

SENATE
STATE OF MINNESOTA
EIGHTY-EIGHTH LEGISLATURE

S.F. No. 694

(SENATE AUTHORS: DIBBLE)

DATE	D-PG	OFFICIAL STATUS
02/21/2013	361	Introduction and first reading Joint rule 2.03, referred to Rules and Administration
02/28/2013	405	Comm report: Re-referred to Finance

A bill for an act
relating to transportation; establishing the governor's budget for transportation;
appropriating money for transportation, Metropolitan Council, and public
safety activities; providing for fund transfers and tort claims; establishing a
transportation economic development account and related regulations; clarifying
expenses not considered trunk highway purposes; modifying the grade crossing
safety account; providing authority to issue revenue bonds; establishing a
metropolitan area sales and use tax for transit; extending an effective date; making
exemptions; amending Minnesota Statutes 2012, sections 161.20, subdivision
3; 219.1651; 473.39, by adding a subdivision; Laws 2009, chapter 9, section 1;
proposing coding for new law in Minnesota Statutes, chapters 116J; 473.

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

ARTICLE 1

TRANSPORTATION APPROPRIATIONS

Section 1. SUMMARY OF APPROPRIATIONS.

The amounts shown in this section summarize direct appropriations, by fund, made
in this act.

		<u>2014</u>		<u>2015</u>		<u>Total</u>
<u>General</u>	\$	<u>67,217,000</u>	\$	<u>67,217,000</u>	\$	<u>134,434,000</u>
<u>Airports</u>		<u>19,109,000</u>		<u>19,109,000</u>		<u>38,218,000</u>
<u>C.S.A.H.</u>		<u>593,022,000</u>		<u>603,850,000</u>		<u>1,196,872,000</u>
<u>M.S.A.S.</u>		<u>152,173,000</u>		<u>154,491,000</u>		<u>306,664,000</u>
<u>Special Revenue</u>		<u>49,738,000</u>		<u>49,959,000</u>		<u>99,697,000</u>
<u>Highway User</u>		<u>10,406,000</u>		<u>10,406,000</u>		<u>20,812,000</u>
<u>Trunk Highway</u>		<u>1,710,481,000</u>		<u>1,638,828,000</u>		<u>3,349,309,000</u>
<u>Total</u>	\$	<u>2,602,146,000</u>	\$	<u>2,543,860,000</u>	\$	<u>5,146,006,000</u>

Sec. 2. TRANSPORTATION APPROPRIATIONS.

2.1 The sums shown in the columns marked "Appropriations" are appropriated to the
2.2 agencies and for the purposes specified in this act. The appropriations are from the trunk
2.3 highway fund, or another named fund, and are available for the fiscal years indicated for
2.4 each purpose. The figures "2014" and "2015" used in this act mean that the appropriations
2.5 listed under them are available for the fiscal year ending June 30, 2014, or June 30, 2015,
2.6 respectively. "The first year" is fiscal year 2014. "The second year" is fiscal year 2015.
2.7 "The biennium" is fiscal years 2014 and 2015.

2.8	<u>APPROPRIATIONS</u>	
2.9	<u>Available for the Year</u>	
2.10	<u>Ending June 30</u>	
2.11	2014	2015

2.12 Sec. 3. DEPARTMENT OF
2.13 TRANSPORTATION

2.14	Subdivision 1. <u>Total Appropriation</u>	\$ 2,404,403,000	\$ 2,345,815,000
------	--	------------------	------------------

2.15 Appropriations by Fund

2.16		<u>2014</u>	<u>2015</u>
2.17	<u>General</u>	<u>17,186,000</u>	<u>17,105,000</u>
2.18	<u>Airports</u>	<u>19,109,000</u>	<u>19,109,000</u>
2.19	<u>C.S.A.H.</u>	<u>593,022,000</u>	<u>603,850,000</u>
2.20	<u>M.S.A.S.</u>	<u>152,173,000</u>	<u>154,491,000</u>
2.21	Trunk Highway	1,622,913,000	1,551,260,000

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

2.25	Subd. 2. Multimodal Systems	42,985,000	42,904,000
------	------------------------------------	------------	------------

2.26 Appropriations by Fund

2.27		<u>2014</u>	<u>2015</u>
2.28	<u>General</u>	<u>17,129,000</u>	<u>17,048,000</u>
2.29	<u>Airports</u>	<u>19,084,000</u>	<u>19,084,000</u>
2.30	Trunk Highway	6,772,000	6,772,000

2.31	(a) Aeronautics	20,184,000	20,184,000
------	------------------------	------------	------------

2.32 Appropriations by Fund

2.33		<u>2014</u>	<u>2015</u>
2.34	<u>Trunk Highway</u>	<u>1,100,000</u>	<u>1,100,000</u>
2.35	<u>Airports</u>	19,084,000	19,084,000

2.36	(1) Airport Development and Assistance	13,798,000	13,798,000
------	---	------------	------------

3.1 This appropriation is from the state
 3.2 airports fund and must be spent according
 3.3 to Minnesota Statutes, section 360.305,
 3.4 subdivision 4.

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

3.7 Notwithstanding Minnesota Statutes, section
 3.8 16A.28, subdivision 6, this appropriation is
 3.9 available until expended.

3.10 If the appropriation for either year is
 3.11 insufficient, the appropriation for the other
 3.12 year is available for it.

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

3.14	<u>Appropriations by Fund</u>		
3.15		<u>2014</u>	<u>2015</u>
3.16	<u>Airports</u>	<u>5,286,000</u>	<u>5,286,000</u>
3.17	<u>Trunk Highway</u>	<u>1,100,000</u>	<u>1,100,000</u>

3.18 \$65,000 in each year is from the state airports
 3.19 fund for the Civil Air Patrol.

3.20 **(b) Transit** 17,148,000 17,067,000

3.21	<u>Appropriations by Fund</u>		
3.22		<u>2014</u>	<u>2015</u>
3.23	<u>General</u>	<u>16,373,000</u>	<u>16,292,000</u>
3.24	<u>Trunk Highway</u>	<u>775,000</u>	<u>775,000</u>

3.25 The base appropriation from the general
 3.26 fund is \$16,373,000 for fiscal year 2014 and
 3.27 \$16,292,000 for fiscal year 2015.

3.28 \$100,000 in fiscal year 2014 is from the
 3.29 general fund for the administrative expenses
 3.30 of the Minnesota Council on Transportation
 3.31 Access under Minnesota Statutes, section
 3.32 174.285.

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

4.1	<u>This appropriation is from the general</u>		
4.2	<u>fund for passenger rail system planning,</u>		
4.3	<u>alternatives analysis, environmental analysis,</u>		
4.4	<u>design, and preliminary engineering under</u>		
4.5	<u>Minnesota Statutes, sections 174.632 to</u>		
4.6	<u>174.636.</u>		
4.7	<u>(d) Freight</u>	<u>5,153,000</u>	<u>5,153,000</u>
4.8	<u>Appropriations by Fund</u>		
4.9		<u>2014</u>	<u>2015</u>
4.10	<u>General</u>	<u>256,000</u>	<u>256,000</u>
4.11	<u>Trunk Highway</u>	<u>4,897,000</u>	<u>4,897,000</u>
4.12	<u>Subd. 3. State Roads</u>	<u>1,556,388,000</u>	<u>1,484,735,000</u>
4.13	<u>Appropriations by Fund</u>		
4.14		<u>2014</u>	<u>2015</u>
4.15	<u>General</u>	<u>3,000</u>	<u>3,000</u>
4.16	<u>Trunk Highway</u>	<u>1,556,385,000</u>	<u>1,484,732,000</u>
4.17	<u>(a) Operations and Maintenance</u>	<u>262,395,000</u>	<u>262,395,000</u>
4.18	<u>(b) Program Planning and Delivery</u>	<u>206,470,000</u>	<u>206,470,000</u>
4.19	<u>\$130,000 in each year is available for</u>		
4.20	<u>administrative costs of the department's</u>		
4.21	<u>targeted group business program.</u>		
4.22	<u>\$266,000 in each year is available for grants</u>		
4.23	<u>to metropolitan planning organizations</u>		
4.24	<u>outside the seven-county metropolitan area.</u>		
4.25	<u>\$75,000 in each year is available for a</u>		
4.26	<u>transportation research contingent account</u>		
4.27	<u>to finance research projects that are</u>		
4.28	<u>reimbursable from the federal government or</u>		
4.29	<u>from other sources. If the appropriation for</u>		
4.30	<u>either year is insufficient, the appropriation</u>		
4.31	<u>for the other year is available for it.</u>		
4.32	<u>\$900,000 in each year is available for</u>		
4.33	<u>grants for transportation studies outside</u>		
4.34	<u>the metropolitan area to identify critical</u>		

5.1 concerns, problems, and issues. These
 5.2 grants are available (1) to regional
 5.3 development commissions; (2) in regions
 5.4 where no regional development commission
 5.5 is functioning, to joint powers boards
 5.6 established under agreement of two or
 5.7 more political subdivisions in the region to
 5.8 exercise the planning functions of a regional
 5.9 development commission; and (3) in regions
 5.10 where no regional development commission
 5.11 or joint powers board is functioning, to the
 5.12 department's district office for that region.

5.13 **(c) State Road Construction Total** 880,400,000 806,600,000

5.14 Appropriations by Fund

5.15		<u>2014</u>	<u>2015</u>
5.16	<u>Trunk Highway</u>	<u>880,400,000</u>	<u>806,600,000</u>

5.17 **(1) Economic Recovery Funds - Federal**
 5.18 **Highway Aid** 1,000,000 1,000,000

5.19 To complete projects using funds
 5.20 made available to the commissioner
 5.21 of transportation under title XII of the
 5.22 American Recovery and Reinvestment Act
 5.23 of 2009, Public Law 111-5 and implemented
 5.24 under Minnesota Statutes, section 161.36,
 5.25 subdivision 7.

5.26 **(2) State Road Construction** 879,400,000 805,400,000

5.27 It is estimated that the appropriations for the
 5.28 biennium will be funded as follows:

5.29 Appropriations by Fund

5.30		<u>2014</u>	<u>2015</u>
5.31	<u>Federal Highway</u>		
5.32	<u>Aid</u>	<u>489,200,000</u>	<u>482,200,000</u>
5.33	<u>Highway User Taxes</u>	<u>390,200,000</u>	<u>323,200,000</u>

5.34 The commissioner of transportation shall
 5.35 notify the chairs and ranking minority

6.1 members of the legislative committees with
 6.2 jurisdiction over transportation finance of
 6.3 any significant events that should cause these
 6.4 estimates to change.

6.5 This appropriation is for the actual
 6.6 construction, reconstruction, and
 6.7 improvement of trunk highways, including
 6.8 design-build contracts and consultant usage
 6.9 to support these activities. This includes the
 6.10 cost of actual payment to landowners for
 6.11 lands acquired for highway rights-of-way,
 6.12 payment to lessees, interest subsidies, and
 6.13 relocation expenses.

6.14 The base appropriation is \$635,000,000 in
 6.15 fiscal year 2016 and \$635,000,000 in fiscal
 6.16 year 2017.

6.17 The commissioner may expend up to one-half
 6.18 of one percent of the federal appropriations
 6.19 under this paragraph as grants to opportunity
 6.20 industrialization centers and other nonprofit
 6.21 job training centers for job training programs
 6.22 related to highway construction.

6.23 The commissioner may transfer up to
 6.24 \$15,000,000 each year to the transportation
 6.25 revolving loan fund.

6.26 The commissioner may receive money
 6.27 covering other shares of the cost of
 6.28 partnership projects. These receipts are
 6.29 appropriated to the commissioner for these
 6.30 projects.

6.31	<u>(d) Highway Debt Service</u>	<u>201,952,000</u>	<u>204,099,000</u>
6.32	<u>\$192,452,000 the first year and \$194,599,000</u>		
6.33	<u>the second year are for transfer to the state</u>		
6.34	<u>bond fund. If this appropriation is insufficient</u>		

7.1 to make all transfers required in the year
 7.2 for which it is made, the commissioner of
 7.3 management and budget shall notify the
 7.4 Committee on Finance of the senate and
 7.5 the Committee on Ways and Means of the
 7.6 house of representatives of the amount of the
 7.7 deficiency and shall then transfer that amount
 7.8 under the statutory open appropriation. Any
 7.9 excess appropriation cancels to the trunk
 7.10 highway fund.

7.11	<u>(e) Electronic Communications</u>	<u>5,171,000</u>	<u>5,171,000</u>
------	---	------------------	------------------

7.12	<u>Appropriations by Fund</u>		
7.13		<u>2014</u>	<u>2015</u>
7.14	<u>General</u>	<u>3,000</u>	<u>3,000</u>
7.15	<u>Trunk Highway</u>	<u>5,168,000</u>	<u>5,168,000</u>

7.16 The general fund appropriation is to equip
 7.17 and operate the Roosevelt signal tower for
 7.18 Lake of the Woods weather broadcasting.

7.19	<u>Subd. 4. Local Roads</u>	<u>745,195,000</u>	<u>758,341,000</u>
------	------------------------------------	--------------------	--------------------

7.20	<u>(a) County State Aid Roads</u>	<u>593,022,000</u>	<u>603,850,000</u>
------	--	--------------------	--------------------

7.21 This appropriation is from the county
 7.22 state-aid highway fund under Minnesota
 7.23 Statutes, section 161.081, and chapter 162,
 7.24 and is available until spent.

7.25 If the commissioner of transportation
 7.26 determines that a balance remains in the
 7.27 county state-aid highway fund following
 7.28 the appropriations and transfers made in
 7.29 this subdivision, and that the appropriations
 7.30 made are insufficient for advancing county
 7.31 state-aid highway projects, an amount
 7.32 necessary to advance the projects, not to
 7.33 exceed the balance in the county state-aid
 7.34 highway fund, is appropriated in each year
 7.35 to the commissioner. Within two weeks

8.1 of a determination under this contingent
 8.2 appropriation, the commissioner of
 8.3 transportation shall notify the commissioner
 8.4 of management and budget and the chairs
 8.5 and ranking minority members of the
 8.6 legislative committees with jurisdiction over
 8.7 transportation finance concerning funds
 8.8 appropriated.

8.9 <u>(b) Municipal State Aid Roads</u>	<u>152,173,000</u>	<u>154,491,000</u>
---	--------------------	--------------------

8.10 This appropriation is from the municipal
 8.11 state-aid street fund under Minnesota
 8.12 Statutes, chapter 162, and is available until
 8.13 spent.

8.14 If the commissioner of transportation
 8.15 determines that a balance remains in the
 8.16 municipal state-aid street fund following the
 8.17 appropriations and transfers made in this
 8.18 subdivision, and that the appropriations made
 8.19 are insufficient for advancing municipal
 8.20 state-aid street projects, an amount necessary
 8.21 to advance the projects, not to exceed
 8.22 the balance in the municipal state-aid
 8.23 street fund, is appropriated in each year
 8.24 to the commissioner. Within two weeks
 8.25 of a determination under this contingent
 8.26 appropriation, the commissioner of
 8.27 transportation shall notify the commissioner
 8.28 of management and budget and the chairs
 8.29 and ranking minority members of the
 8.30 legislative committees with jurisdiction over
 8.31 transportation finance concerning funds
 8.32 appropriated.

8.33 <u>Subd. 5. Agency Management</u>	<u>59,835,000</u>	<u>59,835,000</u>
---	-------------------	-------------------

8.34 Appropriations by Fund

8.35 <u>2014</u>	<u>2015</u>
------------------	-------------

9.1	<u>General</u>	<u>54,000</u>	<u>54,000</u>		
9.2	<u>Airports</u>	<u>25,000</u>	<u>25,000</u>		
9.3	<u>Trunk Highway</u>	<u>59,756,000</u>	<u>59,756,000</u>		
9.4	<u>(a) Agency Services</u>			<u>41,997,000</u>	<u>41,997,000</u>
9.5	<u>Appropriations by Fund</u>				
9.6		<u>2014</u>	<u>2015</u>		
9.7	<u>Airports</u>	<u>25,000</u>	<u>25,000</u>		
9.8	<u>Trunk Highway</u>	<u>41,972,000</u>	<u>41,972,000</u>		
9.9	<u>(b) Buildings</u>			<u>17,838,000</u>	<u>17,838,000</u>
9.10	<u>Appropriations by Fund</u>				
9.11		<u>2014</u>	<u>2015</u>		
9.12	<u>General</u>	<u>54,000</u>	<u>54,000</u>		
9.13	<u>Trunk Highway</u>	<u>17,784,000</u>	<u>17,784,000</u>		
9.14	<u>Any money appropriated to the commissioner</u>				
9.15	<u>of transportation for building construction for</u>				
9.16	<u>any fiscal year before the first year is available</u>				
9.17	<u>for the commissioner of transportation</u>				
9.18	<u>during the biennium to the extent that the</u>				
9.19	<u>commissioner spends the money on the</u>				
9.20	<u>building construction projects for which the</u>				
9.21	<u>money was originally encumbered during the</u>				
9.22	<u>fiscal year for which it was appropriated.</u>				
9.23	<u>Subd. 6. Transfers</u>				
9.24	<u>(a) With the approval of the commissioner of</u>				
9.25	<u>management and budget, the commissioner</u>				
9.26	<u>of transportation may transfer unencumbered</u>				
9.27	<u>balances among the appropriations from the</u>				
9.28	<u>trunk highway fund and the state airports</u>				
9.29	<u>fund made in this section. No transfer</u>				
9.30	<u>may be made from the appropriation for</u>				
9.31	<u>state road construction. No transfer may</u>				
9.32	<u>be made from the appropriations for debt</u>				
9.33	<u>service to any other appropriation. Transfers</u>				
9.34	<u>under this subdivision may not be made</u>				
9.35	<u>between funds. Transfers between programs</u>				

10.1 must be reported immediately to the chairs
10.2 and ranking minority members of the
10.3 legislative committees with jurisdiction over
10.4 transportation finance.

10.5 (b) The commissioner shall transfer from
10.6 the flexible highway account in the county
10.7 state-aid highway fund:

10.8 (1) \$12,700,000 in the first year to the
10.9 municipal state-aid street fund;

10.10 (2) \$10,000,000 in the second year to the
10.11 municipal turnback account in the municipal
10.12 state-aid street fund; and

10.13 (3) the remainder in each year to the county
10.14 turnback account in the county state-aid
10.15 highway fund. The funds transferred are
10.16 for highway turnback purposes as provided
10.17 by Minnesota Statutes, section 161.081,
10.18 subdivision 3.

10.19 **Subd. 7. Use of State Road Construction**
10.20 **Appropriations**

10.21 Any money appropriated to the commissioner
10.22 of transportation for state road construction
10.23 for any fiscal year before fiscal year 2012
10.24 is available to the commissioner during the
10.25 biennium to the extent that the commissioner
10.26 spends the money on the state road
10.27 construction project for which the money
10.28 was originally encumbered during the fiscal
10.29 year for which it was appropriated.

10.30 **Subd. 8. Contingent Appropriation**

10.31 The commissioner of transportation, with
10.32 the approval of the governor and the
10.33 written approval of at least five members
10.34 of a group consisting of the members of

11.1 the Legislative Advisory Commission

11.2 under Minnesota Statutes, section 3.30,

11.3 and the ranking minority members of the

11.4 legislative committees with jurisdiction over

11.5 transportation finance, may transfer all or

11.6 part of the unappropriated balance in the

11.7 trunk highway fund to an appropriation (1)

11.8 for trunk highway design, construction, or

11.9 inspection in order to take advantage of an

11.10 unanticipated receipt of income to the trunk

11.11 highway fund or to take advantage of federal

11.12 advanced construction funding, (2) for trunk

11.13 highway maintenance in order to meet an

11.14 emergency, or (3) to pay tort or environmental

11.15 claims. Nothing in this subdivision

11.16 authorizes the commissioner to increase the

11.17 use of federal advanced construction funding

11.18 beyond amounts specifically authorized.

11.19 Any transfer as a result of the use of federal

11.20 advanced construction funding must include

11.21 an analysis of the effects on the long-term

11.22 trunk highway fund balance. The amount

11.23 transferred is appropriated for the purpose of

11.24 the account to which it is transferred.

11.25	Sec. 4. <u>METROPOLITAN COUNCIL</u>			
11.26	<u>TRANSIT</u>	\$	<u>41,489,000</u>	\$ <u>41,570,000</u>
11.27	<u>Transit</u>		<u>41,489,000</u>	<u>41,570,000</u>
11.28	<u>This appropriation is for transit system</u>			
11.29	<u>operations.</u>			

11.30	Sec. 5. <u>PUBLIC SAFETY</u>			
11.31	<u>Subdivision 1. Total Appropriation</u>	\$	<u>155,654,000</u>	\$ <u>155,875,000</u>
11.32	<u>Appropriations by Fund</u>			
11.33		<u>2014</u>	<u>2015</u>	
11.34	<u>General</u>	<u>8,542,000</u>	<u>8,542,000</u>	
11.35	<u>Trunk Highway</u>	<u>86,968,000</u>	<u>86,968,000</u>	

12.1	<u>Highway User</u>	<u>10,406,000</u>	<u>10,406,000</u>
12.2	<u>Special Revenue</u>	<u>49,738,000</u>	<u>49,959,000</u>

12.3 The amounts that may be spent for each
 12.4 purpose are specified in the following
 12.5 subdivisions.

12.6	<u>Subd. 2. Administration and Related Services</u>	<u>12,628,000</u>	<u>12,628,000</u>
------	--	-------------------	-------------------

12.7	<u>Appropriations by Fund</u>		
12.8		<u>2014</u>	<u>2015</u>
12.9	<u>General</u>	<u>4,900,000</u>	<u>4,900,000</u>
12.10	<u>Trunk Highway</u>	<u>6,343,000</u>	<u>6,343,000</u>
12.11	<u>Highway User</u>	<u>1,385,000</u>	<u>1,385,000</u>

12.12	<u>(a) Office of Communications</u>	<u>504,000</u>	<u>504,000</u>
-------	--	----------------	----------------

12.13	<u>Appropriations by Fund</u>		
12.14		<u>2014</u>	<u>2015</u>
12.15	<u>General</u>	<u>111,000</u>	<u>111,000</u>
12.16	<u>Trunk Highway</u>	<u>393,000</u>	<u>393,000</u>

12.17	<u>(b) Public Safety Support</u>	<u>8,439,000</u>	<u>8,439,000</u>
-------	---	------------------	------------------

12.18	<u>Appropriations by Fund</u>		
12.19		<u>2014</u>	<u>2015</u>
12.20	<u>General</u>	<u>3,467,000</u>	<u>3,467,000</u>
12.21	<u>Trunk Highway</u>	<u>3,606,000</u>	<u>3,606,000</u>
12.22	<u>Highway User</u>	<u>1,366,000</u>	<u>1,366,000</u>

12.23 \$380,000 in each year is from the general
 12.24 fund for payment of public safety officer
 12.25 survivor benefits under Minnesota Statutes,
 12.26 section 299A.44. If the appropriation for
 12.27 either year is insufficient, the appropriation
 12.28 for the other year is available for it.

12.29 \$1,367,000 in each year is from the general
 12.30 fund to be deposited in the public safety
 12.31 officer's benefit account. This money
 12.32 is available for reimbursements under
 12.33 Minnesota Statutes, section 299A.465.

12.34 \$600,000 in each year is from the general
 12.35 fund and \$100,000 in each year is from the

13.1	<u>trunk highway fund for soft body armor</u>		
13.2	<u>reimbursements under Minnesota Statutes,</u>		
13.3	<u>section 299A.38.</u>		
13.4	<u>\$792,000 in each year is from the general</u>		
13.5	<u>fund for transfer by the commissioner of</u>		
13.6	<u>management and budget to the trunk highway</u>		
13.7	<u>fund on December 31, 2013, and December</u>		
13.8	<u>31, 2014, respectively, in order to reimburse</u>		
13.9	<u>the trunk highway fund for expenses not</u>		
13.10	<u>related to the fund. These represent amounts</u>		
13.11	<u>appropriated out of the trunk highway</u>		
13.12	<u>fund for general fund purposes in the</u>		
13.13	<u>administration and related services program.</u>		
13.14	<u>\$610,000 in each year is from the highway</u>		
13.15	<u>user tax distribution fund for transfer by the</u>		
13.16	<u>commissioner of management and budget</u>		
13.17	<u>to the trunk highway fund on December 31,</u>		
13.18	<u>2013, and December 31, 2014, respectively,</u>		
13.19	<u>in order to reimburse the trunk highway</u>		
13.20	<u>fund for expenses not related to the fund.</u>		
13.21	<u>These represent amounts appropriated out</u>		
13.22	<u>of the trunk highway fund for highway</u>		
13.23	<u>user tax distribution fund purposes in the</u>		
13.24	<u>administration and related services program.</u>		
13.25	<u>\$716,000 in each year is from the highway</u>		
13.26	<u>user tax distribution fund for transfer by the</u>		
13.27	<u>commissioner of management and budget to</u>		
13.28	<u>the general fund on December 31, 2013, and</u>		
13.29	<u>December 31, 2014, respectively, in order to</u>		
13.30	<u>reimburse the general fund for expenses not</u>		
13.31	<u>related to the fund. These represent amounts</u>		
13.32	<u>appropriated out of the general fund for</u>		
13.33	<u>operation of the criminal justice data network</u>		
13.34	<u>related to driver and motor vehicle licensing.</u>		
13.35	<u>(c) Technical Support Services</u>	<u>3,685,000</u>	<u>3,685,000</u>

14.1 Appropriations by Fund14.2 2014 201514.3 General 1,322,000 1,322,00014.4 Trunk Highway 2,344,000 2,344,00014.5 Highway User 19,000 19,00014.6 Subd. 3. State Patrol 84,616,000 84,616,00014.7 Appropriations by Fund14.8 2014 201514.9 General 3,642,000 3,642,00014.10 Trunk Highway 80,189,000 80,189,00014.11 Highway User 785,000 785,00014.12 (a) Patrolling Highways 72,522,000 72,522,00014.13 Appropriations by Fund14.14 2014 201514.15 General 37,000 37,00014.16 Trunk Highway 72,393,000 72,393,00014.17 Highway User 92,000 92,00014.18 (b) Commercial Vehicle Enforcement 7,796,000 7,796,00014.19 \$600,000 in each year is for the Office of14.20 Pupil Transportation Safety under Minnesota14.21 Statutes, section 169.435.14.22 (c) Capitol Security 3,605,000 3,605,00014.23 This appropriation is from the general fund.14.24 The commissioner may not (1) spend14.25 any money from the trunk highway fund14.26 for capitol security or (2) permanently14.27 transfer any state trooper from the patrolling14.28 highways activity to capitol security.14.29 \$500,000 in each year is appropriated from14.30 the general fund to the commissioner of14.31 public safety to increase security in the14.32 Capitol Complex.14.33 (d) Vehicle Crimes Unit 693,000 693,000

15.1 This appropriation is from the highway user
 15.2 tax distribution fund.

15.3 This appropriation is to investigate
 15.4 registration tax and motor vehicle sales tax
 15.5 liabilities from individuals and businesses
 15.6 that currently do not pay all taxes owed, and
 15.7 illegal or improper activity related to sale,
 15.8 transfer, titling, and registration of meter
 15.9 vehicles.

15.10 Subd. 4. Driver and Vehicle Services 56,621,000 56,842,000

15.11 Appropriations by Fund
 15.12 2014 2015
 15.13 Highway User 8,236,000 8,236,000
 15.14 Special Revenue 48,384,000 48,605,000
 15.15 Trunk Highway 1,000 1,000

15.16 (a) Vehicle Services 27,909,000 28,007,000

15.17 Appropriations by Fund
 15.18 2014 2015
 15.19 Highway User 8,236,000 8,236,000
 15.20 Special Revenue 19,673,000 19,771,000

15.21 This appropriation is from the vehicle
 15.22 services operating account in the special
 15.23 revenue fund.

15.24 \$650,000 each year is for seven additional
 15.25 positions to enhance customer service related
 15.26 to vehicle title issuance.

15.27 \$98,000 the second year is from the special
 15.28 revenue fund for the vehicle services
 15.29 portion of a new telephone system. This
 15.30 amount will transfer to the Office of
 15.31 Enterprise Technology for construction and
 15.32 development of the system. This is a onetime
 15.33 appropriation and is available until expended.

15.34 Ongoing support costs will be incorporated
 15.35 into a service level agreement and will be

16.1 paid to the Office of Enterprise Technology
 16.2 under the rates and mechanisms specified in
 16.3 that agreement.

16.4 **(b) Driver Services** 28,712,000 28,835,000

16.5	<u>Appropriations by Fund</u>		
16.6		<u>2014</u>	<u>2015</u>
16.7	<u>Trunk Highway</u>	<u>1,000</u>	<u>1,000</u>
16.8	<u>Special Revenue</u>	<u>28,711,000</u>	<u>28,834,000</u>

16.9 This appropriation is from the driver services
 16.10 operating account in the special revenue fund.

16.11 \$71,000 each year is from the special revenue
 16.12 fund for one new facial recognition position.

16.13 \$52,000 the second year is from the
 16.14 special revenue fund for the driver services
 16.15 portion of a new telephone system. This
 16.16 amount will transfer to the Office of
 16.17 Enterprise Technology for construction and
 16.18 development of the system. This is a onetime
 16.19 appropriation and is available until expended.

16.20 Ongoing support costs will be incorporated
 16.21 into a service level agreement and will be
 16.22 paid to the Office of Enterprise Technology
 16.23 under the rates and mechanisms specified in
 16.24 that agreement.

16.25 **Subd. 5. Traffic Safety** 435,000 435,000

16.26 **Subd. 6. Pipeline Safety** 1,354,000 1,354,000

16.27 This appropriation is from the pipeline safety
 16.28 account in the special revenue fund.

16.29 **Sec. 6. TORT CLAIMS** \$ 600,000 \$ 600,000

16.30 This appropriation is to the commissioner of
 16.31 management and budget.

17.1 If the appropriation for either year is
17.2 insufficient, the appropriation for the other
17.3 year is available for it.

17.4 **ARTICLE 2**

17.5 **TRANSPORTATION POLICY**

17.6 Section 1. **[116J.4365] TRANSPORTATION ECONOMIC DEVELOPMENT** 17.7 **ASSISTANCE PROGRAM.**

17.8 Subdivision 1. **Program established.** (a) The commissioners of transportation and
17.9 employment and economic development shall develop and implement a transportation
17.10 economic development assistance program as provided in this section, for providing
17.11 financial assistance on a geographically balanced basis through competitive grants
17.12 for projects in all modes of transportation that provide measurable local, regional, or
17.13 statewide economic benefit.

17.14 (b) The commissioners of transportation and employment and economic
17.15 development may provide financial assistance for a transportation project at their
17.16 discretion, subject to the requirements of this section.

17.17 Subd. 2. **Transportation economic development account.** (a) A transportation
17.18 economic development account is established in the special revenue fund under the
17.19 budgetary jurisdiction of the senate and house of representatives committees having
17.20 jurisdiction over transportation finance. The account consists of funds donated, allotted,
17.21 transferred, or otherwise provided to the account.

17.22 (b) Money in the account may be expended only as appropriated by law.

17.23 (c) Notwithstanding paragraph (a), the account may not contain money transferred
17.24 or otherwise provided from the trunk highway fund.

17.25 Subd. 3. **Program administration.** In implementing the transportation economic
17.26 development assistance program, the commissioners of transportation and employment
17.27 and economic development shall make reasonable efforts to (1) publicize each solicitation
17.28 for applications among all eligible recipients, and (2) provide technical and informational
17.29 assistance in creating and submitting applications.

17.30 Subd. 4. **Economic impact performance measures.** The commissioner of
17.31 employment and economic development shall develop economic impact performance
17.32 measures to analyze projects for which financial assistance under this section is being
17.33 applied for or has been previously provided.

17.34 Subd. 5. **Financial assistance; criteria.** The commissioners of transportation and
17.35 employment and economic development shall establish criteria for evaluating projects

for financial assistance under this section. At a minimum, the criteria must provide an objective method to prioritize and select projects on the basis of:

- (1) the extent to which the project provides measurable economic benefit;
- (2) consistency with relevant state and local transportation plans;
- (3) the availability and commitment of funding or in-kind assistance for the project from nonpublic sources;
- (4) the need for the project as part of the overall transportation system;
- (5) the extent to which completion of the project will improve the movement of people and freight; and
- (6) geographic balance as required under subdivision 7, paragraph (b).

Subd. 6. Financial assistance; project evaluation process. (a) Following the criteria established under subdivision 5, the commissioner of employment and economic development shall (1) evaluate proposed projects, and (2) certify those that may receive financial assistance.

(b) As part of the project evaluation process, the commissioner of transportation shall certify that a project constitutes an eligible and appropriate transportation project.

Subd. 7. Financial assistance; awards. (a) The financial assistance awarded by the commissioners of transportation and employment and economic development may not exceed 70 percent of a project's total costs.

(b) The commissioners of transportation and employment and economic development shall ensure that financial assistance is provided in a manner that is balanced throughout the state, including with respect to (1) the number of projects receiving funding in a particular geographic location or region of the state, and (2) the total amount of financial assistance provided for projects in a particular geographic location or region of the state.

Subd. 8. Legislative report. (a) By February 1 of each odd-numbered year, the commissioner of transportation, with assistance from the commissioner of employment and economic development, shall submit a report on the transportation economic development assistance program to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over transportation policy and finance.

(b) At a minimum, the report must:

- (1) summarize the requirements and implementation of the transportation economic development assistance program established in this section;
- (2) review the criteria and economic impact performance measures used for evaluation, prioritization, and selection of projects;

(3) provide a brief overview of each project that received financial assistance under the program, which must at a minimum identify:

(i) basic project characteristics, such as funding recipient, geographic location, and type of transportation modes served;

(ii) sources and respective amounts of project funding; and

(iii) the degree of economic benefit anticipated or observed, following the economic impact performance measures established under subdivision 4;

(4) identify the allocation of funds, including but not limited to a breakdown of total project funds by transportation mode, the amount expended for administrative costs, and the amount transferred to the transportation economic development assistance account;

(5) evaluate the overall economic impact of the program consistent with the accountability measurement requirements under section 116J.997; and

(6) provide recommendations for any legislative changes related to the program.

Sec. 2. Minnesota Statutes 2012, section 161.20, subdivision 3, is amended to read:

Subd. 3. **Trunk highway fund appropriations.** The commissioner may expend trunk highway funds only for trunk highway purposes. Payment of expenses related to ~~Bureau of Criminal Apprehension laboratory~~, Explore Minnesota Tourism kiosks, Minnesota Safety Council, ~~tort claims~~, driver education programs, Emergency Medical Services Board, Mississippi River Parkway Commission, payments to MN.IT Services in excess of actual costs incurred for trunk highway purposes, and personnel costs incurred on behalf of the Governor's Office do not further a highway purpose and do not aid in the construction, improvement, or maintenance of the highway system.

Sec. 3. Minnesota Statutes 2012, section 219.1651, is amended to read:

219.1651 GRADE CROSSING SAFETY ACCOUNT.

A Minnesota grade crossing safety account is created in the special revenue fund, consisting of money credited to the account by law. Money in the account is appropriated to the commissioner of transportation for rail-highway grade crossing safety projects on public streets and highways, including engineering costs. At the discretion of the commissioner of transportation, money in the account at the end of each ~~fiscal year~~ biennium may cancel ~~cancels~~ to the trunk highway fund.

Sec. 4. Minnesota Statutes 2012, section 473.39, is amended by adding a subdivision to read:

20.1 Subd. 6. **Revenue bonds.** (a) In addition to the other authority granted in this
20.2 section, the council may, by resolution, authorize the issuance and sale of its revenue
20.3 bonds, notes, or other obligations to provide funds to implement the council's transit
20.4 capital improvement program and to refund bonds issued under this subdivision.

20.5 (b) The bonds shall be sold, issued, and secured in the manner provided in chapter
20.6 475 for bonds payable solely from or secured by revenues, and the council shall have the
20.7 same powers and duties as a municipality and its governing body in issuing bonds under
20.8 that chapter. The bonds shall be payable from and secured by a pledge of all or any part of
20.9 revenues receivable from the metropolitan area sales and use tax imposed under section
20.10 473.426 and associated investment earning and debt proceeds, shall not and shall state that
20.11 they do not represent or constitute a general obligation of the council, and shall not be
20.12 included in the net debt limit of any city, county, or other subdivision of the state for the
20.13 purpose of any net debt limitation. The bonds will be deemed payable wholly from the
20.14 income of revenue-producing conveniences within the meaning of section 475.58. The
20.15 proceeds of the bonds may also be used to fund necessary reserves and to pay credit
20.16 enhancement fees, issuance costs, and other financing costs during the life of the debt.

20.17 (c) The bonds may be secured by a bond resolution, or a trust indenture entered into
20.18 by the council with a corporate trustee within or outside the state, which shall define the
20.19 revenues and bond proceeds pledged for the payment and security of the bonds. The
20.20 pledge shall be a valid charge on the revenues received under section 473.426. Neither the
20.21 state, nor any municipality or political subdivision except the council, nor any member or
20.22 officer or employee of the council is liable on the obligations. No mortgage or security
20.23 interest in any tangible real or personal property shall be granted to the bondholders or the
20.24 trustee, but they shall have a valid security interest in the revenues and bond proceeds
20.25 received by the council and pledged to the payment of the bonds. In the bond resolution or
20.26 trust indenture, the council may make such covenants as it determines to be reasonable for
20.27 the protection of the bondholders.

20.28 Sec. 5. **[473.426] METROPOLITAN AREA SALES AND USE TAX FOR**
20.29 **TRANSIT.**

20.30 Subdivision 1. **Authorization; imposition.** (a) Notwithstanding any law to the
20.31 contrary, the shall impose and maintain a transit sales and use tax at a rate of
20.32 one-quarter of one percent on retail sales and uses taxable under chapter 297A that occur
20.33 within the metropolitan area.

20.34 (b) The tax authorized in this section and the manner in which it is imposed are
20.35 exempt from section 297A.99, subdivisions 1, 2, 3, and 12. The provisions of section

21.1 297A.99 that relate to imposition, administration, collection, and enforcement apply to
 21.2 the tax authorized in this section.

21.3 (c) The tax authorized in this section shall not be used in determining a tax if doing
 21.4 so will result in the total tax on lodging in the city of Minneapolis exceeding the maximum
 21.5 allowed tax under Laws 1986, chapter 396, section 5, as amended in Laws 2001, First
 21.6 Special Session chapter 5, article 12, section 87, or in determining a tax that may be
 21.7 imposed under any other limitation.

21.8 Subd. 2. **Allocation of revenues.** After deductions allowed under section 297A.99,
 21.9 subdivision 11, the commissioner of revenue shall remit the proceeds of the tax imposed
 21.10 under this section to the Metropolitan Council on a monthly basis.

21.11 Subd. 3. **Uses of tax revenue.** Revenues received from the tax imposed under this
 21.12 section may be used only for the following purposes:

21.13 (1) to pay costs of collection;

21.14 (2) to pay any principal, interest, or other financing costs on debt issued under
 21.15 section 473.39, subdivision 6;

21.16 (3) to pay operating and capital costs, including planning and project development
 21.17 costs, of the metropolitan area transit system, including those related to sections 473.371
 21.18 and 473.449; and

21.19 (4) to maintain reserves for the purposes stated in clauses (1) to (3), if doing so is
 21.20 deemed reasonable and appropriate by the Metropolitan Council.

21.21 Subd. 4. **Maintenance of tax.** The tax authorized in this section must be maintained
 21.22 and not terminated other than by legislative enactment.

21.23 **EFFECTIVE DATE.** This section is effective January 1, 2014, and applies to sales
 21.24 and purchases made after December 31, 2013.

21.25 Sec. 6. Laws 2009, chapter 9, section 1, the effective date, is amended to read:

21.26 **EFFECTIVE DATE.** This section is effective the day following final enactment,
 21.27 and expires on June 30, 2013 ~~2013~~ 2016.

21.28 Sec. 7. **FINANCIAL ASSISTANCE FOR NORTHSTAR COMMUTER RAIL**
 21.29 **EXPENSES; GREATER MINNESOTA.**

21.30 The portion of the cost to provide financial assistance for the Greater Minnesota
 21.31 Transit component of the Northstar Commuter Rail is exempt from the requirements in
 21.32 Minnesota Statutes, section 174.24, subdivision 1.

APPENDIX
Article locations in 13-1727

ARTICLE 1 TRANSPORTATION APPROPRIATIONS Page.Ln 1.13
ARTICLE 2 TRANSPORTATION POLICY Page.Ln 17.4