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S.F. No. 1859

(SENATE AUTHORS: JASINSKI and Coleman)

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02/20/2023	905	Introduction and first reading Referred to Transportation
03/20/2023	2078a 2113 11498	Comm report: To pass as amended Second reading Rule 47, returned to Transportation See HF2887

- 1.1 A bill for an act
- 1.2 relating to transportation; modifying selection process procedures for Corridors
- 1.3 of Commerce projects; amending Minnesota Statutes 2022, section 161.088,
- 1.4 subdivisions 1, 2, 4, 5, by adding subdivisions.
- 1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
- 1.6 Section 1. Minnesota Statutes 2022, section 161.088, subdivision 1, is amended to read:
- 1.7 Subdivision 1. **Definitions.** For purposes of this section, the following terms have the
- 1.8 meanings given:
- 1.9 (1) "beyond the project limits" means any point that is located:
- 1.10 (i) outside of the project limits;
- 1.11 (ii) along the same trunk highway; and
- 1.12 (iii) within the same region of the state;
- 1.13 (2) "city" means a statutory or home rule charter city;
- 1.14 (3) "greater Minnesota area" means the counties that are not metropolitan counties;
- 1.15 (4) "metropolitan area" means Anoka, Carver, Chisago, Dakota, Hennepin, Ramsey,
- 1.16 Scott, and Washington Counties;
- 1.17 ~~(3)~~ (5) "program" means the corridors of commerce program established in this section;
- 1.18 and
- 1.19 ~~(4)~~ (6) "project limits" means the estimated construction limits of a project for trunk
- 1.20 highway construction, reconstruction, or maintenance, that is a candidate for selection under
- 1.21 the corridors of commerce program.

2.1 Sec. 2. Minnesota Statutes 2022, section 161.088, subdivision 2, is amended to read:

2.2 Subd. 2. **Program authority; funding.** (a) As provided in this section, the commissioner
2.3 shall establish a corridors of commerce program for trunk highway construction,
2.4 reconstruction, and improvement, including maintenance operations, that improves commerce
2.5 in the state.

2.6 (b) The commissioner may expend funds under the program from appropriations to the
2.7 commissioner that are:

2.8 (1) made specifically by law for use under this section;

2.9 (2) at the discretion of the commissioner, made for the budget activities in the state roads
2.10 program of operations and maintenance, program planning and delivery, or state road
2.11 construction; and

2.12 (3) made for the corridor investment management strategy program, unless specified
2.13 otherwise.

2.14 (c) The commissioner ~~shall~~ must include in the program the cost participation policy
2.15 for local units of government.

2.16 (d) The commissioner may use up to 17 percent of any appropriation ~~to the program~~
2.17 under this section for program delivery and for project scoring, ranking, and selection under
2.18 subdivision 5.

2.19 Sec. 3. Minnesota Statutes 2022, section 161.088, subdivision 4, is amended to read:

2.20 Subd. 4. **Project eligibility.** (a) The eligibility requirements for projects that can be
2.21 funded under the program are:

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

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

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

2.26 (4) project construction work will commence within ~~three~~ four years, or a longer length
2.27 of time as determined by the commissioner; and

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

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

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

3.6 (d) For each project, the commissioner must consider all of the eligibility requirements
 3.7 under paragraph (a). The commissioner is prohibited from considering any eligibility
 3.8 requirement not specified under paragraph (a).

3.9 (e) A project in the greater Minnesota area with a total project cost of more than
 3.10 \$10,000,000 is classified as a greater Minnesota large project. A project in the greater
 3.11 Minnesota area with a total project cost of \$10,000,000 or less is classified as a greater
 3.12 Minnesota small project. All projects in the metropolitan area are classified as metropolitan
 3.13 projects, regardless of the total project cost.

3.14 Sec. 4. Minnesota Statutes 2022, section 161.088, subdivision 5, is amended to read:

3.15 **Subd. 5. Project selection process; criteria.** (a) The commissioner must establish a
 3.16 process to identify, evaluate, and select projects under the program. The process must be
 3.17 consistent with the requirements of this subdivision and must not include any additional
 3.18 evaluation criteria.

3.19 (b) As part of the project selection process, the commissioner must annually accept
 3.20 recommendations on candidate projects from area transportation partnerships and ~~other~~
 3.21 ~~interested stakeholders in each Department of Transportation district~~ counties in the
 3.22 metropolitan area as provided by this section. The commissioner must determine the
 3.23 eligibility for each candidate project ~~identified under this paragraph~~ that is submitted as
 3.24 provided in this section. For each eligible project, the commissioner must classify and
 3.25 evaluate the project for the program, using all of the criteria established under paragraph
 3.26 ~~(e)~~ (d).

3.27 (c) Before proceeding to the evaluation required under paragraph (d), all project
 3.28 recommendations submitted for consideration must be screened as follows:

3.29 (1) for projects in the greater Minnesota area:

3.30 (i) the area transportation partnership for the area must review all project
 3.31 recommendations from the partnership's area;

4.1 (ii) each area transportation partnership must select up to three large projects and three
4.2 small projects as defined in subdivision 4 to recommend for advancement to the evaluation
4.3 process under paragraph (d). Each area transportation partnership may develop its own
4.4 process to determine which projects to recommend. An area transportation partnership must
4.5 not include the same segment of road in more than one project; and

4.6 (iii) only the projects recommended for evaluation may be developed by the department
4.7 and scored for selection under paragraph (d). All projects not recommended for evaluation
4.8 are disqualified from further consideration and must not be evaluated under paragraph (d);
4.9 and

4.10 (2) for projects located in the metropolitan area:

4.11 (i) projects located within a county in the metropolitan area must be reviewed by the
4.12 county board;

4.13 (ii) each county board must select up to two projects to recommend for advancement to
4.14 the evaluation process under paragraph (d). A board must not include the same segment of
4.15 road in more than one project. Each board may develop its own process to determine which
4.16 project to recommend; and

4.17 (iii) only the projects submitted by the county boards as provided in this paragraph may
4.18 be developed by the department and scored for selection under paragraph (d). All projects
4.19 not recommended for evaluation are disqualified from further consideration and must not
4.20 be evaluated under paragraph (d).

4.21 ~~(e)~~ (d) Projects must be evaluated using all of the following criteria:

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

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

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

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

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

4.30 (4) improvements to traffic safety;

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

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

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

5.4 (8) the time and work needed before construction may begin on the project; ~~and~~

5.5 (9) regional balance throughout the state; and

5.6 (10) written recommendations submitted as provided by subdivision 5a.

5.7 The commissioner must ~~give the criteria in clauses (1) to (8) equal weight in~~ assign 100
5.8 selection points to each evaluation criterion set forth in clauses (1) to (8) for the selection
5.9 process.

5.10 (e) The commissioner must select projects so that approximately 50 percent of the
5.11 available funding is used for projects in the metropolitan area and the other 50 percent is
5.12 used for projects in the greater Minnesota area. Of funding for projects in the metropolitan
5.13 area, at least 45 percent must be spent for projects in Anoka, Carver, Chisago, Dakota, Scott,
5.14 and Washington Counties. Of the funding for projects in the greater Minnesota area,
5.15 approximately 25 percent must be used for projects classified as greater Minnesota small
5.16 projects as defined in subdivision 4. When selecting projects in the greater Minnesota area,
5.17 the commissioner must select projects so that no district has two or more projects more than
5.18 any other district.

5.19 ~~(d) The list of all projects evaluated must be made public and must include the score of~~
5.20 ~~each project~~ (f) The commissioner must publish information regarding the selection process
5.21 on the department's website. The information must include:

5.22 (1) lists of all projects submitted for consideration and all projects recommended by the
5.23 screening entities;

5.24 (2) the scores and ranking for each project; and

5.25 (3) an overview of each selected project, with amounts and sources of funding.

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

6.1 Sec. 5. Minnesota Statutes 2022, section 161.088, is amended by adding a subdivision to
6.2 read:

6.3 Subd. 5a. **Recommendations.** After receiving all projects submitted pursuant to
6.4 subdivision 5 but before making final selections, the commissioner must compile a list of
6.5 all projects that were submitted and transmit the list to each legislator and to the governor.
6.6 The list must include the location of each project and a brief description of the work to be
6.7 done. Within 30 days of the date the project list is transmitted, each legislator and the
6.8 governor may submit to the commissioner a written recommendation for one project on the
6.9 list. The commissioner must award one additional point to a project for each written
6.10 recommendation received for that project.

6.11 Sec. 6. Minnesota Statutes 2022, section 161.088, is amended by adding a subdivision to
6.12 read:

6.13 Subd. 5b. **Project selection period.** Beginning July 1, 2027, and every five years
6.14 thereafter, area transportation partnerships and the metropolitan counties must submit
6.15 projects to the commissioner of transportation as provided in subdivision 5. The
6.16 commissioner must evaluate the projects and select projects by March 1 of the following
6.17 year. To the greatest extent possible, the commissioner must select a sufficient number of
6.18 projects to ensure that all funds allocated for the five-year period are encumbered or spent
6.19 by the end of the period. If all selected projects are funded in the five-year time period and
6.20 there were projects that were identified and not selected, the commissioner must select
6.21 additional projects from the original project submissions. If all the projects that were
6.22 submitted are funded, the commissioner may authorize an additional project selection period
6.23 to select projects for the remainder of the period. Except as authorized by this subdivision,
6.24 the project submission and selection process must only occur every five years.