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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. **2677**

03/06/2023 Authored by Kraft, Hornstein, Elkins and Sencer-Mura
The bill was read for the first time and referred to the Committee on Transportation Finance and Policy
03/22/2023 Adoption of Report: Amended and re-referred to the Committee on State and Local Government Finance and Policy
03/30/2023 Adoption of Report: Amended and re-referred to the Committee on Transportation Finance and Policy

1.1 A bill for an act
1.2 relating to the Metropolitan Council; requiring greenhouse gas emissions
1.3 benchmarks; requiring capacity expansion impact assessment for certain projects;
1.4 requiring a climate action plan as a part of comprehensive plan content; requiring
1.5 a land use study and report to the legislature by the council; appropriating money;
1.6 amending Minnesota Statutes 2022, sections 174.01, by adding a subdivision;
1.7 174.03, subdivision 1a; 473.146, subdivision 1, by adding a subdivision; 473.859,
1.8 by adding a subdivision; proposing coding for new law in Minnesota Statutes,
1.9 chapter 161.

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

1.11 **ARTICLE 1**
1.12 **CLIMATE CHANGE RESPONSE**

1.13 Section 1. Minnesota Statutes 2022, section 174.01, is amended by adding a subdivision
1.14 to read:

1.15 Subd. 3. Greenhouse gas emissions benchmarks. (a) In association with the goals
1.16 under subdivision 2, clauses (10) and (13) to (16), the commissioner of transportation must
1.17 establish benchmarks for the statewide greenhouse gas emissions reduction goal under
1.18 section 216H.02, subdivision 1.

1.19 (b) The benchmarks must include:

1.20 (1) establishment of proportional emissions reduction performance targets for the
1.21 transportation sector;

1.22 (2) specification of the performance targets on a four-year or more frequent basis; and

1.23 (3) allocation across the transportation sector, which: (i) must provide for an allocation
1.24 to the metropolitan area, as defined in section 473.121, subdivision 2; (ii) must account for

2.1 differences in the feasibility and extent of emissions reductions across forms of land use
2.2 and across regions of the state; and (iii) may include performance targets based on
2.3 Department of Transportation district, geographic region, a per capita calculation, or
2.4 transportation mode.

2.5 **EFFECTIVE DATE.** This section is effective February 1, 2025.

2.6 Sec. 2. Minnesota Statutes 2022, section 473.146, subdivision 1, is amended to read:

2.7 Subdivision 1. **Requirement.** The council shall adopt a long-range comprehensive policy
2.8 plan for transportation, climate action, and wastewater treatment. The plans must substantially
2.9 conform to all policy statements, purposes, goals, standards, and maps in the development
2.10 guide developed and adopted by the council under this chapter. Each policy plan must
2.11 include, to the extent appropriate to the functions, services, and systems covered, the
2.12 following:

2.13 (1) forecasts of changes in the general levels and distribution of population, households,
2.14 employment, land uses, and other relevant matters, for the metropolitan area and appropriate
2.15 subareas;

2.16 (2) a statement of issues, problems, needs, and opportunities with respect to the functions,
2.17 services, and systems covered;

2.18 (3) a statement of the council's goals, objectives, and priorities with respect to the
2.19 functions, services, and systems covered, addressing areas and populations to be served,
2.20 the levels, distribution, and staging of services; a general description of the facility systems
2.21 required to support the services; the estimated cost of improvements required to achieve
2.22 the council's goals for the regional systems, including an analysis of what portion of the
2.23 funding for each improvement is proposed to come from the state, Metropolitan Council
2.24 levies, and cities, counties, and towns in the metropolitan area, respectively, and other
2.25 similar matters;

2.26 (4) a statement of policies to effectuate the council's goals, objectives, and priorities;

2.27 (5) a statement of the fiscal implications of the council's plan, including a statement of:
2.28 (i) the resources available under existing fiscal policy; (ii) the adequacy of resources under
2.29 existing fiscal policy and any shortfalls and unattended needs; (iii) additional resources, if
2.30 any, that are or may be required to effectuate the council's goals, objectives, and priorities;
2.31 and (iv) any changes in existing fiscal policy, on regional revenues and intergovernmental
2.32 aids respectively, that are expected or that the council has recommended or may recommend;

3.1 (6) a statement of the relationship of the policy plan to other policy plans and chapters
3.2 of the Metropolitan Development Guide;

3.3 (7) a statement of the relationships to local comprehensive plans prepared under sections
3.4 473.851 to 473.871; ~~and~~

3.5 (8) additional general information as may be necessary to develop the policy plan or as
3.6 may be required by the laws relating to the metropolitan agency and function covered by
3.7 the policy plan; and

3.8 (9) forecasts pertaining to greenhouse gas emissions that are generated from activity
3.9 that occurs within local jurisdictions, including from transportation, land use, energy use,
3.10 solid waste, livestock, and agriculture, and the estimated impact of strategies that reduce or
3.11 naturally sequester greenhouse gas emissions across sectors.

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

3.15 Sec. 3. Minnesota Statutes 2022, section 473.146, is amended by adding a subdivision to
3.16 read:

3.17 **Subd. 5. Development guide; climate action.** The climate action chapter must include
3.18 policies that describe how metropolitan system plans, as defined under section 473.852,
3.19 subdivision 8, meet greenhouse gas emissions-reduction goals established by the state under
3.20 section 216H.02, subdivision 1, and transportation targets established by the commissioner
3.21 of transportation, including vehicle miles traveled reduction targets established in the
3.22 statewide multimodal transportation plan under section 174.03, subdivision 1a.

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

3.26 Sec. 4. Minnesota Statutes 2022, section 473.859, is amended by adding a subdivision to
3.27 read:

3.28 **Subd. 7. Climate action plan.** The council must specify how the information in section
3.29 473.146, subdivision 5, must be incorporated into comprehensive plan content.

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

ARTICLE 2

LAND USE

Section 1. METROPOLITAN COUNCIL; LAND USE STUDY.

Subdivision 1. Definitions. The definitions provided in Minnesota Statutes, section 473.121, apply to this section.

Subd. 2. Metropolitan land use study. The Metropolitan Council must conduct and complete a metropolitan land use and transportation policy study on or before June 30, 2024, that analyzes the degree to which current land use and transportation policies in the metropolitan area support or hinder state and local governmental unit transportation, environmental, greenhouse gas emissions, and equity goals. The study must be used to inform the 2050 comprehensive development guide for the metropolitan area.

Subd. 3. Study contents. The study under this section must include:

(1) a comparison of current land use policies in the metropolitan area with alternative growth development scenarios, including efficient land use and compact growth;

(2) a determination of the costs to local and regional metropolitan area government services to implement efficient land use policies, including the costs to construct and maintain transportation and water infrastructure and emergency services;

(3) an analysis of how implementation of efficient land use policies would reduce future costs to local and regional metropolitan area government with regard to transportation and water infrastructure and emergency services;

(4) an assessment of transportation and related infrastructure necessary to facilitate efficient land use policies including but not limited to estimations of road lane miles, utility miles, and land acreage necessary to facilitate such policies;

(5) an analysis of sewer access and water access charges and policies, including an analysis of the differences in the charges between property classifications and charges in urban, suburban, and rural areas;

(6) the estimated impact implementation of efficient land use policies would have on vehicle miles traveled, access to jobs in essential services, transit viability, and commute modal share in the metropolitan area; and

(7) any other data or analyses the Metropolitan Council deems relevant.

Subd. 4. Report. The Metropolitan Council must submit a copy of the study under this section to the chairs and ranking minority members of the legislative committees with

5.1 jurisdiction over local government and transportation policy and finance by February 1,
5.2 2025.

5.3 Subd. 5. **Appropriation.** \$1,000,000 in fiscal year 2024 is appropriated from the general
5.4 fund to the Metropolitan Council to conduct the study under this section. This is a onetime
5.5 appropriation.

5.6 **EFFECTIVE DATE.** This section is effective July 1, 2023.

5.7 **ARTICLE 3**

5.8 **NEXT GENERATION TRANSPORTATION EXPANSION**

5.9 Section 1. **[161.178] TRANSPORTATION GREENHOUSE GAS EMISSIONS**
5.10 **IMPACT ASSESSMENT.**

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

5.13 (b) "Assessment" means the capacity expansion impact assessment under this section.

5.14 (c) "Capacity expansion project" means a project for trunk highway construction or
5.15 reconstruction that:

5.16 (1) is a major highway project, as defined in section 174.56, subdivision 1, paragraph
5.17 (b); and

5.18 (2) adds highway traffic capacity or provides for grade separation at an intersection,
5.19 excluding auxiliary lanes with a length of less than 2,500 feet.

5.20 (d) "Embodied carbon emissions" means the total carbon dioxide emissions from all
5.21 stages of production of a product or material, including but not limited to mining, processing
5.22 of raw materials, and manufacturing.

5.23 (e) "Greenhouse gas emissions" includes those emissions described in section 216H.01,
5.24 subdivision 2.

5.25 Subd. 2. **Project assessment.** (a) Prior to including a capacity expansion project in the
5.26 state transportation improvement program, the commissioner must perform a capacity
5.27 expansion impact assessment of the project. Following the assessment, the commissioner
5.28 must determine if the project conforms with:

5.29 (1) the greenhouse gas emissions reduction benchmarks under section 174.01, subdivision
5.30 3;

6.1 (2) the vehicle miles traveled reduction targets established in the statewide multimodal
6.2 transportation plan under section 174.03, subdivision 1a; and

6.3 (3) providing neutral environmental effects in areas of persistent poverty or historically
6.4 disadvantaged communities.

6.5 (b) If the commissioner determines that the capacity expansion project is not in
6.6 conformance with paragraph (a), the commissioner must:

6.7 (1) alter the scope or design of the project and perform a revised assessment that meets
6.8 the requirements under this section;

6.9 (2) interlink sufficient impact mitigation as provided in subdivision 4; or

6.10 (3) halt project development and disallow inclusion of the project in the state
6.11 transportation improvement program.

6.12 Subd. 3. **Assessment requirements.** (a) The commissioner must establish a process to
6.13 perform capacity expansion impact assessments. An assessment must provide for the
6.14 determination under subdivision 2.

6.15 (b) Analysis under an assessment must include but is not limited to estimates resulting
6.16 from the project for the following:

6.17 (1) the total embodied carbon emissions;

6.18 (2) greenhouse gas emissions over a period of 50 years;

6.19 (3) a change in vehicle miles traveled for the trunk highway segment and in other
6.20 impacted areas within the state; and

6.21 (4) a calculation of positive, neutral, or negative environmental effects based on:

6.22 (i) air quality and pollution;

6.23 (ii) noise pollution;

6.24 (iii) general public health; and

6.25 (iv) other measures as determined by the commissioner.

6.26 (c) The commissioner must establish criteria to identify areas of persistent poverty and
6.27 historically disadvantaged communities based on measures and definitions in state and
6.28 federal law and federal guidance.

6.29 Subd. 4. **Impact mitigation.** (a) To provide for impact mitigation, the commissioner
6.30 must interlink the capacity expansion project as provided in this subdivision. Impact

7.1 mitigation is sufficient under subdivision 2, paragraph (b), if the capacity expansion project
7.2 is interlinked to mitigation actions such that:

7.3 (1) the total greenhouse gas emissions reduction from the mitigation actions, after
7.4 accounting for the greenhouse gas emissions otherwise resulting from the capacity expansion
7.5 project, is consistent with meeting the benchmarks and targets specified under subdivision
7.6 2, paragraph (a), clauses (1) and (2); and

7.7 (2) the total positive environmental effects from the actions equals or exceeds the negative
7.8 environmental effects, as determined under subdivision 3, paragraph (b), clause (4), otherwise
7.9 resulting from the capacity expansion project.

7.10 (b) Each comparison under paragraph (a), clauses (1) and (2), must be performed over
7.11 equal comparison periods.

7.12 (c) A mitigation action consists of a project, program, or operations modification in one
7.13 or more of the following areas:

7.14 (1) transit expansion, including but not limited to regular route bus, arterial bus rapid
7.15 transit, highway bus rapid transit, rail transit, and intercity passenger rail;

7.16 (2) transit service improvements, including but not limited to increased service level,
7.17 transit fare reduction, and transit priority treatments;

7.18 (3) active transportation infrastructure;

7.19 (4) micromobility infrastructure and service, including but not limited to shared vehicle
7.20 services;

7.21 (5) transportation demand management, including but not limited to vanpool and shared
7.22 vehicle programs, remote work, and broadband access expansion;

7.23 (6) parking management, including but not limited to parking requirements reduction
7.24 or elimination and parking cost adjustments;

7.25 (7) land use, including but not limited to residential and other density increases, mixed-use
7.26 development, and transit-oriented development; and

7.27 (8) highway construction materials or practices modifications to provide for greenhouse
7.28 gas emissions reductions.

7.29 (d) A mitigation action may be identified as interlinked to the capacity expansion project
7.30 if:

7.31 (1) there is a specified project, program, or modification;

- 8.1 (2) the necessary funding sources are identified and sufficient amounts are committed;
8.2 (3) the mitigation is localized as provided in paragraph (e); and
8.3 (4) procedures are established to ensure that the mitigation action remains in substantially
8.4 the same form or a revised form that continues to meet the calculation under paragraph (a).

8.5 (e) The area or corridor of a mitigation action must be localized in the following priority
8.6 order:

8.7 (1) within or associated with at least one of the communities impacted by the capacity
8.8 expansion project;

8.9 (2) if there is not a reasonably feasible location under clause (1), in the region of the
8.10 capacity expansion project; or

8.11 (3) if there is not a reasonably feasible location under clause (1) or (2), on a statewide
8.12 basis.

8.13 (f) The commissioner must include an explanation regarding the feasibility and rationale
8.14 for each mitigation action located under paragraph (e), clauses (2) and (3).

8.15 Subd. 5. **Public information.** The commissioner must publish information regarding
8.16 capacity expansion impact assessments on the department website. The information must
8.17 include:

8.18 (1) identification of capacity expansion projects; and

8.19 (2) for each project, a summary that includes an overview of the expansion impact
8.20 assessment, the impact determination by the commissioner, and project disposition, including
8.21 a review of any mitigation actions.

8.22 **EFFECTIVE DATE.** This section is effective February 1, 2025.

8.23 Sec. 2. Minnesota Statutes 2022, section 174.03, subdivision 1a, is amended to read:

8.24 Subd. 1a. **Revision of statewide multimodal transportation plan.** (a) The commissioner
8.25 must revise the statewide multimodal transportation plan by January 15, 2022, and by
8.26 January 15 of every five years thereafter. Before final adoption of a revised plan, the
8.27 commissioner must hold a hearing to receive public comment on the preliminary draft of
8.28 the revised plan.

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

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

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

9.2 (3) identify performance targets for measuring progress and achievement of transportation
9.3 system goals, objectives, or policies; and

9.4 (4) establish procedures and guidance for capacity expansion project development to
9.5 conform with section 161.178, subdivision 2, paragraph (a).

9.6 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following
9.7 final enactment and applies to plan revisions adopted on or after that date.

9.8 Sec. 3. **APPROPRIATION; CAPACITY EXPANSION IMPACT ASSESSMENTS.**

9.9 \$..... in fiscal year 2024 is appropriated from the trunk highway fund to the commissioner
9.10 of transportation for the implementation costs of capacity expansion impact assessments
9.11 under Minnesota Statutes, section 161.178. This is a onetime appropriation and is available
9.12 until June 30, 2025.