

**SENATE
STATE OF MINNESOTA
NINETY-THIRD SESSION**

S.F. No. 4938

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DATE
03/13/2024

D-PG
12195 Introduction and first reading
Referred to Transportation
See HF5247

OFFICIAL STATUS

1.1 A bill for an act
1.2 relating to transit; providing for transition to zero-emission transit buses;
1.3 appropriating money; amending Minnesota Statutes 2022, sections 174.24, by
1.4 adding a subdivision; 473.388, by adding a subdivision; 473.3927; proposing
1.5 coding for new law in Minnesota Statutes, chapter 174.

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

1.7 Section 1. Minnesota Statutes 2022, section 174.24, is amended by adding a subdivision
1.8 to read:

1.9 Subd. 9. **Bus procurement.** Beginning on January 1, 2030, any bus purchased for regular
1.10 route bus service or special transportation service, as defined in section 174.29, subdivision
1.11 1, by a recipient of financial assistance under this section must be a zero-emission transit
1.12 bus, as defined in section 473.3927, subdivision 1a.

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

1.14 Sec. 2. **[174.249] ZERO-EMISSION TRANSIT BUSES.**

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

1.17 (b) "Plan" means the zero-emission transit bus transition plan specified under this section.

1.18 (c) "Zero-emission transit bus" has the meaning given in section 473.3927, subdivision
1.19 1a.

1.20 Subd. 2. **Transition plan required.** (a) The commissioner must develop and maintain
1.21 a zero-emission transit bus transition plan.

2.1 (b) The commissioner must complete the initial plan by February 15, 2025, and revise
2.2 the plan at least once every three years following each prior revision.

2.3 Subd. 3. **Plan development.** At a minimum, the plan must:

2.4 (1) establish guidance and recommendations for transit providers to implement the
2.5 transition to a transit bus fleet of exclusively zero-emission transit buses;

2.6 (2) align with the requirements under section 174.24, subdivision 9;

2.7 (3) identify methods to coordinate zero-emission transit bus procurement across transit
2.8 providers; and

2.9 (4) contain each of the elements specified in section 473.3927, subdivision 2, clauses
2.10 (3) to (12).

2.11 Subd. 4. **Consultation.** In developing and revising the plan, the commissioner must
2.12 consult with transit providers, the Metropolitan Council, public utilities, labor organizations,
2.13 and other interested entities.

2.14 Subd. 5. **Assistance.** Upon request, the commissioner must provide reasonable technical
2.15 assistance to an eligible recipient of financial assistance under section 174.24 to implement
2.16 the plan and meet the requirements under section 174.24, subdivision 9.

2.17 Subd. 6. **Copy to legislature.** Upon completion or revision of the plan, the commissioner
2.18 must provide a copy to the chairs and ranking minority members of the legislative committees
2.19 with jurisdiction over transportation policy and finance.

2.20 Subd. 7. **Bus procurement exemptions.** (a) The commissioner may establish a process
2.21 to issue a procurement exemption from the requirements under sections 174.24, subdivision
2.22 9; 473.388, subdivision 9; and 473.3927, subdivision 4. An exemption may (1) extend the
2.23 commencement date for the respective zero-emission transit bus procurement requirements,
2.24 or (2) provide for a zero-emission transit bus procurement percentage or phase-in schedule.

2.25 (b) An entity that seeks an exemption must submit an application, in the form and manner
2.26 specified by the commissioner, that includes:

2.27 (1) a justification for the exemption;

2.28 (2) a review of activities related to zero-emission transit bus transition planning;

2.29 (3) demonstration of efforts to procure zero-emission transit buses and associated
2.30 infrastructure;

3.1 (4) a proposed timeline for full compliance, which must include annual procurement
 3.2 targets and associated milestones; and

3.3 (5) information required by the commissioner.

3.4 (c) The commissioner may only issue a procurement exemption following a determination
 3.5 that:

3.6 (1) the applicant has made good faith effort to follow the guidance and recommendations
 3.7 of the relevant transition plan under this section or section 473.3927; and

3.8 (2) full compliance with procurement requirements is not feasible within the specified
 3.9 time period due to technology, infrastructure, bus availability, or other specified and
 3.10 documented constraints.

3.11 (d) The commissioner must deny an application for procurement exemption following
 3.12 a determination that the applicant made inadequate efforts to meet the relevant procurement
 3.13 requirements.

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

3.15 Sec. 3. Minnesota Statutes 2022, section 473.388, is amended by adding a subdivision to
 3.16 read:

3.17 Subd. 9. **Bus procurement.** Beginning on January 1, 2030, any bus purchased for regular
 3.18 route bus service or special transportation service, as defined in section 174.29, subdivision
 3.19 1, by a recipient of financial assistance under this section must be a zero-emission transit
 3.20 bus, as defined in section 473.3927, subdivision 1a.

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

3.22 Sec. 4. Minnesota Statutes 2022, section 473.3927, is amended to read:

3.23 **473.3927 ZERO-EMISSION AND ELECTRIC TRANSIT VEHICLES.**

3.24 Subdivision 1. **Transition plan required.** (a) The council must develop and maintain
 3.25 a zero-emission and electric transit vehicle transition plan.

3.26 (b) The council must ~~complete the initial~~ revise the plan by February 15, 2022 2025,
 3.27 and revise the plan at least once every ~~five~~ three years following each prior revision.

3.28 Subd. 1a. **Definitions.** (a) For purposes of this section, the following terms have the
 3.29 meanings given.

4.1 (b) "Greenhouse gas emissions" includes those emissions described in section 216H.01,
 4.2 subdivision 2.

4.3 (c) "Zero-emission transit bus" means a motor vehicle that:

4.4 (1) is designed for public transit service;

4.5 (2) has a capacity of more than 15 passengers including the driver; and

4.6 (3) produces no exhaust-based greenhouse gas emissions from the onboard source of
 4.7 motive power of the vehicle under all operating conditions.

4.8 **Subd. 2. Plan development.** At a minimum, the plan must:

4.9 (1) establish ~~implementation~~ policies and, guidance, and recommendations to implement
 4.10 the transition to a transit service fleet of exclusively zero-emission and electric transit
 4.11 vehicles, including for recipients of financial assistance under section 473.388;

4.12 (2) align with the requirements under subdivision 4 and section 473.388, subdivision 9;

4.13 (3) set transition milestones or performance measures, or both, which may include vehicle
 4.14 procurement goals over the transition period;

4.15 ~~(3)~~ (4) identify barriers, constraints, and risks, and determine objectives and strategies
 4.16 to address the issues identified;

4.17 ~~(4)~~ (5) consider findings and best practices from other transit agencies;

4.18 ~~(5)~~ (6) analyze zero-emission and electric transit vehicle technology impacts, including
 4.19 cold weather operation and emerging technologies;

4.20 ~~(6)~~ (7) consider opportunities to prioritize the deployment of zero-emissions vehicles in
 4.21 areas with poor air quality;

4.22 ~~(7)~~ (8) provide detailed estimates of implementation costs; and

4.23 ~~(8)~~ (9) examine capacity, constraints, and potential investments in the electric transmission
 4.24 and distribution grid, in consultation with appropriate public utilities;

4.25 (10) identify methods to coordinate necessary facility upgrades in a manner that
 4.26 maximizes cost effectiveness and overall system reliability;

4.27 (11) examine workforce impacts under the transition plan, including but not limited to
 4.28 changes in staffing complement; personnel skill gaps and needs; and employee training,
 4.29 retraining, or role transitions; and

4.30 (12) summarize updates to the plan from the most recent version.

5.1 Subd. 3. **Copy to legislature.** Upon completion or revision of the plan, the council must
5.2 provide a copy to the chairs, ranking minority members, and staff of the legislative
5.3 committees with jurisdiction over transportation policy and finance.

5.4 Subd. 4. **Bus procurement.** Beginning on January 1, 2030, any bus purchased for regular
5.5 route bus service or special transportation service under section 473.386 by the council must
5.6 be a zero-emission transit bus.

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

5.10 Sec. 5. **APPROPRIATION; ZERO-EMISSION TRANSIT BUS TRANSITION**
5.11 **PLAN.**

5.12 \$..... in fiscal year 2025 is appropriated from the general fund to the commissioner of
5.13 transportation for the zero-emission transit bus transition plan under Minnesota Statutes,
5.14 section 174.249. This is a onetime appropriation.

5.15 Sec. 6. **REVISOR INSTRUCTION.**

5.16 The revisor of statutes must recodify Minnesota Statutes, section 473.3927, subdivision
5.17 1, as Minnesota Statutes, section 473.3927, subdivision 1b. The revisor must correct any
5.18 cross-references made necessary by this recodification.

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