

2.1 (1) 65 percent in the manner provided for the town road account under Minnesota
2.2 Statutes, section 162.081; and

2.3 (2) 35 percent in the manner provided for the town bridge account under Minnesota
2.4 Statutes, section 161.082, subdivision 2a.

2.5 Sec. 2. Laws 2015, chapter 75, article 1, section 3, subdivision 3, is amended to read:

2.6 Subd. 3. **State Roads**

2.7	(a) Operations and Maintenance	288,405,000	290,916,000
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2.8 The base appropriation in fiscal year 2018 is
2.9 \$292,140,000 and in fiscal year 2019 is
2.10 \$301,545,000.

2.11	(b) Program Planning and Delivery	237,529,000	231,252,000
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2.12 \$130,000 in each year is available for
2.13 administrative costs of the targeted group
2.14 business program.

2.15 \$266,000 in each year is available for grants
2.16 to metropolitan planning organizations outside
2.17 the seven-county metropolitan area.

2.18 \$900,000 in each year is available for grants
2.19 for transportation studies outside the
2.20 metropolitan area to identify critical concerns,
2.21 problems, and issues. These grants are
2.22 available: (1) to regional development
2.23 commissions; (2) in regions where no regional
2.24 development commission is functioning, to
2.25 joint powers boards established under
2.26 agreement of two or more political
2.27 subdivisions in the region to exercise the
2.28 planning functions of a regional development
2.29 commission; and (3) in regions where no
2.30 regional development commission or joint
2.31 powers board is functioning, to the
2.32 department's district office for that region.

3.1 \$1,000,000 in each year is available for
3.2 management of contaminated and regulated
3.3 material on property owned by the Department
3.4 of Transportation, including mitigation of
3.5 property conveyances, facility acquisition or
3.6 expansion, chemical release at maintenance
3.7 facilities, and spills on the trunk highway
3.8 system where there is no known responsible
3.9 party. If the appropriation for either year is
3.10 insufficient, the appropriation for the other
3.11 year is available for it.

3.12 \$6,804,000 in the first year and \$1,000,000 in
3.13 the second year are available for the purposes
3.14 stated in Minnesota Statutes, section 12A.16,
3.15 subdivision 2.

3.16 The base appropriation for program planning
3.17 and delivery in fiscal year 2018 is
3.18 \$227,004,000 and in fiscal year 2019 is
3.19 \$234,331,000.

3.20			744,166,000
3.21	(c) State Road Construction	779,664,000	<u>849,166,000</u>

3.22 This appropriation is for the actual
3.23 construction, reconstruction, and improvement
3.24 of trunk highways, including design-build
3.25 contracts, internal department costs associated
3.26 with delivering the construction program, and
3.27 consultant usage to support these activities.

3.28 This includes the cost of actual payment to
3.29 landowners for lands acquired for highway
3.30 rights-of-way, payment to lessees, interest
3.31 subsidies, and relocation expenses.

3.32 This appropriation includes federal highway
3.33 aid.

3.34 \$1,000,000 in the first year is to complete
3.35 projects using funds made available to the

4.1 commissioner of transportation under title XII
4.2 of the American Recovery and Reinvestment
4.3 Act of 2009, Public Law 111-5, and
4.4 implemented under Minnesota Statutes,
4.5 section 161.36, subdivision 7.

4.6 \$10,000,000 in each year is for the
4.7 transportation economic development program
4.8 under Minnesota Statutes, section 174.12.

4.9 The commissioner may expend up to one-half
4.10 of one percent of the federal appropriations
4.11 under this paragraph as grants to opportunity
4.12 industrialization centers and other nonprofit
4.13 job training centers for job training programs
4.14 related to highway construction.

4.15 The commissioner may transfer up to
4.16 \$15,000,000 each year to the transportation
4.17 revolving loan fund.

4.18 The commissioner may receive money
4.19 covering other shares of the cost of partnership
4.20 projects. These receipts are appropriated to
4.21 the commissioner for these projects.

4.22 The base appropriation for state road
4.23 construction in each of fiscal years 2018 and
4.24 2019 is \$695,800,000.

4.25	(d) Highway Debt Service	197,381,000	231,199,000
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4.26 \$187,881,000 the first year and \$221,699,000
4.27 the second year are for transfer to the state
4.28 bond fund. If this appropriation is insufficient
4.29 to make all transfers required in the year for
4.30 which it is made, the commissioner of
4.31 management and budget shall transfer the
4.32 deficiency amount under the statutory open
4.33 appropriation, and notify the chairs and
4.34 ranking minority members of the legislative

committees with jurisdiction over transportation finance and the chairs of the senate Committee on Finance and the house of representatives Committee on Ways and Means of the amount of the deficiency. Any excess appropriation cancels to the trunk highway fund.

(e) Statewide Radio Communications	5,358,000	5,486,000
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Appropriations by Fund

	2016	2017
General	35,000	3,000
Trunk Highway	5,323,000	5,483,000

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

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

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

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

ARTICLE 2

TRANSPORTATION BONDING

Section 1. **BONDS; APPROPRIATION AND BOND SALE AUTHORIZATION.**

Subdivision 1. **Appropriation; corridors of commerce program.** (a) \$1,600,000,000 is appropriated from the bond proceeds account in the trunk highway fund to the commissioner of transportation for the corridors of commerce program under Minnesota Statutes, section 161.088. Of this appropriation, \$200,000,000 is available in each of fiscal years 2018 to 2025.

(b) The appropriations in this subdivision cancel as specified under Minnesota Statutes, section 16A.642, except that the commissioner of management and budget must count the

date issuance of state bonds is authorized as the first day of the fiscal year during which the bonds are available to be issued.

Subd. 2. Appropriation; rail grade separation on crude oil rail corridors. \$57,024,000 is appropriated from the bond proceeds fund to design and construct rail safety projects at highway railroad grade crossings in accordance with Minnesota Statutes, section 219.016. Of this appropriation:

(1) \$42,262,000 is for a grant to the city of Moorhead for environmental analysis, design, engineering, removal of an existing structure, and construction of a rail grade crossing separation in the vicinity of 21st Street South; and

(2) \$14,762,000 is for a grant to the city of Red Wing for environmental analysis, design, engineering, removal of an existing structure, and construction of a rail grade crossing separation at Sturgeon Lake Road.

Subd. 3. Bond sale. (a) To provide the money appropriated in subdivision 1 from the bond proceeds account in the trunk highway fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to \$1,600,000,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 167.50 to 167.52, and by the Minnesota Constitution, article XIV, section 11, at the times and in the amounts requested by the commissioner of transportation. The proceeds of the bonds, except accrued interest and any premium received from the sale of the bonds, must be deposited in the bond proceeds account in the trunk highway fund.

(b) To provide the money appropriated in subdivision 2 from the bond proceeds fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to \$57,024,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

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

ARTICLE 3

TRANSPORTATION FINANCE AND POLICY

Section 1. Minnesota Statutes 2016, section 161.088, subdivision 5, is amended to read:

Subd. 5. Project selection process; criteria. (a) The commissioner shall establish a process for identification, evaluation, and selection of projects under the program.

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

(c) The commissioner must ensure the project selection process provides a balance of projects throughout the state, including with respect to the number of projects and the amount of program funding between the Department of Transportation metropolitan district and greater Minnesota districts.

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

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

(2) measurable impacts on commerce and economic competitiveness;

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

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

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

(4) improvements to traffic safety;

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

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

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

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

8.1 Sec. 2. Minnesota Statutes 2016, section 174.03, subdivision 1a, is amended to read:

8.2 Subd. 1a. **Revision of statewide multimodal transportation plan.** (a) The commissioner
8.3 shall revise the statewide multimodal transportation plan by January 15, 2013, and by January
8.4 15 of every four years thereafter. Before final adoption of a revised plan, the commissioner
8.5 shall hold a hearing to receive public comment on the preliminary draft of the revised plan.

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

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

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

8.9 (3) establish objectives and policies that provide for trunk highway system capacity
8.10 expansion in greater Minnesota; and

8.11 (4) identify performance targets for measuring progress and achievement of transportation
8.12 system goals, objectives, or policies.

8.13 Sec. 3. Minnesota Statutes 2016, section 174.03, subdivision 1c, is amended to read:

8.14 Subd. 1c. **Statewide highway ~~20-year capital investment plan~~ plans.** ~~By January 15,~~
8.15 ~~2013, and~~ (a) In conjunction with each future revision of the statewide multimodal
8.16 transportation plan, the commissioner ~~shall~~ must prepare a 20-year statewide highway ~~capital~~
8.17 investment plan that:

8.18 (1) incorporates performance measures and targets for assessing progress and achievement
8.19 of: (i) the state's transportation goals, objectives, and policies identified in this chapter for
8.20 the state trunk highway system; ~~and~~ (ii) those goals, objectives, and policies established in
8.21 the statewide multimodal transportation plan, including objectives and policies established
8.22 under subdivision 1a, paragraph (b), clause (3). Performance targets must be based on
8.23 objectively verifiable measures, and address, at a minimum, preservation and maintenance
8.24 of the structural condition of state highway bridges and pavements, safety, and mobility;

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

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

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

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

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

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

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

9.11 (b) A 10-year capital highway investment plan created by the commissioner must include
9.12 objectives and policies established under subdivision 1a, paragraph (b), clause (3).

9.13 Sec. 4. Minnesota Statutes 2016, section 174.50, subdivision 5, is amended to read:

9.14 Subd. 5. **Certification and disbursal for project of political subdivision.** Before
9.15 disbursement of an appropriation made from the fund to the commissioner of transportation
9.16 for grants to subdivisions of the state, the commissioner shall certify that:

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

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

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

10.1 Sec. 5. Minnesota Statutes 2016, section 174.50, is amended by adding a subdivision to
10.2 read:

10.3 Subd. 6d. **Greater Minnesota smaller bridges.** (a) The commissioner may make a
10.4 grant to any political subdivision to replace or rehabilitate a bridge in the department's
10.5 greater Minnesota districts.

10.6 (b) To be eligible for a grant under this subdivision, the project must have a total project
10.7 cost estimate that does not exceed \$3,000,000. Grants may be used as specified under
10.8 subdivision 6b, paragraph (c).

10.9 (c) Grants under this subdivision are subject to the procedures and criteria established
10.10 under subdivisions 5, 6, and 7.

APPENDIX
Article locations in 17-4044

ARTICLE 1	APPROPRIATIONS	Page.Ln 1.9
ARTICLE 2	TRANSPORTATION BONDING	Page.Ln 5.24
ARTICLE 3	TRANSPORTATION FINANCE AND POLICY	Page.Ln 6.27