Sec. 34. Minnesota Statutes 2016, section 169.444, subdivision 2, is amended to read:

60.24 Subd. 2. **Violations by drivers; penalties.** (a) A person who fails to stop a vehicle or
60.25 to keep it stopped, as required in subdivision 1, or who violates subdivision 1a, is guilty of
60.26 a misdemeanor punishable by a fine of not less than ~~\$300~~ \$500.

60.27 (b) A person is guilty of a gross misdemeanor if the person fails to stop a motor vehicle
60.28 or to keep it stopped, as required in subdivision 1, or who violates subdivision 1a, and
60.29 commits either or both of the following acts:

60.30 (1) passes or attempts to pass the school bus in a motor vehicle on the right-hand,
60.31 passenger-door side of the bus; or

61.1 (2) passes or attempts to pass the school bus in a motor vehicle when a school child is
61.2 outside of and on the street or highway used by the school bus or on the adjacent sidewalk.

61.3 **EFFECTIVE DATE.** This section is effective August 1, 2017, and applies to violations
61.4 committed on and after that date.

61.5 Sec. 35. Minnesota Statutes 2016, section 169.449, subdivision 1, is amended to read:

61.6 Subdivision 1. **Rules.** The commissioner of public safety shall adopt rules governing
61.7 the operation of school buses used for transportation of school children, when owned or
61.8 operated by a school or privately owned and operated under a contract with a school, ~~and~~
61.9 ~~these rules must be made a part of that contract by reference.~~ Each school, its officers and
61.10 employees, and each person employed under the contract is subject to these rules.

61.11 Sec. 36. **[169.8295] WEIGHT LIMITS; VEHICLES TRANSPORTING MILK.**

61.12 Subdivision 1. **Weight limits increase.** (a) The weight limitations under sections 169.823
61.13 to 169.829 are increased by ten percent for a single-unit vehicle transporting fluid milk from
61.14 the point of production to:

61.15 (1) another point of production for additional loading; or

61.16 (2) the point of first processing.

61.17 (b) Notwithstanding sections 169.824, subdivision 1, paragraph (d); 169.826, subdivision
61.18 3; or other law to the contrary, a permit is not required to operate a vehicle under this section.

61.19 (c) The seasonal weight increases under section 169.826, subdivision 1, do not apply to
61.20 a vehicle operated under this section.

61.21 Subd. 2. **Requirements; restrictions.** A vehicle operated under this section:

61.22 (1) is subject to seasonal load restrictions under section 169.87, except as otherwise
61.23 provided under section 169.87, subdivision 4;

61.24 (2) is subject to bridge load limits posted under section 169.84; and

61.25 (3) must not be operated with a load that exceeds the tire manufacturer's recommended
61.26 load, the manufacturer's gross vehicle weight rating as affixed to the vehicle, or other
61.27 certification of gross vehicle weight rating under Code of Federal Regulations, title 49,
61.28 sections 567.4 to 567.7.

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

62.1 Sec. 37. Minnesota Statutes 2016, section 169.865, subdivision 3, is amended to read:

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

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

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

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

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

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

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

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

62.14 (8) must have brakes on all wheels.

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

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

62.23 Sec. 38. **[169.869] SPECIAL CONSTRUCTION MATERIALS PERMIT.**

62.24 Subdivision 1. **Definition.** For purposes of this section, "construction materials" means
62.25 highway construction materials, building construction materials, and associated demolition
62.26 materials, including but not limited to aggregate material as defined in section 298.75,
62.27 subdivision 1, paragraph (a), hot mix asphalt, plastic concrete, cementitious materials,
62.28 concrete admixtures, asphalt cement, construction demolition materials, and recycled road
62.29 materials.

63.1 Subd. 2. **Six-axle vehicles.** (a) The commissioner of transportation may issue an annual
63.2 permit authorizing a vehicle or combination of vehicles with a total of six or more axles to
63.3 haul construction materials and be operated with a gross vehicle weight of up to:

63.4 (1) 90,000 pounds; and

63.5 (2) 99,000 pounds during the period set by the commissioner under section 169.826,
63.6 subdivision 1.

63.7 (b) The fee for a permit issued under this subdivision is \$300, or a proportional amount
63.8 as provided in section 169.86, subdivision 5.

63.9 Subd. 3. **Seven-axle vehicles.** (a) The commissioner of transportation may issue an
63.10 annual permit authorizing a vehicle or combination of vehicles with a total of seven or more
63.11 axles to haul construction materials and be operated with a gross vehicle weight of up to:

63.12 (1) 97,000 pounds; and

63.13 (2) 99,000 pounds during the period set by the commissioner under section 169.826,
63.14 subdivision 1.

63.15 (b) The fee for a permit issued under this subdivision is \$500, or a proportional amount
63.16 as provided in section 169.86, subdivision 5.

63.17 Subd. 4. **Authority; restrictions.** (a) A permit issued by the commissioner under this
63.18 section is valid for operation on highways regardless of jurisdiction, subject to paragraph
63.19 (b).

63.20 (b) A vehicle or combination of vehicles operating under this section:

63.21 (1) may only be operated on paved or unpaved streets and highways, other than interstate
63.22 highways;

63.23 (2) must comply with the requirements and restrictions in section 169.865, subdivision
63.24 3, paragraph (a), clauses (1) to (3), (5), (7), and (8); and

63.25 (3) must be operated in compliance with truck route requirements and vehicle weight
63.26 restrictions, as established under section 169.87, subdivision 1, by a local road authority or
63.27 the commissioner.

63.28 Subd. 5. **Revenues.** Revenue from the permits issued by the commissioner under this
63.29 section must be deposited in the town bridge account. Revenue deposited under this
63.30 subdivision is available to inspect and post weight limits for town bridges.

64.1 Subd. 6. **Expiration date.** Upon request of the permit applicant, the expiration date for
 64.2 a permit issued under this section must be the same as the expiration date of the permitted
 64.3 vehicle's registration.

64.4 Subd. 7. **Permit information.** The commissioner must make information available to
 64.5 local road authorities on an Internet Web site that identifies permit issuances under this
 64.6 section and the counties in which a vehicle with a permit is intended to be operated.

64.7 Subd. 8. **Local preferred routes.** A local road authority may identify local preferred
 64.8 routes for operating a vehicle on local streets and highways under a permit issued in this
 64.9 section. A holder of a permit issued in this section and any person seeking to apply for a
 64.10 permit are encouraged to:

64.11 (1) upon request of a local road authority, provide comment on identification of preferred
 64.12 routes; and

64.13 (2) make reasonable efforts to operate a vehicle on the preferred routes when operating
 64.14 under the permit.

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

64.16 Sec. 39. Minnesota Statutes 2016, section 171.02, subdivision 2b, is amended to read:

64.17 **Subd. 2b. Exception for type III vehicle drivers.** (a) Notwithstanding subdivision 2,
 64.18 the holder of a class A, B, C, or D driver's license, without a school bus endorsement, may
 64.19 operate a type III vehicle described in section 169.011, subdivision 71, paragraph (h), under
 64.20 the conditions in ~~paragraphs (b) through (e)~~ this subdivision.

64.21 (b) The operator is an employee of the entity that owns, leases, or contracts for the school
 64.22 bus.

64.23 (c) The operator's employer has adopted and implemented a policy that provides for
 64.24 annual training and certification of the operator in:

64.25 (1) safe operation of a type III vehicle;

64.26 (2) understanding student behavior, including issues relating to students with disabilities;

64.27 (3) encouraging orderly conduct of students on the bus and handling incidents of
 64.28 misconduct appropriately;

64.29 (4) knowing and understanding relevant laws, rules of the road, and local school bus
 64.30 safety policies;

64.31 (5) handling emergency situations;

- 65.1 (6) proper use of seat belts and child safety restraints;
- 65.2 (7) performance of pretrip vehicle inspections;
- 65.3 (8) safe loading and unloading of students, including, but not limited to:
- 65.4 (i) utilizing a safe location for loading and unloading students at the curb, on the nontraffic
- 65.5 side of the roadway, or at off-street loading areas, driveways, yards, and other areas to
- 65.6 enable the student to avoid hazardous conditions;
- 65.7 (ii) refraining from loading and unloading students in a vehicular traffic lane, on the
- 65.8 shoulder, in a designated turn lane, or a lane adjacent to a designated turn lane;
- 65.9 (iii) avoiding a loading or unloading location that would require a pupil to cross a road,
- 65.10 or ensuring that the driver or an aide personally escort the pupil across the road if it is not
- 65.11 reasonably feasible to avoid such a location;
- 65.12 (iv) placing the type III vehicle in "park" during loading and unloading; and
- 65.13 (v) escorting a pupil across the road under item (iii) only after the motor is stopped, the
- 65.14 ignition key is removed, the brakes are set, and the vehicle is otherwise rendered immobile;
- 65.15 and
- 65.16 (9) compliance with paragraph (k), concerning reporting certain convictions to the
- 65.17 employer within ten days of the date of conviction.
- 65.18 (d) A background check or background investigation of the operator has been conducted
- 65.19 that meets the requirements under section 122A.18, subdivision 8, or 123B.03 for school
- 65.20 district employees; section 144.057 or chapter 245C for day care employees; or section
- 65.21 171.321, subdivision 3, for all other persons operating a type III vehicle under this
- 65.22 subdivision.
- 65.23 (e) Operators shall submit to a physical examination as required by section 171.321,
- 65.24 subdivision 2.
- 65.25 (f) The operator's employer requires preemployment drug testing of applicants for
- 65.26 operator positions. Current operators must comply with the employer's policy under section
- 65.27 181.951, subdivisions 2, 4, and 5. Notwithstanding any law to the contrary, the operator's
- 65.28 employer may use a Breathalyzer or similar device to fulfill random alcohol testing
- 65.29 requirements.
- 65.30 (g) The operator's driver's license is verified annually by the entity that owns, leases, or
- 65.31 contracts for the type III vehicle as required under section 171.321, subdivision 5.

66.1 (h) A person who sustains a conviction, as defined under section 609.02, of violating
66.2 section 169A.25, 169A.26, 169A.27, or 169A.31, or whose driver's license is revoked under
66.3 sections 169A.50 to 169A.53 of the implied consent law, or who is convicted of violating
66.4 or whose driver's license is revoked under a similar statute or ordinance of another state, is
66.5 precluded from operating a type III vehicle for five years from the date of conviction.

66.6 (i) A person who has ever been convicted of a disqualifying offense as defined in section
66.7 171.3215, subdivision 1, paragraph (c), may not operate a type III vehicle under this
66.8 subdivision.

66.9 (j) A person who sustains a conviction, as defined under section 609.02, of a moving
66.10 offense in violation of chapter 169 within three years of the first of three other moving
66.11 offenses is precluded from operating a type III vehicle for one year from the date of the last
66.12 conviction.

66.13 (k) An operator who sustains a conviction as described in paragraph (h), (i), or (j) while
66.14 employed by the entity that owns, leases, or contracts for the school bus, shall report the
66.15 conviction to the employer within ten days of the date of the conviction.

66.16 (l) An operator of a type III vehicle whose driver's license is suspended, revoked,
66.17 canceled, or disqualified by Minnesota, another state, or another jurisdiction must notify
66.18 the operator's employer in writing of the suspension, revocation, cancellation, lost privilege,
66.19 or disqualification. The operator must notify the operator's employer before the end of the
66.20 business day immediately following the day the operator received notice of the suspension,
66.21 revocation, cancellation, lost privilege, or disqualification.

66.22 (m) Students riding the type III vehicle must have training required under section
66.23 123B.90, subdivision 2.

66.24 ~~(m)~~ (n) Documentation of meeting the requirements listed in this subdivision must be
66.25 maintained under separate file at the business location for each type III vehicle operator.
66.26 The business manager, school board, governing body of a nonpublic school, or any other
66.27 entity that owns, leases, or contracts for the type III vehicle operating under this subdivision
66.28 is responsible for maintaining these files for inspection.

66.29 ~~(n)~~ (o) The type III vehicle must bear a current certificate of inspection issued under
66.30 section 169.451.

66.31 ~~(o)~~ (p) An employee of a school or of a school district, who is not employed for the sole
66.32 purpose of operating a type III vehicle, is exempt from paragraphs (e) and (f).

67.1 Sec. 40. Minnesota Statutes 2016, section 171.06, subdivision 2a, is amended to read:

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

67.6 (1) \$11 of the additional fee for each first duplicate license, and \$7 of the additional fee
67.7 for each renewal, must be credited to the motorcycle safety fund, which is hereby created;
67.8 ~~provided that ten percent of fee receipts in excess of \$750,000 in a fiscal year must be~~
67.9 ~~credited to the general fund.~~

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

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

67.14 Sec. 41. Minnesota Statutes 2016, section 171.061, subdivision 3, is amended to read:

67.15 Subd. 3. **Application.** An applicant may file an application with an agent. The agent
67.16 shall receive and accept applications in accordance with the laws and rules of the Department
67.17 of Public Safety for a driver's license, restricted license, duplicate license, instruction permit,
67.18 Minnesota identification card, or motorized bicycle operator's permit. Application records
67.19 must be maintained at the office of the agent in a manner that complies with sections 13.05,
67.20 subdivision 5, and 13.055. As an alternative to paper copy storage, an agent may retain
67.21 records and documents in a secure electronic medium that complies with the security
67.22 requirements under the United States Federal Bureau of Investigation, Criminal Justice
67.23 Information Services Division, Policy 5.4 or any successor policy, provided 60 days have
67.24 elapsed since the transaction and subject to standards established by the commissioner. The
67.25 agent is responsible for all costs associated with the conversion to electronic records and
67.26 maintenance of the electronic storage medium, including the destruction of existing paper
67.27 records after conversion to the electronic format. All queries and responses in the secure
67.28 electronic medium, and all actions in which data are entered, updated, accessed, or shared
67.29 or disseminated by the agent must be contained in a data audit trail. Data contained in the
67.30 audit trail are public to the extent the data are not otherwise classified under this section.

68.1 Sec. 42. Minnesota Statutes 2016, section 171.12, subdivision 6, is amended to read:

68.2 Subd. 6. **Certain convictions not recorded.** (a) Except as provided in paragraph (c),
68.3 the department shall not keep on the record of a driver any conviction for a violation of a
68.4 speed limit of 55 miles per hour unless the violation consisted of a speed greater than ten
68.5 miles per hour in excess of the speed limit.

68.6 (b) Except as provided in paragraph (c), the department shall not keep on the record of
68.7 a driver any conviction for a violation of a speed limit of 60 miles per hour unless the
68.8 violation consisted of a speed greater than:

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

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

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

68.17 Sec. 43. Minnesota Statutes 2016, section 173.02, is amended by adding a subdivision to
68.18 read:

68.19 Subd. 7a. **Abandoned and discontinued.** "Abandoned and discontinued" means an
68.20 outdoor advertising device that ceases to display advertising copy for a minimum of one
68.21 year and is not otherwise being actively marketed to display advertising copy.

68.22 Sec. 44. Minnesota Statutes 2016, section 173.02, is amended by adding a subdivision to
68.23 read:

68.24 Subd. 17a. **Conforming.** "Conforming" means an outdoor advertising device that
68.25 complies with the requirements of this chapter.

68.26 Sec. 45. Minnesota Statutes 2016, section 173.02, subdivision 18, is amended to read:

68.27 Subd. 18. **Commercial or industrial activity.** (a) "Commercial or industrial activity"
68.28 for the purposes of unzoned commercial or industrial areas means an activity generally
68.29 recognized as commercial or industrial by zoning authorities in this state, ~~except that,~~

68.30 (b) None of the following activities shall be considered commercial or industrial:

- 69.1 (1) outdoor advertising devices;
- 69.2 (2) agricultural, forestry, ranching, grazing, farming and related activities, including,
69.3 but not limited to, temporary wayside fresh produce stands;
- 69.4 (3) transient or temporary activities;
- 69.5 (4) activities not visible from the main-traveled way;
- 69.6 (5) activities more than 660 feet from the nearest edge of the right-of-way;
- 69.7 (6) activities conducted in a building principally used as a residence;
- 69.8 (7) railroad tracks and minor sidings;
- 69.9 (8) advertising located on vehicles or tractor trailers;
- 69.10 (9) commercial establishments or businesses that have ceased to exist or operate; or
- 69.11 (10) a business created to install new outdoor advertising devices.

69.12 Sec. 46. Minnesota Statutes 2016, section 173.02, is amended by adding a subdivision to
69.13 read:

69.14 Subd. 21a. **Nonconforming.** "Nonconforming" means an outdoor advertising device
69.15 that was lawfully erected and has been maintained lawfully but does not comply with the
69.16 requirements of this chapter. A nonconforming sign is one that remains in substantially the
69.17 same condition it was on the effective date of this chapter.

69.18 Sec. 47. Minnesota Statutes 2016, section 173.02, is amended by adding a subdivision to
69.19 read:

69.20 Subd. 21b. **Off-premise** "Off-premise" means an outdoor advertising device that
69.21 advertises or pertains to any business, product, person, activity, event, or service that is not
69.22 primarily conducted, sold, manufactured, offered, or located on the property where the sign
69.23 is located.

69.24 Sec. 48. Minnesota Statutes 2016, section 173.02, subdivision 23, is amended to read:

69.25 Subd. 23. **Scenic area.** "Scenic area" means an area within which control and regulation
69.26 of the erection and maintenance of advertising devices may be exercised to the extent herein
69.27 provided and such areas shall include only those established as such by the commissioner
69.28 of transportation. Scenic area includes a scenic byway under United States Code, title 23,
69.29 section 162.

70.1 Sec. 49. Minnesota Statutes 2016, section 173.02, is amended by adding a subdivision to
70.2 read:

70.3 Subd. 23a. **Scenic byways.** "Scenic byways" means roads that recognize outstanding
70.4 scenic, cultural, historic, natural, recreational, and archaeological qualities and landscapes
70.5 pursuant to United States Code, title 23, section 162.

70.6 Sec. 50. Minnesota Statutes 2016, section 173.06, subdivision 1, is amended to read:

70.7 Subdivision 1. **Authority.** The commissioner of transportation ~~shall~~ must adopt and
70.8 may modify, amend, or repeal rules governing the ~~issuance of permits or renewals thereof~~
70.9 ~~for the erection and~~ maintenance of legal nonconforming advertising devices within scenic
70.10 areas; provided that the commissioner shall not adopt, modify, amend, or repeal any rule
70.11 that will impair any agreement ~~with~~ between the state and the federal government under
70.12 this chapter. The commissioner of transportation may limit the application of any rule
70.13 adopted by the commissioner to exclude or include in whole or in part, specified areas within
70.14 the scenic area based upon use, nature of the surrounding community, or such other factors
70.15 as may make separate classification or rule necessary or desirable.

70.16 Sec. 51. Minnesota Statutes 2016, section 173.07, subdivision 1, is amended to read:

70.17 Subdivision 1. **Forms; content.** Application for permits or renewals thereof for the
70.18 placement ~~and maintenance~~ of advertising devices ~~within scenic areas shall~~ must be on
70.19 forms prescribed by the commissioner and ~~shall~~ contain ~~such~~ information as the commissioner
70.20 may require. No advertising device shall be placed without the consent of the owner or
70.21 occupant of the land, and adequate proof of such consent shall be submitted to the
70.22 commissioner at the time application is made for such permits or renewals. A permit is
70.23 required to access state right-of-way to maintain an advertising device.

70.24 Sec. 52. Minnesota Statutes 2016, section 173.08, is amended by adding a subdivision to
70.25 read:

70.26 Subd. 3. **Seed sign exemption.** Crop varietal and seed corn signs adjacent to interstate
70.27 and primary highways may be erected if the device:

70.28 (1) is located on demonstration plats;

70.29 (2) is located on private property;

70.30 (3) does not violate section 160.27 or 160.2715; and

70.31 (4) does not reference an off-site address where the product may be sold.

71.1 Sec. 53. Minnesota Statutes 2016, section 173.08, is amended by adding a subdivision to
71.2 read:

71.3 Subd. 4. **Violations; removal.** The Department of Transportation may remove signs
71.4 that violate this section using the removal procedures under section 173.13, subdivision 11.

71.5 Sec. 54. Minnesota Statutes 2016, section 173.13, subdivision 11, is amended to read:

71.6 Subd. 11. **Removal of advertising device for noncompliance.** Advertising devices
71.7 erected or maintained after June 8, 1971, not complying with ~~Laws 1971, chapter 883, and~~
71.8 ~~not otherwise by Laws 1971, chapter 883, permitted to stand~~ this chapter may be removed
71.9 by the commissioner upon 60 days prior written notice by certified mail to the owner thereof
71.10 of the advertising device and to the owner of the real property on which ~~such~~ the advertising
71.11 device is located, ~~provided that~~. No notice shall be ~~is~~ required to be given to the owner of
71.12 an advertising device whose name is not stated upon the advertising device or the structure
71.13 on which it is displayed, unless the name of ~~such~~ the owner is otherwise reasonably known
71.14 to the commissioner. The owner of the removed device is liable to the state for the costs of
71.15 removal. The period of ~~such~~ notice shall be ~~is~~ computed from the date of mailing; ~~to both~~
71.16 the owner of the advertising device and the owner of the real property where the device is
71.17 located. The department must store a removed outdoor advertising device for a minimum
71.18 of 30 days prior to disposal. If the outdoor advertising device is not retrieved by the owner
71.19 within 30 days of removal, the department may dispose of the outdoor advertising device.
71.20 The state is not liable for trespass actions or sign costs for outdoor advertising devices
71.21 removed under this subdivision if proper notice has been served.

71.22 Sec. 55. [173.155] CHANGEABLE ELECTRONIC VARIABLE MESSAGE SIGNS.

71.23 Subdivision 1. **Definition.** For the purposes of this section, "changeable electronic
71.24 variable message sign" or "CEVMS" means an outdoor advertising device that contains
71.25 light-emitting diodes or other technology to display copy visible during the day and during
71.26 the night, with the copy changes initiated electronically.

71.27 Subd. 2. **Prohibition.** Intermittent, animated, scrolling, full-motion video elements, or
71.28 moving lights are prohibited on outdoor advertising devices, including CEVMS.

71.29 Subd. 3. **Exceptions.** (a) Notwithstanding subdivision 2, a CEVMS is permissible if:

71.30 (1) the message does not change more frequently than once every six seconds;

71.31 (2) the transition between messages or copy does not exceed two seconds in duration;

72.1 (3) the message brightness does not exceed 0.3 foot-candles over ambient light, as
 72.2 measured using a foot candle meter from the following distances:

72.3 (i) for signs with a nominal face size of 12 feet by 25 feet, from 150 feet;

72.4 (ii) for signs with a nominal face size of ten feet, six inches, by 36 feet, from 200 feet;

72.5 and

72.6 (iii) for signs with a nominal face size of 14 feet by 48 feet, from 250 feet; and

72.7 (4) the sign must not cause beams or rays of light to be directed at the traveled way if
 72.8 the light is of such intensity or brilliance as to cause glare that impairs the vision of the
 72.9 driver of a motor vehicle, or interfere with any driver's operation of a motor vehicle.

72.10 (b) The brightness measurement under paragraph (a), clause (3), must be conducted at
 72.11 least 30 minutes after sunset or at least 30 minutes before sunrise. Each CEVMS must have
 72.12 automatic dimming technology that adjusts the device's brightness levels in response to
 72.13 changes in ambient light.

72.14 Sec. 56. Minnesota Statutes 2016, section 173.16, is amended by adding a subdivision to
 72.15 read:

72.16 Subd. 6. **Stationary structure.** Advertising devices must:

72.17 (1) be stationary;

72.18 (2) be immobile;

72.19 (3) not have wheels; and

72.20 (4) be incapable of relocation without a permit.

72.21 Sec. 57. Minnesota Statutes 2016, section 173.16, is amended by adding a subdivision to
 72.22 read:

72.23 Subd. 7. **Permanent business.** (a) A business that is located in an unzoned commercial
 72.24 and industrial area must be in existence for at least three months before a permit may be
 72.25 issued. An outdoor advertising device erected prior to receiving a permit is subject to
 72.26 removal.

72.27 (b) A commercial establishment may demonstrate evidence of its existence by having
 72.28 a Web site, a telephone number that is answered or has an answering machine identifying
 72.29 the business, a storefront, pictorial evidence of the business, a building permit, or a lease.

73.1 Sec. 58. **[173.265] OUTDOOR ADVERTISING DEVICES; REMOVAL;**
73.2 **MAINTENANCE.**

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

73.5 (b) "Destroyed" means that more than 50 percent of a nonconforming outdoor advertising
73.6 device's upright supports are physically damaged to a degree that normal repair practices
73.7 would require replacement of broken wooden supports or replacement of broken, bent, or
73.8 twisted supports for metal sign structures.

73.9 (c) "Reasonable repair and maintenance" means customary maintenance and change of
73.10 a sign's copy or message, and includes replacement of existing light fixtures with energy
73.11 efficient fixtures or installation of other energy efficiency improvements. Reasonable repair
73.12 and maintenance does not include:

73.13 (1) the addition of illumination;

73.14 (2) repair, reinstallation, erection, or maintenance for outdoor advertising devices that
73.15 are destroyed, as defined under paragraph (b);

73.16 (3) enlarging the nonconforming device;

73.17 (4) changing the device from a wood structure to a steel or concrete structure; or

73.18 (5) any change that would terminate nonconforming status.

73.19 (d) "Substantial change" means any action that does not constitute reasonable repair and
73.20 maintenance.

73.21 Subd. 2. **Application.** This section applies only to outdoor advertising devices subject
73.22 to state and federal regulation under United States Code, title 23, section 131, and any
73.23 regulations adopted under that law.

73.24 Subd. 3. **Removal.** The department may remove a destroyed, abandoned, or discontinued
73.25 outdoor advertising device, subject to the limitations provided under this chapter.

73.26 Subd. 4. **Reasonable repair and maintenance.** (a) The owner of an outdoor advertising
73.27 device may perform reasonable repair and maintenance on any device, provided the device
73.28 is not destroyed.

73.29 (b) Any action not constituting reasonable repair and maintenance will subject the outdoor
73.30 advertising device to immediate removal under subdivision 3.

74.1 Subd. 5. **Substantial change.** Substantial changes to outdoor advertising devices are
 74.2 prohibited. A substantial change to a nonconforming outdoor advertising device will subject
 74.3 the sign to immediate removal under subdivision 3.

74.4 Sec. 59. Minnesota Statutes 2016, section 174.03, subdivision 1a, is amended to read:

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

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

74.11 (1) incorporate the goals of the state transportation system in section 174.01;

74.12 (2) establish objectives, policies, and strategies for achieving those goals; and

74.13 (3) identify performance targets for measuring progress and achievement of transportation
 74.14 system goals, objectives, or policies.

74.15 Sec. 60. Minnesota Statutes 2016, section 174.03, subdivision 1c, is amended to read:

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

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

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

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

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

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

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

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

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

75.11 Sec. 61. Minnesota Statutes 2016, section 174.03, is amended by adding a subdivision to
75.12 read:

75.13 Subd. 1e. **Capacity and major highway projects; planning and programming.** (a)
75.14 The commissioner must implement a process concerning trunk highway projects that are
75.15 not included in the state transportation improvement program. The commissioner must use
75.16 the process for projects that expand trunk highway system capacity and for major highway
75.17 projects, as defined in section 174.56, subdivision 1.

75.18 (b) At a minimum, the process must:

75.19 (1) establish standard, objective procedures for planning, project identification,
75.20 development, prioritization, and programming;

75.21 (2) address fiscal considerations, including total expenditures to develop projects that
75.22 are not programmed;

75.23 (3) communicate to stakeholders and the general public an outline of the process and a
75.24 list of specific capacity projects, using plain language descriptions and information; and

75.25 (4) integrate with the department's programs that involve alternative project selection
75.26 methods, including but not limited to the corridors of commerce program under section
75.27 161.088 and the transportation economic development program under section 174.12.

75.28 Sec. 62. Minnesota Statutes 2016, section 174.50, subdivision 5, is amended to read:

75.29 Subd. 5. **Certification and disbursal for project of political subdivision.** Before
75.30 disbursement of an appropriation made from the fund to the commissioner of transportation
75.31 for grants to subdivisions of the state, the commissioner ~~shall~~ must certify that:

76.1 (1) ~~that the project for which the grant is made has been reviewed as provided in~~
 76.2 ~~subdivision 4;~~

76.3 ~~(2) that~~ the project conforms to the program authorized by the appropriation law and
 76.4 rules adopted by the Department of Transportation consistent therewith; and

76.5 ~~(3) that~~ (2) the financing of any estimated cost of the project in excess of the amount of
 76.6 the grant is assured by the appropriation of the proceeds of bonds or other funds of the
 76.7 subdivision, or by a grant from an agency of the federal government, within the amount of
 76.8 funds then appropriated to that agency and allocated by it to projects within the state, and
 76.9 by an irrevocable undertaking, in a resolution of the governing body of the subdivision, to
 76.10 use all funds so made available exclusively for the project, and to pay any additional amount
 76.11 by which the cost exceeds the estimate through appropriation to the construction fund of
 76.12 additional funds or the proceeds of additional bonds to be issued by the subdivision.

76.13 Sec. 63. Minnesota Statutes 2016, section 174.50, subdivision 6b, is amended to read:

76.14 Subd. 6b. **Bridge costs in smaller cities.** (a) The commissioner may make grants from
 76.15 the state transportation fund to a home rule or statutory city with a population of 5,000 or
 76.16 less for design, engineering, and construction of bridges on city streets.

76.17 ~~(b) Grants under this subdivision are subject to the procedures and criteria established~~
 76.18 ~~under subdivisions 5, 6, and 7.~~

76.19 ~~(e)~~ (b) Grants may be used for:

- 76.20 (1) 100 percent of the design and engineering costs that are in excess of \$10,000;
 76.21 (2) 100 percent of the bridge approach work costs that are in excess of \$10,000; and
 76.22 (3) 100 percent of the bridge construction work costs.

76.23 Sec. 64. Minnesota Statutes 2016, section 174.50, subdivision 6c, is amended to read:

76.24 Subd. 6c. **Fracture-critical bridges.** ~~(a)~~ The commissioner may make a grant to any
 76.25 political subdivision for replacement or rehabilitation of a fracture-critical bridge. To be
 76.26 eligible for a grant under this subdivision, the project must produce a bridge structure:

- 76.27 (1) that is no longer classified as fracture critical, by having alternate load paths; and
 76.28 (2) whose failure of a main component will not result in the collapse of the bridge.

76.29 ~~(b) A grant under this subdivision is subject to the procedures and criteria established~~
 76.30 ~~under subdivisions 5 and 6.~~

77.1 Sec. 65. Minnesota Statutes 2016, section 174.50, subdivision 7, is amended to read:

77.2 Subd. 7. **Bridge grant program; rulemaking.** (a) The commissioner of transportation
77.3 shall develop rules, procedures for application for grants, conditions of grant administration,
77.4 standards, and criteria as provided under subdivision 6, including bridge specifications, in
77.5 cooperation with road authorities of political subdivisions, for use in the administration of
77.6 funds appropriated to the commissioner and for the administration of grants to subdivisions.
77.7 Grants under this section are subject to the procedures and criteria established in this
77.8 subdivision and in subdivisions 5 and 6.

77.9 (b) The maximum use of standardized bridges is encouraged. Regardless of the size of
77.10 the existing bridge, a bridge or replacement bridge is eligible for assistance from the state
77.11 transportation fund if a hydrological survey indicates that the bridge or replacement bridge
77.12 must be ten feet or more in length.

77.13 (c) As part of the standards or rules, the commissioner shall, in consultation with local
77.14 road authorities, establish a minimum distance between any two bridges that cross over the
77.15 same river, stream, or waterway, so that only one of the bridges is eligible for a grant under
77.16 this section. As appropriate, the commissioner may establish exceptions from the minimum
77.17 distance requirement or procedures for obtaining a variance.

77.18 (d) Political subdivisions may use grants made under this section to construct or
77.19 reconstruct bridges, including but not limited to:

77.20 (1) matching federal aid grants to construct or reconstruct key bridges;

77.21 (2) paying the costs to abandon an existing bridge that is deficient and in need of
77.22 replacement but where no replacement will be made; and

77.23 (3) paying the costs to construct a road or street to facilitate the abandonment of an
77.24 existing bridge if the commissioner determines that the bridge is deficient, and that
77.25 construction of the road or street is more economical than replacement of the existing bridge.

77.26 (e) Funds appropriated to the commissioner from the Minnesota state transportation
77.27 fund shall be segregated from the highway tax user distribution fund and other funds created
77.28 by article XIV of the Minnesota Constitution.

77.29 (f) The maximum grant amount for a local bridge replacement or rehabilitation project
77.30 under this section is \$7,000,000. If in any year money appropriated for local bridge
77.31 replacement or rehabilitation projects remains available after all projects on the
77.32 commissioner's priority list for which the state share is \$7,000,000 or less have been funded,
77.33 the commissioner may make grants for more than \$7,000,000.

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

78.2 Sec. 66. **[174.54] TRANSPORTATION PRIORITIES FUND.**

78.3 Subdivision 1. **Fund established.** A transportation priorities fund is established in the
78.4 state treasury, under the budgetary jurisdiction of the legislative committees having
78.5 jurisdiction over transportation finance. The fund consists of money provided by law, and
78.6 any other funds donated, allotted, transferred, or otherwise provided. Money in the fund
78.7 must be allocated solely for transportation purposes as specified in this section and as
78.8 provided by law.

78.9 Subd. 2. **Financial reports.** Any report or financial statement required by law to be
78.10 submitted to the legislature that provides financial information on the transportation priorities
78.11 fund must include accounting information on each account established within the fund,
78.12 including revenues and sources, transfers, uses, and account balance.

78.13 Subd. 3. **Fund allocation; net funds.** (a) In fiscal year 2020 and thereafter, the
78.14 commissioner of transportation must allocate funds in the transportation priorities fund as
78.15 follows:

78.16 (1) 70.5 percent transferred to the commissioner of transportation for deposit in the
78.17 highway user tax distribution fund, provided that this amount is reduced by the amount
78.18 transferred as specified in subdivision 4;

78.19 (2) four percent to the small cities assistance account;

78.20 (3) three percent for the local bridge replacement and rehabilitation program under
78.21 section 174.50;

78.22 (4) 1.5 percent for the hazardous materials rail safety program under section 219.016;

78.23 (5) 0.75 percent for purposes of replacement of highway-rail grade crossing warning
78.24 devices;

78.25 (6) 0.25 percent for the public highway-rail grade crossing quiet zone program under
78.26 section 219.166;

78.27 (7) ten percent for distribution as provided in subdivision 5; and

78.28 (8) ten percent transferred to the commissioner of transportation for deposit in the greater
78.29 Minnesota transit account in the transit assistance fund.

78.30 (b) Funds allocated under paragraph (a) exclude any amounts that are in an account in
78.31 the transportation priorities fund, and any amounts otherwise appropriated or transferred

79.1 from the fund by law. Funds allocated under paragraph (a) include any amounts canceled
 79.2 to the fund under section 16A.28 or as otherwise provided by law.

79.3 Subd. 4. **Fund allocation; debt service.** An amount equal to the necessary debt service
 79.4 on trunk highway bond proceeds appropriated in article 2, section 2, subdivision 2, of this
 79.5 act is annually transferred from the transportation priorities fund to the commissioner of
 79.6 transportation for deposit in the trunk highway fund.

79.7 Subd. 5. **Fund allocation; certain metropolitan area county roads.** (a) The
 79.8 commissioner of transportation must distribute the funds under subdivision 3, paragraph
 79.9 (a), clause (7), and any other funds appropriated specifically for purposes of this subdivision
 79.10 to the counties in the metropolitan area, as defined in section 473.121, subdivision 4,
 79.11 excluding the counties of Hennepin and Ramsey, so that each county receives from that
 79.12 amount the percentage that its population, as defined in section 477A.011, subdivision 3,
 79.13 estimated or established by July 15 of the year prior to the current calendar year, bears to
 79.14 the total population of the counties receiving funds under this paragraph.

79.15 (b) Funds distributed under this subdivision are for construction, reconstruction, and
 79.16 maintenance of county highways, including county state-aid highways.

79.17 Sec. 67. Minnesota Statutes 2016, section 174.56, subdivision 1, is amended to read:

79.18 Subdivision 1. **Report required.** (a) The commissioner of transportation ~~shall~~ must
 79.19 submit a report by December 15 of each year ~~on~~ that includes:

79.20 (1) the status of major highway projects;

79.21 (i) completed during the previous two years; or

79.22 (ii) under construction or planned during the year of the report ~~and for the ensuing 15~~
 79.23 ~~years, (2) trunk highway fund expenditures, and;~~

79.24 (2) a list of any major highway projects identified in capital investment plans or identified
 79.25 as reasonably likely for inclusion in the state transportation improvement program within
 79.26 the next ten years;

79.27 (3) ~~beginning with the report due in 2016,~~ a list of any major highway projects removed
 79.28 from, delayed within, or delayed from inclusion in the state transportation improvement
 79.29 program or capital investment plans, including a discussion of the rationale for the delay
 79.30 or removal;

79.31 (4) an explanation of the highway project selection process, including key milestones
 79.32 and decision-making steps;

80.1 (5) the annual budget for products and services for each Department of Transportation
 80.2 district and office, with a comparison to actual spending and including measures of
 80.3 productivity for the previous fiscal year; and

80.4 (6) information detailing efficiencies achieved during the previous two fiscal years,
 80.5 which must describe each of the specific changes made and the methodology used to calculate
 80.6 efficiencies.

80.7 (b) For purposes of this section, a "major highway project" is a highway project that has
 80.8 a total cost for all segments that the commissioner estimates at the time of the report to be
 80.9 at least (1) \$15,000,000 in the metropolitan highway construction district, or (2) \$5,000,000
 80.10 in any nonmetropolitan highway construction district. A major highway project does not
 80.11 include district set-asides.

80.12 Sec. 68. Minnesota Statutes 2016, section 174.56, subdivision 2, is amended to read:

80.13 Subd. 2. **Report contents; major highway projects.** (a) For each major highway project
 80.14 under subdivision 1, paragraph (a), clause (1), the report must include:

80.15 (1) a description of the project sufficient to specify its scope and location;

80.16 (2) a history of the project, including, but not limited to, and as applicable: previous
 80.17 official actions by the department or the appropriate area transportation partnership, or both,
 80.18 the date on which the project was first included in the state transportation improvement ~~plan~~
 80.19 program, the cost of the project at that time, the planning estimate for the project, the
 80.20 engineer's estimate, the award price, the final cost as of six months after substantial
 80.21 completion, including a total amount for any supplemental agreements and cost overruns
 80.22 or cost savings, the dates of environmental approval, the dates of municipal approval, the
 80.23 date of final geometric layout, and the date of establishment of any construction limits;

80.24 (3) the project's priority listing or rank within its construction district, if any, as well as
 80.25 the reasons for that listing or rank, the criteria used in prioritization or rank, any changes
 80.26 in that prioritization or rank since the project was first included in a department work plan,
 80.27 and the reasons for those changes; and

80.28 (4) past and potential future reasons for delay in letting or completing the project, details
 80.29 of all project cost changes that exceed \$500,000, and specific modifications ~~to the overall~~
 80.30 ~~program~~ that are made as a result of delays and project cost changes;

80.31 ~~(5) two representative trunk highway construction projects, one each from the~~
 80.32 ~~department's metropolitan district and from greater Minnesota, and for each project report~~
 80.33 ~~the cost of environmental mitigation and compliance; and~~

81.1 ~~(6) the annual budget for products and services for each Department of Transportation~~
81.2 ~~district and office, with comparison to actual spending and including measures of productivity~~
81.3 ~~for the previous fiscal year.~~

81.4 (b) For each major highway project under subdivision 1, paragraph (a), clauses (2) and
81.5 (3), the report must include, as available, a project description and a summary of project
81.6 status, scoping activity, and cost estimates.

81.7 Sec. 69. Minnesota Statutes 2016, section 174.56, is amended by adding a subdivision to
81.8 read:

81.9 Subd. 4. **Availability of information.** The commissioner must maintain on an Internet
81.10 Web site information for each major highway project, which must at a minimum include
81.11 the report contents identified in subdivision 2.

81.12 Sec. 70. [174.57] SNOW AND ICE CONTROL; APPROPRIATION.

81.13 (a) In a fiscal year in which the commissioner expends more than 110 percent of the
81.14 established biennial expenditure level for snow and ice management, the commissioner may
81.15 use an additional amount for this purpose that does not exceed 50 percent of the
81.16 unappropriated balance in the trunk highway fund. The amount identified by the
81.17 commissioner under this paragraph is appropriated from the trunk highway fund to the
81.18 commissioner for snow and ice management purposes.

81.19 (b) Upon using the appropriation authority in this section, the commissioner must notify
81.20 the commissioner of management and budget and the chairs, ranking minority members,
81.21 and staff of the house of representatives and senate committees having jurisdiction over
81.22 transportation finance. The notification must at a minimum identify the established biennial
81.23 expenditure level for snow and ice management and the amount appropriated under this
81.24 section.

81.25 (c) In each budget submission to the legislature under section 16A.11, the commissioner
81.26 must include:

81.27 (1) the proposed biennial expenditure level for snow and ice management for the next
81.28 budget biennium; and

81.29 (2) the total amount expended or estimated to be expended under the appropriation in
81.30 this section for the budget biennium that is ending.

82.1 Sec. 71. Minnesota Statutes 2016, section 174.93, is amended to read:

82.2 **174.93 GUIDEWAY METROPOLITAN AREA TRANSIT INVESTMENT.**

82.3 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have
82.4 the meanings given:

82.5 (1) "busway" means a form of transportation service, consisting of arterial or highway
82.6 bus rapid transit, limited stop bus service, and express bus service, provided to the public
82.7 on a regular and ongoing basis that does not primarily or substantially operate within
82.8 separated rights-of-way;

82.9 (2) "commissioner" means the commissioner of transportation;

82.10 ~~(2)~~ (3) "guideway" means a form of transportation service provided to the public on a
82.11 regular and ongoing basis, that primarily or substantially operates on exclusive or controlled
82.12 within separated rights-of-way or operates on rails in whole or in part, and includes:

82.13 (i) each line for intercity passenger rail, commuter rail, light rail transit, and streetcars;
82.14 and;

82.15 (ii) as applicable, each line for dedicated bus service, which may include arterial or
82.16 highway bus rapid transit, limited stop bus service, and express bus service; and

82.17 (iii) any intermodal facility serving two or more lines identified in items (i) and (ii); and

82.18 ~~(3)~~ (4) "local unit of government" means a county, statutory or home rule charter city,
82.19 town, or other political subdivision including, but not limited to, a regional railroad authority
82.20 or joint powers board.

82.21 (b) For purposes of this section, "sources of funds" includes, but is not limited to, money
82.22 from federal aid, state appropriations, the Metropolitan Council, special taxing districts,
82.23 local units of government, fare box recovery, and nonpublic sources.

82.24 (c) For purposes of this section, "budget activity" includes, but is not limited to,
82.25 environmental analysis, land acquisition, easements, design, preliminary and final
82.26 engineering, acquisition of vehicles and rolling stock, track improvement and rehabilitation,
82.27 and construction.

82.28 (d) Guideway does not include a busway.

82.29 (e) "Separated rights-of-way" includes exclusive, dedicated, or primary use of a
82.30 right-of-way by the public transportation service. Separated rights-of-way does not include
82.31 a shoulder, dynamic shoulder lane, or priced lane under section 160.93.

83.1 Subd. 1a. **Guideway capital project requests to legislature.** A state agency or local
 83.2 unit of government that submits a request to the legislature to obtain state funds for a
 83.3 guideway project shall, as part of the request, provide a summary financial plan for the
 83.4 project that presents the following information as reflected by the data and level of detail
 83.5 available in the latest phase of project development:

83.6 (1) capital expenditures and funding sources for the project, including expenditures to
 83.7 date and total projected or estimated expenditures, with a breakdown by committed and
 83.8 proposed sources of funds; and

83.9 (2) estimated annual operations and maintenance expenditures for the project, with a
 83.10 breakdown by committed and proposed sources of funds.

83.11 Subd. 2. **Legislative report.** (a) ~~Annually~~ by January 15, 2012, ~~and by November 15 in~~
 83.12 ~~every odd-numbered year thereafter,~~ the ~~commissioner shall~~ council must prepare, in
 83.13 collaboration with the ~~Metropolitan Council commissioner,~~ and a report on comprehensive
 83.14 transit finance in the metropolitan area. The council must submit a the report electronically
 83.15 to the chairs and ranking minority members of the legislative committees with jurisdiction
 83.16 over transportation policy and finance ~~concerning.~~

83.17 (b) The report must be structured to provide financial information in six-month increments
 83.18 corresponding to state and local fiscal years, and must use consistent assumptions and
 83.19 methodologies. The report must comprehensively identify all funding sources and
 83.20 expenditures related to transit in the metropolitan area, including but not limited to:

83.21 (1) sources and uses of funds from regional railroad authorities, joint powers agreements,
 83.22 counties, and cities;

83.23 (2) expenditures for transit planning, feasibility studies, alternatives analysis, and other
 83.24 transit project development; and

83.25 (3) expenditures for guideways, busways, regular route bus service, demand-response
 83.26 service, and special transportation service under section 473.386.

83.27 (c) The report must include a section that identifies the status of guideways in revenue
 83.28 operation and guideway projects (1) currently in study, planning, development, or
 83.29 construction; (2) identified in the transportation policy plan under section 473.146; or (3)
 83.30 identified in the comprehensive statewide freight and passenger rail plan under section
 83.31 174.03, subdivision 1b.

83.32 ~~(b)~~ (d) At a minimum, the guideways status section of the report must include, provide
 83.33 for each guideway project wholly or partially in the metropolitan area:

- 84.1 (1) a brief description of the project, including projected ridership;
- 84.2 (2) a summary of the overall status and current phase of the project;
- 84.3 (3) a timeline that includes (i) project phases or milestones, including any federal
- 84.4 approvals; (ii) expected and known dates of commencement of each phase or milestone;
- 84.5 and (iii) expected and known dates of completion of each phase or milestone;
- 84.6 (4) a brief progress update on specific project phases or milestones completed since the
- 84.7 last previous submission of a report under this subdivision; and
- 84.8 (5) a summary financial plan that identifies, as reflected by the data and level of detail
- 84.9 available in the latest phase of project development and to the extent available:
- 84.10 (i) capital expenditures, including expenditures to date and total projected expenditures,
- 84.11 with a breakdown by committed and proposed sources of funds for the project;
- 84.12 (ii) estimated annual operations and maintenance expenditures reflecting the level of
- 84.13 detail available in the current phase of the project development, with a breakdown by
- 84.14 committed and proposed sources of funds for the project; and
- 84.15 (iii) if feasible, project expenditures by budget activity.
- 84.16 (e) The report must include a section that summarizes the status of busways in revenue
- 84.17 operation and busway projects currently in study, planning, development, or construction.
- 84.18 (f) The report must include a section that identifies the total ridership, farebox recovery
- 84.19 ratio, and per-passenger operating subsidy for (1) each route and line in revenue operation
- 84.20 by a transit provider, including guideways, busways, and regular route bus service; and (2)
- 84.21 demand-response service and special transportation service. The section must provide data
- 84.22 on a per-passenger mile basis and must provide information for at least the previous three
- 84.23 years. The section must identify performance standards for farebox recovery and identify
- 84.24 each route and line that does not meet the standards.
- 84.25 ~~(e)~~ (g) The report must also include a systemwide capacity analysis for transit operations
- 84.26 and investment in guideway expansion and maintenance that:
- 84.27 (1) provides a funding projection, annually over the ensuing ten years, and with a
- 84.28 breakdown by committed and proposed sources of funds, of:
- 84.29 (i) total capital expenditures for guideways and for busways;
- 84.30 (ii) total operations and maintenance expenditures for guideways and for busways;

85.1 (iii) total funding available for guideways and for busways, including from projected or
85.2 estimated farebox recovery; and

85.3 (iv) total funding available for transit service in the metropolitan area; and

85.4 (2) evaluates the availability of funds and distribution of sources of funds for guideway
85.5 and for busway investments.

85.6 ~~(d)~~ (h) The ~~projection~~ capacity analysis under paragraph ~~(e)~~, ~~clause (1)~~, (g) must ~~be for~~
85.7 include all guideway and busway lines for which state public funds are reasonably expected
85.8 to be expended in planning, development, construction, ~~or revenue operation~~, or capital
85.9 maintenance during the ensuing ten years.

85.10 ~~(e)~~ (i) Local units of government ~~shall~~ must provide assistance and information in a
85.11 timely manner as requested by the commissioner or council for completion of the report.

85.12 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following
85.13 final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey,
85.14 Scott, and Washington.

85.15 Sec. 72. **[219.016] OIL AND OTHER HAZARDOUS MATERIALS RAIL SAFETY.**

85.16 Subdivision 1. Program established. A hazardous materials rail safety program is
85.17 established for the purpose of reducing the risks associated with the transportation of oil,
85.18 ethanol, and other hazardous material by rail.

85.19 Subd. 2. Hazardous materials rail safety account. A hazardous materials rail safety
85.20 account is established in the transportation priorities fund. The account consists of funds as
85.21 provided by law, and any other funds donated, allotted, transferred, or otherwise provided.

85.22 Subd. 3. Use of funds. Funds appropriated for the program under this section may only
85.23 be used for capital costs associated with planning, engineering, administration, and
85.24 construction of public highway-rail grade crossing improvements on rail corridors
85.25 transporting crude oil and other hazardous materials. Improvements may include upgrades
85.26 to existing protection systems, the closing of crossings and necessary roadwork, and
85.27 reconstruction of at-grade crossings to full grade separations.

85.28 Subd. 4. Eligible applicants. Counties, statutory or home rule charter cities, or towns
85.29 that are responsible for establishing and maintaining public highway-rail grade crossings
85.30 on rail corridors transporting crude oil and other hazardous materials may apply to the
85.31 commissioner for financial assistance under this section.

86.1 Subd. 5. Grants; authorization. The commissioner may approve grants for financial
 86.2 assistance to eligible applicants for capital costs associated with hazardous materials rail
 86.3 safety projects on public highway-rail grade crossings. Qualifying capital costs include, but
 86.4 are not limited to, upgrades to existing protection systems, the closing of crossings and
 86.5 necessary roadwork, and reconstruction of at-grade crossings to full grade separations.

86.6 Subd. 6. Grants; criteria for grant award. The commissioner must consider the
 86.7 following criteria to evaluate applications for a grant award for a hazardous materials rail
 86.8 safety project:

86.9 (1) whether the crossing was identified as a potential candidate for grade separation in
 86.10 the Department of Transportation's crude by rail grade crossing study (Improvements to
 86.11 Highway Grade Crossings and Rail Safety, December 2014);

86.12 (2) roadway traffic volumes and speeds;

86.13 (3) train volumes and speeds;

86.14 (4) adjacent land use;

86.15 (5) crash history;

86.16 (6) use of the crossing by emergency vehicles;

86.17 (7) use of the crossing by vehicles carrying hazardous materials; and

86.18 (8) local financial contributions to the project.

86.19 Sec. 73. Minnesota Statutes 2016, section 219.166, is amended to read:

86.20 **219.166 ESTABLISHMENT OF QUIET ZONES.**

86.21 Subdivision 1. Eligible quiet zone applicants. A county, statutory or home rule charter
 86.22 city, or town may apply to the Federal Railroad Administration for the establishment of a
 86.23 "quiet zone" at a public highway-rail grade crossing in which the sounding of horns, whistles,
 86.24 or other audible warnings by locomotives is regulated or prohibited. All quiet zones,
 86.25 regulations, and ordinances adopted under this section must conform to federal law and the
 86.26 regulations of the Federal Railroad Administration under ~~United States Code~~ Federal
 86.27 Regulations, title 49, ~~section 20153~~ parts 222 and 229.

86.28 Subd. 2. Program established. A public highway-rail grade crossing quiet zone program
 86.29 is established for the purpose of improving and rehabilitating railroad rights-of-way and
 86.30 other public and private rail facilities, including necessary safety-related capital improvements
 86.31 at public highway-rail grade crossings where quiet zones are established.

87.1 Subd. 3. Highway-rail grade crossing quiet zone account. A highway-rail grade
87.2 crossing quiet zone account is established in the transportation priorities fund. The account
87.3 consists of funds as provided by law, and any other funds donated, allotted, transferred, or
87.4 otherwise provided.

87.5 Subd. 4. Use of funds. Funds appropriated for the program under this section may only
87.6 be used for capital costs associated with the establishment of a quiet zone at a public
87.7 highway-rail grade crossing.

87.8 Subd. 5. Eligible applicants. Counties, statutory or home rule charter cities, or towns
87.9 that are responsible for traffic control or law enforcement at a public highway-rail grade
87.10 crossing and that qualify as eligible applicants to the Federal Railroad Administration (FRA)
87.11 for the establishment of a quiet zone may apply to the commissioner for financial assistance
87.12 under this section.

87.13 Subd. 6. Grants; authorization. The commissioner may approve grants for financial
87.14 assistance to eligible applicants for capital costs associated with the establishment of a quiet
87.15 zone at a public highway-rail grade crossing. Qualifying capital costs include, but are not
87.16 limited to, the installation of grade crossing active warning devices and other traffic control
87.17 devices and associated roadwork necessary to meet the FRA criteria for approval of the
87.18 quiet zone.

87.19 Subd. 7. Grants; criteria for grant award. The commissioner must consider the
87.20 following criteria to evaluate applications for a grant award for a quiet zone project:

87.21 (1) the number of residents that will benefit from the establishment of the quiet zone
87.22 through a reduction in train horn noise;

87.23 (2) the number of existing grade crossings that will be closed, thereby improving public
87.24 safety;

87.25 (3) evidence that the project meets FRA qualifications and requirements for a quiet zone,
87.26 without the need for additional annual review by FRA per federal quiet zone regulations;

87.27 (4) nonstate financial participation as a percentage of total project cost; and

87.28 (5) the amount of state financial participation per resident benefiting from the project.

87.29 Sec. 74. Minnesota Statutes 2016, section 219.20, subdivision 1, is amended to read:

87.30 Subdivision 1. **When installation required; procedure.** At each grade crossing not
87.31 equipped with flashing lights or flashing lights and gates ~~where, because of the dangers~~
87.32 ~~attendant upon its use, the reasonable protection of life and property makes it necessary for~~

88.1 ~~persons approaching the crossing to stop or yield before crossing the railroad tracks, stop~~
 88.2 ~~signs or yield signs~~ the railway company must be installed install yield signs in addition to
 88.3 crossbuck signs. When the government entity responsible for a road that crosses a railroad
 88.4 track deems it necessary to install stop signs ~~or~~ rather than yield signs at that crossing, it
 88.5 shall petition the commissioner to order the installation of the stop signs ~~or yield signs~~. The
 88.6 commissioner shall respond to the petition by investigating the conditions at the crossing
 88.7 to determine whether stop signs ~~or yield signs~~ should be installed at the crossing instead of
 88.8 yield signs. On determining, after an investigation following a petition from a governmental
 88.9 agency or subdivision or on the commissioner's own motion, that stop signs ~~or yield signs~~
 88.10 should be installed at a crossing, the commissioner shall designate the crossing as a stop
 88.11 crossing ~~or yield crossing~~ and shall notify the railway company operating the railroad at
 88.12 the crossing of this designation. Within 30 days after notification, the railway company
 88.13 shall erect the ~~uniform stop crossing~~ ~~signs or yield crossing signs~~ in accordance with the
 88.14 commissioner's order.

88.15 **EFFECTIVE DATE.** This section is effective the day following final enactment.
 88.16 Railway companies must install yield signs required under this section before December
 88.17 31, 2019.

88.18 Sec. 75. Minnesota Statutes 2016, section 221.031, is amended by adding a subdivision
 88.19 to read:

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

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

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

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

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

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

89.1 Sec. 76. Minnesota Statutes 2016, section 222.49, is amended to read:

89.2 **222.49 RAIL SERVICE IMPROVEMENT ACCOUNT; APPROPRIATION.**

89.3 The rail service improvement account is created in the ~~special revenue fund in the state~~
89.4 ~~treasury transportation priorities fund~~. The ~~commissioner shall deposit in this account all~~
89.5 ~~consists of funds as provided by law, and any other money appropriated to or received by~~
89.6 ~~the department for the purpose of rail service improvement~~ donated, allotted, transferred,
89.7 or otherwise provided to the account, excluding bond proceeds as authorized by article XI,
89.8 section 5, clause (i)₂ of the Minnesota Constitution. All money so deposited is appropriated
89.9 to the department for expenditure for rail service improvement in accordance with applicable
89.10 state and federal law. This appropriation shall not lapse but shall be available until the
89.11 purpose for which it was appropriated has been accomplished. ~~No money appropriated to~~
89.12 ~~the department for the purposes of administering the rail service improvement program~~
89.13 ~~shall be deposited in the rail service improvement account nor shall such administrative~~
89.14 ~~costs be paid from the account.~~

89.15 Sec. 77. Minnesota Statutes 2016, section 222.50, subdivision 6, is amended to read:

89.16 Subd. 6. **Grants.** The commissioner may approve grants from the rail service
89.17 improvement account for ~~payment of up to 50 percent of the nonfederal share of the cost~~
89.18 ~~of any rail line project under the federal rail service continuation program~~ freight rail service
89.19 improvements that support economic development.

89.20 Sec. 78. Minnesota Statutes 2016, section 222.50, is amended by adding a subdivision to
89.21 read:

89.22 Subd. 6a. **Grants; freight railroad preservation and improvement.** (a) The
89.23 commissioner may make grants for freight railroad preservation and improvement as provided
89.24 in this subdivision and for the purposes specified in subdivision 7.

89.25 (b) The following entities are eligible to receive grant funds under this subdivision:
89.26 railroad companies that are classified by federal law or regulation as class II railroads, class
89.27 II rail carriers, class III railroads, or class III carriers; rail users; and local units of
89.28 government. An eligible recipient may receive funds regardless of rail facility ownership.

89.29 (c) When awarding grants, the commissioner must prioritize projects:

89.30 (1) identified under subdivision 7, paragraph (a), clauses (2) and (3);

89.31 (2) on segments experiencing low rail service use; and

90.1 (3) for applicants who commit more than 20 percent of total project costs from nonstate
90.2 and nonfederal sources.

90.3 (d) A grant under this subdivision must not exceed 80 percent of the total project cost.

90.4 Sec. 79. Minnesota Statutes 2016, section 299D.03, subdivision 6, is amended to read:

90.5 Subd. 6. **Training program.** The commissioner of public safety may provide training
90.6 programs for the purpose of obtaining qualified personnel for the State Patrol. Persons
90.7 accepted by the commissioner of public safety for training under this training program shall
90.8 be designated State Patrol trainees and shall receive a salary ~~not to exceed~~ no less than 70
90.9 percent of the basic salary for patrol officers as prescribed in subdivision 2, during the period
90.10 of the training. Nothing contained in this subdivision shall be construed to prevent the
90.11 commissioner of public safety from providing in-service training programs for State Patrol
90.12 officers. The commissioner of transportation shall furnish the commissioner of public safety
90.13 with lands and buildings necessary in providing in-service training programs and the
90.14 Department of Public Safety shall reimburse the Department of Transportation for all
90.15 reasonable costs incurred due to the provision of these training facilities.

90.16 Sec. 80. **[398A.095] LEGISLATIVE APPROVAL OF LIGHT RAIL PROJECTS.**

90.17 Notwithstanding any law to the contrary, a regional railroad authority is prohibited from
90.18 spending any money to study, plan, design, or construct a light rail transit line, or expand
90.19 an existing light rail line, unless the legislature has explicitly authorized the particular
90.20 project.

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

90.22 Sec. 81. **[471.987] LEGISLATIVE APPROVAL OF LIGHT RAIL PROJECTS.**

90.23 Notwithstanding any law to the contrary, a metropolitan county as defined in section
90.24 473.121, subdivision 4, or a home rule charter or statutory city located within the metropolitan
90.25 area as defined in section 473.121, subdivision 2, is prohibited from spending any money
90.26 to study, plan, design, or construct a light rail transit line, or expand an existing light rail
90.27 transit line, unless the legislature has explicitly authorized the particular project.

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

91.1 Sec. 82. Minnesota Statutes 2016, section 473.13, subdivision 1, is amended to read:

91.2 Subdivision 1. **Budget.** (a) On or before December 20 of each year, the council shall
91.3 adopt a final budget covering its anticipated receipts and disbursements for the ensuing year
91.4 and shall decide upon the total amount necessary to be raised from ad valorem tax levies
91.5 to meet its budget. The budget shall state in detail the expenditures for each program to be
91.6 undertaken, including the expenses for salaries, consultant services, overhead, travel, printing,
91.7 and other items. The budget shall state in detail the capital expenditures of the council for
91.8 the budget year, based on a five-year capital program adopted by the council and transmitted
91.9 to the legislature. After adoption of the budget and no later than five working days after
91.10 December 20, the council shall certify to the auditor of each metropolitan county the share
91.11 of the tax to be levied within that county, which must be an amount bearing the same
91.12 proportion to the total levy agreed on by the council as the net tax capacity of the county
91.13 bears to the net tax capacity of the metropolitan area. The maximum amount of any levy
91.14 made for the purpose of this chapter may not exceed the limits set by the statute authorizing
91.15 the levy.

91.16 (b) Each even-numbered year the council ~~shall prepare for its~~ must include transit
91.17 ~~programs a financial plan~~ financial planning information in the budget for the succeeding
91.18 three calendar years, in half-year segments that coincide with the council and state fiscal
91.19 years. The financial ~~plan~~ information must contain schedules of user charges and any changes
91.20 in user charges planned or anticipated by the council during the period of the plan. The
91.21 financial ~~plan~~ information must contain a proposed request for state financial assistance, if
91.22 any, for the succeeding state biennium.

91.23 (c) In addition, the budget must show for each year:

91.24 (1) the estimated operating revenues from all sources including funds on hand at the
91.25 beginning of the year, and estimated expenditures for costs of operation, administration,
91.26 maintenance, and debt service;

91.27 (2) capital improvement funds estimated to be on hand at the beginning of the year and
91.28 estimated to be received during the year from all sources and estimated cost of capital
91.29 improvements to be paid out or expended during the year, all in such detail and form as the
91.30 council may prescribe; and

91.31 (3) the estimated source and use of pass-through funds.

91.32 (d) In a year that is the second fiscal year of the state biennium, the budget must identify
91.33 state assistance from the general fund for transit operations at the same amount as the state
91.34 general fund base, if any.

92.1 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following
92.2 final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey,
92.3 Scott, and Washington.

92.4 Sec. 83. Minnesota Statutes 2016, section 473.146, subdivision 3, is amended to read:

92.5 Subd. 3. **Development guide: transportation.** (a) The transportation chapter must
92.6 include policies relating to all transportation forms and be designed to promote the legislative
92.7 determinations, policies, and goals set forth in section 473.371.

92.8 (b) In addition to the policy plan content requirements under subdivision 1, the policy
92.9 plan must also establish as a primary objective an increase of the average farebox recovery
92.10 ratio, calculated for all regular routes and lines operated by the council, to at least 40 percent
92.11 by 2022. The plan must identify strategies to achieve the farebox recovery objective under
92.12 this paragraph.

92.13 (c) In addition to the requirements of subdivision 1 regarding the contents of the policy
92.14 plan, the nontransit element of the transportation chapter must include the following:

92.15 (1) a statement of the needs and problems of the metropolitan area with respect to the
92.16 functions covered, including the present and prospective demand for and constraints on
92.17 access to regional business concentrations and other major activity centers and the constraints
92.18 on and acceptable levels of development and vehicular trip generation at such centers;

92.19 (2) the objectives of and the policies to be forwarded by the policy plan;

92.20 (3) a general description of the physical facilities and services to be developed;

92.21 (4) a statement as to the general location of physical facilities and service areas;

92.22 (5) a general statement of timing and priorities in the development of those physical
92.23 facilities and service areas;

92.24 (6) a detailed statement, updated every two years, of timing and priorities for
92.25 improvements and expenditures needed on the metropolitan highway system;

92.26 (7) a general statement on the level of public expenditure appropriate to the facilities;
92.27 and

92.28 (8) a long-range assessment of air transportation trends and factors that may affect airport
92.29 development in the metropolitan area and policies and strategies that will ensure a
92.30 comprehensive, coordinated, and timely investigation and evaluation of alternatives for
92.31 airport development.

93.1 (d) The council shall develop the nontransit element in consultation with the transportation
 93.2 advisory board and the Metropolitan Airports Commission and cities having an airport
 93.3 located within or adjacent to its corporate boundaries. The council shall also take into
 93.4 consideration the airport development and operations plans and activities of the commission.
 93.5 The council shall transmit the results to the state Department of Transportation.

93.6 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following
 93.7 final enactment and applies to all future updates to the plan. This section applies in the
 93.8 counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

93.9 Sec. 84. Minnesota Statutes 2016, section 473.388, subdivision 4, is amended to read:

93.10 Subd. 4. **Financial assistance.** (a) The council must grant the requested financial
 93.11 assistance if it determines that the proposed service is intended to replace the service to the
 93.12 applying city or town or combination thereof by the council and that the proposed service
 93.13 will meet the needs of the applicant at least as efficiently and effectively as the existing
 93.14 service.

93.15 (b) The minimum amount of assistance which the council must provide to a system
 93.16 under this section may not be less than the sum of the amounts ~~determined~~ calculated for
 93.17 each ~~municipality comprising the system as follows:~~ of the replacement service
 93.18 municipalities.

93.19 (c) The minimum amount of financial assistance for each replacement service
 93.20 municipality is calculated as:

93.21 (1) an amount equal to 4.3 percent of the total state revenues generated from the taxes
 93.22 imposed under chapter 297B for the current fiscal year; times

93.23 (2) the ratio of (i) the transit operating assistance grants received under this subdivision
 93.24 by the municipality in calendar year 2001 or the tax revenues for transit services levied by
 93.25 the municipality for taxes payable in 2001, including that portion of the levy derived from
 93.26 the areawide pool under section 473F.08, subdivision 3, clause (a), plus the portion of the
 93.27 municipality's aid under Minnesota Statutes 2002, section 273.1398, subdivision 2,
 93.28 attributable to the transit levy; times (2) the ratio of (i) an amount equal to 3.74 percent of
 93.29 the state revenues generated from the taxes imposed under chapter 297B for the current
 93.30 fiscal year to (ii) the total transit operating assistance grants received under this subdivision
 93.31 in calendar year 2001 or the tax revenues for transit services levied by all replacement
 93.32 service municipalities under this section for taxes payable in 2001, including that portion
 93.33 of the levy derived from the areawide pool under section 473F.08, subdivision 3, clause

94.1 (a), plus the portion of homestead and agricultural credit aid under Minnesota Statutes 2002,
94.2 section 273.1398, subdivision 2, attributable to nondebt transit levies; times

94.3 (3) the ratio of (i) the municipality's total taxable market value for taxes payable in 2006
94.4 divided by the municipality's total taxable market value for taxes payable in 2001, to (ii)
94.5 the total taxable market value of all property located in replacement service municipalities
94.6 for taxes payable in 2006 divided by the total taxable market value of all property located
94.7 in replacement service municipalities for taxes payable in 2001.

94.8 (c) The council shall pay the amount to be provided to the recipient from the funds the
94.9 council receives in the metropolitan area transit account under section 16A.88.

94.10 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following
94.11 final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey,
94.12 Scott, and Washington.

94.13 Sec. 85. Minnesota Statutes 2016, section 473.39, is amended by adding a subdivision to
94.14 read:

94.15 **Subd. 6. Limitation on certain debt obligations.** The council is prohibited from issuing
94.16 certificates of participation, certificates of indebtedness, bonds, or other obligations secured
94.17 in whole or in part by a pledge of motor vehicle sales tax revenue received under sections
94.18 16A.88 and 297B.09, or by a pledge of any earnings from the council's investment of motor
94.19 vehicle sales tax revenues.

94.20 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following
94.21 final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey,
94.22 Scott, and Washington.

94.23 Sec. 86. **[473.3985] LEGISLATIVE APPROVAL OF LIGHT RAIL PROJECTS.**

94.24 **Notwithstanding any law to the contrary, a responsible authority, as defined in section**
94.25 **473.3993, subdivision 4, is prohibited from spending any money to study, plan, design, or**
94.26 **construct a light rail line, or expand an existing light rail transit line, unless the legislature**
94.27 **has explicitly authorized the particular project.**

94.28 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following
94.29 final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey,
94.30 Scott, and Washington.

95.1 Sec. 87. Minnesota Statutes 2016, section 473.3994, is amended by adding a subdivision
95.2 to read:

95.3 Subd. 15. **Project development requirements; colocation.** The council must establish
95.4 standards and criteria for colocation of freight rail and light rail transit on shared track or
95.5 on adjacent track in a shared rail corridor that apply to light rail transit project development.
95.6 The standards and criteria must:

95.7 (1) identify colocation safety criteria based on the results of an independent audit and
95.8 review, which must be analyzed in an environmental impact statement for each applicable
95.9 light rail transit project;

95.10 (2) incorporate substantially similar safety standards for a light rail transit project as
95.11 established by the Federal Railroad Administration for freight rail, including but not limited
95.12 to those pertaining to engineering, track-work planning, track safety, inspections, training
95.13 and operations, routing, emergency preparedness, and signage and warning systems;

95.14 (3) prohibit operation of a train carrying oil or other hazardous substances through a
95.15 light rail transit project construction work zone;

95.16 (4) specify project design elements to address safety considerations resulting from
95.17 colocation;

95.18 (5) account for project costs resulting from colocation safety considerations; and

95.19 (6) for adjacent track in a shared corridor, provide for sufficient track spacing separation
95.20 to ensure the likelihood of impacts on operations on a track due to derailment of a train on
95.21 the adjacent track is minimized.

95.22 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following
95.23 final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey,
95.24 Scott, and Washington.

95.25 Sec. 88. Minnesota Statutes 2016, section 473.3994, is amended by adding a subdivision
95.26 to read:

95.27 Subd. 16. **Project development requirements; alternatives and benefits analysis.** (a)
95.28 As part of light rail transit project development and prior to initiating an environmental
95.29 analysis or preliminary engineering, the responsible authority must perform an alternatives
95.30 and benefits analysis.

95.31 (b) In addition to any other information or requirements, the alternatives and benefits
95.32 analysis must:

96.1 (1) include (i) a no-build option; and (ii) options for each major transit mode, including
 96.2 but not limited to regular route bus service, arterial bus rapid transit, highway bus rapid
 96.3 transit, express bus service, and dedicated busway;

96.4 (2) evaluate capacity adequacy and congestion impacts under each option;

96.5 (3) include a comprehensive benefit-cost analysis; and

96.6 (4) review conformity with the transportation policy plan under section 473.146.

96.7 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following
 96.8 final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey,
 96.9 Scott, and Washington.

96.10 Sec. 89. Minnesota Statutes 2016, section 473.4051, subdivision 3, is amended to read:

96.11 Subd. 3. **Capital costs.** State money may not be used to pay more than ten percent of
 96.12 the total capital cost of a light rail transit project. The council and a local governmental unit
 96.13 must not specify or estimate state sources of funds in financial planning for the capital cost
 96.14 of a light rail transit project, unless funds have been specifically made available by law for
 96.15 the project.

96.16 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following
 96.17 final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey,
 96.18 Scott, and Washington.

96.19 Sec. 90. **[473.4052] RIGHTS-OF-WAY USE; CONTRACTS.**

96.20 (a) The council or a metropolitan county, or public entity contracting with the council
 96.21 or county, may contract with a railroad that is a class I, class II, or class III railroad under
 96.22 federal law for the joint or shared use of right-of-way for light rail transit and freight rail
 96.23 purposes or for the construction, operation, or maintenance of rail track, facilities, or services
 96.24 for light rail transit and freight rail purposes.

96.25 (b) Notwithstanding any law to the contrary, a contract under paragraph (a) may also
 96.26 provide for the allocation of financial responsibility, indemnification, and the procurement
 96.27 of insurance for the parties for all types of claims or damages.

96.28 (c) Notwithstanding any law to the contrary, a class I, class II, or class III railroad
 96.29 operating pursuant to a contract under this section has the same limits to liability for all
 96.30 types of claims or damages as provided to a municipality under sections 466.04 and 466.06,
 96.31 in an action arising from or related to an incident:

97.1 (1) occurring within the joint or shared use of right-of-way; and

97.2 (2) involving both freight rail and light rail transit.

97.3 (d) A contract entered into under this section does not affect rights of employees under
97.4 the federal Employers' Liability Act (1908) (Railroads), Statutes at Large, volume 35, chapter
97.5 149, or the federal Railway Labor Act, Statutes at Large, volume 44, chapter 347.

97.6 **EFFECTIVE DATE.** This section is effective on the date that the council enters into
97.7 a full funding grant agreement with the Federal Transit Administration for construction of
97.8 a light rail transit line or line extension, excluding an agreement entered into prior to the
97.9 date of enactment of this act. This section applies in the counties of Anoka, Carver, Dakota,
97.10 Hennepin, Ramsey, Scott, and Washington.

97.11 Sec. 91. **TRANSPORTATION PROJECT SELECTION PROCESS.**

97.12 Subdivision 1. **Adoption of best practices.** (a) The commissioner of transportation,
97.13 after consultation with the Federal Highway Administration, metropolitan planning
97.14 organizations, regional development commissions, area transportation partnerships, local
97.15 governments, the Metropolitan Council, and transportation stakeholders, must develop,
97.16 adopt, and implement best practices for project evaluation and selection to apply to the
97.17 standard project process and to special programs, such as corridors of commerce. The
97.18 commissioner must adopt and begin implementing the best practices no later than January
97.19 1, 2018, and may update the best practices as appropriate. The commissioner must publish
97.20 the best practices and updates on the department's Web site and through other effective
97.21 means selected by the commissioner.

97.22 (b) The best practices adopted under this section must:

97.23 (1) describe each selection process and identification of ranking criteria and weight of
97.24 each criterion with respect to any selection process;

97.25 (2) identify and apply all relevant criteria contained in enacted Minnesota or federal law,
97.26 or added by the commissioner;

97.27 (3) identify for stakeholders and the general public the candidate project selected under
97.28 each selection process and every project considered that was not selected;

97.29 (4) involve area transportation partnerships and other local authorities, as appropriate,
97.30 in the process of scoring and ranking candidate projects under consideration; and

97.31 (5) publicize scoring, ranking, and decision outcomes concerning each candidate project,
97.32 including the projects that were considered but not selected.

98.1 Subd. 2. Report to legislature. By March 1, 2018, the commissioner must submit a
98.2 report to the members and staff of the legislative committees with jurisdiction over
98.3 transportation policy and finance concerning the adopted best practices and how the best
98.4 practices are anticipated to improve the consistency, objectivity, and transparency of the
98.5 selection process. The report must include information on input from members of the public
98.6 and the organizations identified in subdivision 1.

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

98.8 **Sec. 92. CORRIDORS OF COMMERCE PROJECT SELECTION.**

98.9 Notwithstanding the requirements of Minnesota Statutes, section 161.088, subdivisions
98.10 3 to 5, the commissioner of transportation must include that segment of marked U.S. Highway
98.11 212 from Chaska to Montevideo as an eligible highway in the next project solicitation and
98.12 selection process undertaken for the corridors of commerce program under that section.

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

98.14 **Sec. 93. TRANSPORTATION POLICY PLAN UPDATE.**

98.15 By December 31, 2017, the Metropolitan Council must revise the transportation policy
98.16 plan under Minnesota Statutes, section 473.146, subdivision 3.

98.17 EFFECTIVE DATE. This section is effective the day following final enactment and
98.18 applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

98.19 **Sec. 94. REQUIREMENTS FOR CERTAIN LIGHT RAIL TRANSIT PROJECTS.**

98.20 Subject to approval as provided under Minnesota Statutes, section 473.3985, the
98.21 requirements established under Minnesota Statutes, section 473.3994, subdivisions 15 and
98.22 16, apply to any light rail transit construction or expansion project that is in project
98.23 development, including but not limited to design or engineering, as of the effective date of
98.24 this section.

98.25 EFFECTIVE DATE; APPLICATION. This section is effective the day following
98.26 final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey,
98.27 Scott, and Washington.

98.28 **Sec. 95. ELECTRONIC STORAGE STANDARDS.**

98.29 On or before August 1, 2017, the commissioner of public safety must establish standards
98.30 for the conversion by deputy registrars and driver's license agents to secure electronic storage

99.1 of certain records under Minnesota Statutes, sections 168.33, subdivision 2, and 171.061,
99.2 subdivision 3. The standards must specify minimum system security requirements, as well
99.3 as any procedural requirements for the destruction of existing and new paper-based records,
99.4 consistent with the requirements of Minnesota Statutes, section 138.17. The authority to
99.5 establish or amend standards under this section expires August 1, 2018.

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

99.7 **Sec. 96. CONVEYANCE OF LAND; TOWN OF WILMA.**

99.8 (a) Upon receipt of \$100, the commissioner of transportation shall convey by quitclaim
99.9 deed the following described property and improvements thereon, owned by the state, to
99.10 the town of Wilma in Pine County, to be used by the Duxbury Volunteer Fire Department:

99.11 That part of the Southwest Quarter of the Southeast Quarter of Section 8, Township 42
99.12 North, Range 17 West, Pine County, Minnesota, described as follows: Beginning at a point
99.13 on the south line of said Section 8, distant 1,318.35 feet West to the southeast corner thereof;
99.14 thence North along the east line of said Southwest Quarter of the Southeast Quarter for 300
99.15 feet; thence West for 200 feet; thence South for 300 feet to the south line of said Section 8;
99.16 thence East along said south line to the point of beginning.

99.17 (b) The conveyance under this section must be in a form approved by the attorney general.
99.18 The attorney general may make changes to the land description to correct errors and ensure
99.19 accuracy.

99.20 **Sec. 97. CONVEYANCE FOR HISTORICAL PURPOSES; MCKINSTRY SURPLUS**
99.21 **LANDS.**

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

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

100.1 Sec. 98. **DEPARTMENT OF TRANSPORTATION CONTRACT CANCELLATION**
100.2 **AND LOAN FORGIVENESS.**

100.3 The commissioner of transportation must provide loan forgiveness for the \$4,300,000
100.4 remaining balance on Contract No. 82799, originally executed with the Minnesota Valley
100.5 Regional Rail Authority on January 28, 2002, and must cancel all future payments under
100.6 the contract. The commissioner is prohibited from requiring or accepting additional payments
100.7 under Contract No. 82799 as of the effective date of this section.

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

100.9 Sec. 99. **DEPARTMENT OF TRANSPORTATION EFFICIENCIES.**

100.10 (a) In fiscal years 2018 and 2019, the commissioner of transportation must implement
100.11 efficiencies, including as identified by the Transportation Strategic Management and
100.12 Operations Advisory Task Force report under Laws 2008, chapter 152, article 6, section 9,
100.13 equal to at least 15 percent of the appropriations made in this act to the commissioner from
100.14 the trunk highway fund in fiscal years 2018 and 2019 that are above base appropriations
100.15 for those years.

100.16 (b) The efficiency savings resulting from the requirements in paragraph (a) are for the
100.17 construction, maintenance, or rehabilitation of trunk highways, including roads and bridges.

100.18 Sec. 100. **MARKED TRUNK HIGHWAY 316 SAFETY IN HASTINGS;**
100.19 **MORATORIUM AND REPORT.**

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

100.28 Subd. 2. **Legislative report.** (a) By March 1, 2018, the commissioner of transportation
100.29 must submit a report on roadway safety on the segment of marked Trunk Highway 316
100.30 specified in subdivision 1 to the members and staff of the legislative committees with
100.31 jurisdiction over transportation policy and finance. As part of developing the report, the
100.32 commissioner must hold at least two hearings at locations within the city of Hastings.

101.1 (b) At a minimum, the report must review road design and other safety issues on the
101.2 segment, identify options for safety improvements, provide details on the decision making
101.3 process for proposed speed limit adjustments, summarize and respond to comments from
101.4 the hearings required under paragraph (a), and include copies of recent traffic and engineering
101.5 studies on adjusting speed limits in Hastings.

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

101.7 Sec. 101. **MARKED INTERSTATE HIGHWAY 35 WEIGH STATION;**
101.8 **MORATORIUM AND REPORT.**

101.9 Subdivision 1. **Weigh station moratorium.** On or before February 1, 2018, the
101.10 commissioner of transportation is prohibited from designing, engineering, or constructing
101.11 a motor vehicle weigh station for the southbound direction of travel on marked Interstate
101.12 Highway 35, between the marked Interstate Highways 35W/35E split and two miles northerly
101.13 of the split.

101.14 Subd. 2. **Legislative report.** By February 1, 2018, the commissioner of transportation
101.15 must submit a report on weigh station access and traffic safety on the segment of marked
101.16 Interstate Highway 35 identified in subdivision 1 to the members and staff of the legislative
101.17 committees with jurisdiction over transportation policy and finance. At a minimum, the
101.18 report must include analysis of traffic safety impacts resulting from motor vehicle departures
101.19 from the proposed weigh station that proceed southerly on marked Interstate Highways 35E
101.20 or 35W.

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

101.22 Sec. 102. **DEFICIENT BRIDGE WEIGHT LIMITS; STUDY AND ANALYSIS.**

101.23 (a) By November 15, 2017, the commissioner of transportation must complete a study
101.24 and analysis of posted weight limits on state and local bridges to identify deficient bridges
101.25 in those geographic regions of the state where fluid milk is transported from points of
101.26 production to points of first processing. The study and analysis must:

101.27 (1) identify bridges with posted weight limits;

101.28 (2) review the vehicle weight limits under Minnesota Statutes, chapter 169, including
101.29 Minnesota Statutes, section 169.8295, relative to bridge posting standards;

101.30 (3) analyze vehicle routing considerations for transportation of fluid milk; and

102.1 (4) include geographic mapping information that is made available to milk haulers, milk
102.2 processing facilities, local road authorities, and other interested stakeholders.

102.3 (b) Upon request by the commissioner, local road authorities must provide information
102.4 on bridges under their respective jurisdictions in a timely manner.

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

102.6 Sec. 103. **TRUNK HIGHWAY 65 IMPROVEMENT STUDY.**

102.7 (a) The commissioner of transportation must perform a study of congestion and safety
102.8 improvements on marked Trunk Highway 65 from northerly of Anoka County Highway
102.9 10 to Anoka County State-Aid Highway 116, known as Bunker Lake Boulevard, in Blaine
102.10 and Ham Lake. At a minimum, the study must:

102.11 (1) analyze current and projected traffic congestion;

102.12 (2) analyze impacts to freight transportation;

102.13 (3) evaluate options and identify cost estimates to reduce congestion in the corridor; and

102.14 (4) evaluate options and identify cost estimates for congestion reduction and safety
102.15 improvements at Anoka County State-Aid Highway 12, known as 109th Avenue.

102.16 (b) The commissioner must submit a copy of the study to the members and staff of the
102.17 legislative committees with jurisdiction over transportation policy and finance.

102.18 Sec. 104. **INTERSTATE 94/494/694 INTERCHANGE IMPROVEMENT STUDY.**

102.19 The commissioner of transportation must conduct a safety improvement and congestion
102.20 relief study for the interchange of marked Interstate Highways 94, 494, and 694 in the cities
102.21 of Oakdale and Woodbury. At a minimum, the study must: (1) provide specific
102.22 recommendations to improve the safety of the interchange and reduce congestion at the
102.23 interchange and on associated arterial roads; and (2) include cost estimates for each
102.24 recommended improvement. The commissioner must report the findings and
102.25 recommendations of the study to the legislative committees having jurisdiction over
102.26 transportation policy and finance within 180 days after the effective date of this section.

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

102.28 Sec. 105. **HIGHWAY CONSTRUCTION COSTS AND COST INFLATION STUDY.**

102.29 (a) The commissioner of transportation must enter into an agreement with an organization
102.30 or entity having relevant expertise to conduct a study on highway construction costs, inflation,

103.1 and cost estimating. The study must be designed to identify and analyze the nature of
103.2 discrepancies in highway construction costs and cost inflation estimates between Minnesota
103.3 and other federal and national measures.

103.4 (b) At a minimum, the study must:

103.5 (1) include an overview of highway construction cost and cost estimation issues;

103.6 (2) establish benchmarks to compare costs in Minnesota to at least four other states that
103.7 are comparable based on climate and construction characteristics, including historical
103.8 state-by-state review of at least the following cost factors: (i) direct input costs associated
103.9 with highway construction, (ii) cost impacts from construction standards and requirements
103.10 established in law, and (iii) cost impacts from use of alternative methods of contracting and
103.11 project management;

103.12 (3) identify factors specific to Minnesota, if any, that contribute to cost differences,
103.13 based on the benchmarks established in clause (2);

103.14 (4) evaluate the methodology used for highway construction cost calculation and indexing
103.15 in Minnesota, including (i) review of associated best practices, (ii) comparison of federal
103.16 and Minnesota state highway construction cost index methodologies utilizing historical cost
103.17 data for Minnesota, (iii) identification of the reasons for any past discrepancies or differences
103.18 between state and federal highway construction cost indexing, and (iv) analysis of the
103.19 historical accuracy of the Minnesota highway construction cost index compared to actual
103.20 costs; and

103.21 (5) provide specific recommendations for road authorities and legislative changes to
103.22 reduce highway construction costs.

103.23 (c) By February 15, 2018, the commissioner must submit a report on the study to the
103.24 members and staff of the legislative committees with jurisdiction over transportation policy
103.25 and finance.

103.26 **Sec. 106. VIBRATION SUSCEPTIBILITY STUDY ON CALHOUN ISLES**
103.27 **PROPERTY.**

103.28 (a) Within 21 days from the effective date of this act, the Metropolitan Council must
103.29 enter into a contract with an engineering group for the engineering group to conduct a
103.30 vibration susceptibility study on Calhoun Isles property, including the high-rise building,
103.31 townhomes, and parking ramp. The study must:

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

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

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

104.6 (b) The Calhoun Isles Condominium Association must select the engineering group and
104.7 notify the Metropolitan Council of the selection within seven days from the effective date
104.8 of this act. The Metropolitan Council must bear the entire cost of the study.

104.9 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following
104.10 final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey,
104.11 Scott, and Washington.

104.12 Sec. 107. **REPORT ON DEDICATED FUND EXPENDITURES.**

104.13 By February 15, 2018, the commissioners of transportation and public safety, in
104.14 consultation with the commissioner of management and budget, must jointly submit a report
104.15 to the members and staff of the legislative committees with jurisdiction over transportation
104.16 finance. The report must update the information required in the report under Laws 2015,
104.17 chapter 75, article 2, section 56, including a detailed list of expenditures and transfers from
104.18 the trunk highway fund and highway user tax distribution fund for fiscal years 2014 through
104.19 2018, and information on the purpose of each expenditure.

104.20 Sec. 108. **LEGISLATIVE ROUTE NO. 123 REMOVED.**

104.21 (a) Minnesota Statutes, section 161.115, subdivision 54, is repealed effective the day
104.22 after the commissioner of transportation receives a copy of the agreement between the
104.23 commissioner and the governing body of Le Sueur County to transfer jurisdiction of
104.24 Legislative Route No. 123 and after the commissioner notifies the revisor of statutes under
104.25 paragraph (b).

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

104.29 Sec. 109. **LEGISLATIVE ROUTE NO. 225 REMOVED.**

104.30 (a) Minnesota Statutes, section 161.115, subdivision 156, is repealed effective the day
104.31 after the commissioner of transportation receives a copy of the agreement between the

105.1 commissioner and the governing body of Becker County to transfer jurisdiction of Legislative
105.2 Route No. 225 and after the commissioner notifies the revisor of statutes under paragraph
105.3 (b).

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

105.7 Sec. 110. **REVISOR'S INSTRUCTION.**

105.8 The revisor of statutes shall recodify (1) Minnesota Statutes, section 115A.908, as
105.9 Minnesota Statutes, section 168A.295; and (2) Minnesota Statutes, section 174.93, as
105.10 Minnesota Statutes, section 473.4485. The revisor shall correct any cross-references made
105.11 necessary by the recodifications.

105.12 Sec. 111. **LEGISLATIVE ROUTE NO. 101 REMOVED; REPEALER.**

105.13 Minnesota Statutes 2016, section 161.115, subdivision 32, is repealed.

105.14 Sec. 112. **REPEALER.**

105.15 (a) Minnesota Statutes 2016, section 473.4051, subdivision 2, is repealed.

105.16 (b) Minnesota Rules, parts 8810.0800, subpart 3; and 8810.1300, subpart 4, are repealed.

APPENDIX
Article locations in H0861-2

ARTICLE 1	TRANSPORTATION APPROPRIATIONS	Page.Ln 1.31
ARTICLE 2	TRANSPORTATION BONDS	Page.Ln 31.24
ARTICLE 3	TRANSPORTATION-RELATED TAXES	Page.Ln 34.15
ARTICLE 4	TRANSPORTATION POLICY AND FINANCE	Page.Ln 39.21

APPENDIX
Repealed Minnesota Statutes: H0861-2

161.115 ADDITIONAL TRUNK HIGHWAYS.

Subd. 32. **Route No. 101.** Beginning at a point on Route No. 1 at or near Faribault, thence extending in a northerly direction to a point on Route No. 50.

297A.992 METROPOLITAN TRANSPORTATION AREA SALES TAX.

Subd. 12. **Grant awards to Metropolitan Council.** Any grant award under this section made to the Metropolitan Council must supplement, and must not supplant, operating and capital assistance provided by the state.

473.4051 LIGHT RAIL TRANSIT CONSTRUCTION AND OPERATION.

Subd. 2. **Operating costs.** After operating revenue and federal money have been used to pay for light rail transit operations, 50 percent of the remaining operating costs must be paid by the state.

8810.0800 SCENIC AREAS.

Subp. 3. **On-premise signs.** Within a scenic area on-premise signs as follows are allowed:

A. one name plate sign per real estate parcel not to exceed eight square feet in size including trim and border but excluding base and apron supports and other structural members;

B. two signs, one facing each direction of traffic per real estate parcel not exceeding eight square feet in size per each face, including trim and border but excluding base and apron supports and other structural members, for the purpose of advertising the sale, hire, or lease of the property or contiguous property of the parcel owner, lessee, or occupant; and

C. any sign not exceeding 150 square feet in size (per face) including border, trim, or other embellishments, excluding base and apron supports and other structural members advertising the business conducted, services rendered, goods produced or sold that is within 100 feet in either direction of travel (as measured along the edge of the roadbed) from the site on the property where said activity or activities are conducted or access thereto is provided. Outside this 100 feet of the site on the property where said activity or activities are conducted or access thereto is provided there shall not be more than two on-premise advertising devices, one facing each direction of traffic.

8810.1300 PERMITS, FEES, AND RENEWALS.

Subp. 4. **Expiration and renewal.** Requests for permit renewals will not be accepted more than 60 calendar days prior to the expiration date of the permit. All permits within scenic areas will expire on December 31 of each year. All permits for signs in nonscenic areas will expire on June 30 of every year.