

HOUSE OF REPRESENTATIVES

EIGHTY-SEVENTH SESSION

H. F. No. 2685

03/05/2012 Authored by Beard

The bill was read for the first time and referred to the Committee on Transportation Policy and Finance

03/15/2012 Adoption of Report: Pass as Amended and re-referred to the Committee on Government Operations and Elections

03/20/2012 Adoption of Report: Pass as Amended and re-referred to the Committee on Ways and Means

04/23/2012 Adoption of Report: Pass as Amended and Read Second Time

04/26/2012 Fiscal Calendar, Amended

Read Third Time as Amended

Passed by the House as Amended and transmitted to the Senate to include Floor Amendments

1.1 A bill for an act
 1.2 relating to transportation; modifying provisions governing transportation policy
 1.3 and finance, including trunk highway designation, work and contracting on trunk
 1.4 highways, motor vehicles, motor vehicle weight limit regulations, motor vehicle
 1.5 titles, electric-assisted bicycles and related regulations, bridge inspections,
 1.6 special veterans license plates, pupil transportation, municipal state-aid street
 1.7 fund eligibility and apportionment, small vehicle passenger service, driver and
 1.8 vehicle information system, deputy registrars of motor vehicles, civilian escort
 1.9 drivers, bicycle equipment, school buses, small business contracts, and legislative
 1.10 reports; making contingent appropriations; setting fees; renumbering statutes;
 1.11 making technical changes; amending Minnesota Statutes 2010, sections 160.27,
 1.12 by adding a subdivision; 160.2715; 161.14, by adding a subdivision; 161.20,
 1.13 subdivision 4; 161.321; 161.3212; 162.09, by adding a subdivision; 165.01;
 1.14 165.03; 168.002, subdivisions 19, 20; 168.012, by adding a subdivision; 168.013,
 1.15 subdivision 3, by adding a subdivision; 168.185; 168A.03, subdivision 1;
 1.16 168A.07, subdivision 1; 169.011, subdivisions 4, 27, 44, 45; 169.06, subdivision
 1.17 4; 169.222, subdivisions 4, 6, 7, by adding subdivisions; 169.223, subdivisions
 1.18 1, 5; 169.72, subdivision 1; 169.86, subdivision 3b; 169.872, subdivision 1a;
 1.19 169.98, subdivisions 1, 3; 171.01, subdivision 41; 171.02, subdivision 2b;
 1.20 174.03, subdivision 1b; 221.091, subdivision 2; 299D.085, subdivision 1, by
 1.21 adding a subdivision; 299D.09; 473.388, subdivisions 2, 4; 604A.21, subdivision
 1.22 5; Minnesota Statutes 2011 Supplement, sections 168.12, subdivision 5; 168.123,
 1.23 subdivision 1; 171.075, subdivision 1; 299A.705, subdivision 3; Laws 2009,
 1.24 chapter 158, section 10; Laws 2011, First Special Session chapter 3, article 1,
 1.25 section 4; proposing coding for new law in Minnesota Statutes, chapters 161;
 1.26 171; 375; repealing Minnesota Rules, parts 8810.9000; 8810.9100; 8810.9200;
 1.27 8810.9300; 8810.9400; 8810.9500; 8810.9600; 8810.9700.

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

1.29 Section 1. Minnesota Statutes 2010, section 160.27, is amended by adding a
 1.30 subdivision to read:

1.31 Subd. 7a. **Trunk highway; temporary sign.** (a) A road authority, including a city,
 1.32 may by permit allow temporary placement of a sign on a pedestrian bridge or overpass

2.1 over a trunk highway, when the pedestrian bridge or road constituting the overpass is
2.2 under the jurisdiction of that road authority.

2.3 (b) A sign placed under the permit:

2.4 (1) may not be otherwise prohibited under section 173.15, clauses (1) to (3);

2.5 (2) may not reduce the clearance height of the bridge or overpass for vehicles
2.6 traveling on the trunk highway;

2.7 (3) must be secured to the bridge or overpass in a manner that poses no safety
2.8 hazards; and

2.9 (4) may be placed for no more than three consecutive days.

2.10 (c) A road authority may issue only one temporary sign permit at a time for each
2.11 direction of travel under a pedestrian bridge or overpass.

2.12 (d) A road authority that chooses to issue permits under this subdivision shall
2.13 establish application procedures and conditions for permit issuance. At least seven days
2.14 prior to issuance of a permit, the road authority shall notify the commissioner of the permit
2.15 application and location, and provide a detailed description of the sign. The commissioner
2.16 may provide recommendations to the road authority concerning the permit, but may not
2.17 prohibit permit issuance or sign placement.

2.18 (e) For purposes of this subdivision, a sign includes a banner, placard, or flags.

2.19 Sec. 2. Minnesota Statutes 2010, section 160.2715, is amended to read:

2.20 **160.2715 RIGHT-OF-WAY USE; MISDEMEANORS.**

2.21 (a) Except for the actions of the road authorities, their agents, employees,
2.22 contractors, and utilities in carrying out their duties imposed by law or contract, and
2.23 except as herein provided, it shall be unlawful to:

2.24 (1) obstruct any highway or deposit snow or ice thereon;

2.25 (2) plow or perform any other detrimental operation within the road right-of-way
2.26 except in the preparation of the land for planting permanent vegetative cover or as
2.27 authorized under section 160.232;

2.28 (3) erect a fence on the right-of-way of a trunk highway, county state-aid highway,
2.29 county highway, or town road, except to erect a lane fence to the ends of a livestock pass;

2.30 (4) erect or reconstruct driveway headwalls in or on the right-of-way of a highway
2.31 or road, except as may be allowed by permit from the road authority imposing reasonable
2.32 regulations as are necessary to prevent interference with the construction, maintenance,
2.33 and safe use of the highway or road and its appurtenances;

2.34 (5) dig any holes in any highway, except to locate markers placed to identify
2.35 sectional corner positions and private boundary corners;

- 3.1 (6) remove any earth, gravel, or rock from any highway;
- 3.2 (7) obstruct any ditch draining any highway or drain any noisome materials into
3.3 any ditch;
- 3.4 (8) place or maintain any building or structure within the limits of any highway;
- 3.5 (9) place or maintain any advertisement within the limits of any highway, except as
3.6 provided in section 160.27, ~~subdivision 7~~;
- 3.7 (10) paint, print, place, or affix any advertisement or any object within the limits of
3.8 any highway, except as provided in section 160.27, ~~subdivision 7~~;
- 3.9 (11) deface, mar, damage, or tamper with any structure, work, material, equipment,
3.10 tools, signs, markers, signals, paving, guardrails, drains, or any other highway
3.11 appurtenance on or along any highway;
- 3.12 (12) remove, injure, displace, or destroy right-of-way markers, or reference or
3.13 witness monuments, or markers placed to preserve section or quarter-section corners;
- 3.14 (13) improperly place or fail to place warning signs and detour signs as provided by
3.15 law;
- 3.16 (14) drive over, through, or around any barricade, fence, or obstruction erected for
3.17 the purpose of preventing traffic from passing over a portion of a highway closed to public
3.18 travel or to remove, deface, or damage any such barricade, fence, or obstruction.
- 3.19 (b) Any violation of this section is a misdemeanor.

3.20 Sec. 3. Minnesota Statutes 2010, section 161.14, is amended by adding a subdivision
3.21 to read:

3.22 Subd. 70. **Black and Yellow Trail.** Trunk Highway signed 14 as of the effective
3.23 date of this section, from the border with South Dakota to the border with Wisconsin, is
3.24 designated as the "Black and Yellow Trail." The commissioner shall adopt a suitable
3.25 design to mark this highway and erect appropriate signs, subject to section 161.139.

3.26 Sec. 4. Minnesota Statutes 2010, section 161.20, subdivision 4, is amended to read:

3.27 Subd. 4. **Debt collection.** The commissioner shall make reasonable and businesslike
3.28 efforts to collect money owed for licenses, fines, penalties, and permit fees or arising from
3.29 damages to state-owned property or other causes related to the activities of the Department
3.30 of Transportation. Upon specific request, the commissioner of public safety shall provide
3.31 to the commissioner of transportation accident reports involving damage to identified
3.32 state-owned infrastructure. The commissioner may contract for debt collection services
3.33 for the purpose of collecting a money judgment or legal indebtedness. The commissioner
3.34 may enter into an agreement with the commissioner of public safety to use debt collection

4.1 services authorized by this subdivision when civil penalties relating to the use of highways
4.2 have been reduced to money judgment. Money received as full or partial payment shall be
4.3 deposited to the appropriate fund. When money is collected through contracted services,
4.4 the commissioner may make payment for the service from the money collected. The
4.5 amount necessary for payment of contractual collection costs is appropriated from the
4.6 fund in which money so collected is deposited.

4.7 Sec. 5. **[161.318] CONTINGENT APPROPRIATIONS; TRUNK HIGHWAY**
4.8 **SYSTEM.**

4.9 Subdivision 1. Department of Transportation. (a) If, on June 30 of an
4.10 odd-numbered year, legislation has not been enacted to appropriate money for the next
4.11 fiscal year to the commissioner of transportation for state roads, on July 1 an amount
4.12 sufficient to pay the costs described in this subdivision is appropriated, for the fiscal
4.13 year beginning on that July 1, from the trunk highway fund to the commissioner of
4.14 transportation.

4.15 (b) The appropriation under paragraph (a) is for:

4.16 (1) actual payments necessary under contracts relating to the budget activities of
4.17 operations and maintenance, program planning and delivery, and state road construction;
4.18 and

4.19 (2) an amount necessary to pay the costs of Department of Transportation employees
4.20 whose work is essential to (i) the administration and performance of the contracts under
4.21 clause (1), including but not limited to project management, contract administration, and
4.22 billing administration; and (ii) the administration of available federal reimbursement of
4.23 expenses from the contracts under clause (1).

4.24 (c) The amount appropriated under paragraph (a) may not exceed the total of:

4.25 (1) unexpended funds from the amounts appropriated for the biennium ending on
4.26 June 30 to the commissioner for the budget activities of operations and maintenance,
4.27 program planning and delivery, and state road construction;

4.28 (2) unexpended funds from any amount made available to the commissioner in
4.29 carryforward authority into the biennium ending on June 30 for state road construction
4.30 projects for which money was originally encumbered in a previous biennium; and

4.31 (3) the amounts included in the appropriation base for the next fiscal year to the
4.32 commissioner for the budget activities of program planning and delivery, and agency
4.33 services.

4.34 (d) Any subsequent appropriation to the commissioner of transportation, or
4.35 carryforward authority provided to the commissioner, for a biennium in which this

5.1 subdivision has been applied shall supersede and replace the funding authorized in this
5.2 subdivision.

5.3 (e) This subdivision applies only to those contracts as to which funds were
5.4 encumbered before the July 1 appropriation date.

5.5 Subd. 2. **Minnesota Management and Budget.** (a) If, on June 30 of an
5.6 odd-numbered year, legislation has not been enacted to appropriate money for the next
5.7 fiscal year to the commissioner of management and budget for central accounting,
5.8 procurement, payroll, and human resources functions, on July 1 an amount necessary to
5.9 operate those functions, solely for the purposes specified in subdivision 1, is appropriated
5.10 for the fiscal year beginning on that July 1 from the general fund to the commissioner of
5.11 management and budget. As necessary, the commissioner may transfer a portion of this
5.12 appropriation to other state agencies to support carrying out these functions.

5.13 (b) Any subsequent appropriation to the commissioner of management and budget
5.14 for a biennium in which this subdivision has been applied shall supersede and replace
5.15 the funding authorized in this subdivision.

5.16 Sec. 6. **[161.3207] CONSTRUCTION MANAGER/GENERAL CONTRACTOR;**
5.17 **DEFINITIONS.**

5.18 Subdivision 1. **Scope.** The terms used in sections 161.3207 to 161.3209 have the
5.19 meanings given them in this section.

5.20 Subd. 2. **Acceptance.** "Acceptance" means an action of the commissioner
5.21 authorizing the execution of a construction manager/general contractor contract.

5.22 Subd. 3. **Commissioner.** "Commissioner" means the commissioner of
5.23 transportation.

5.24 Subd. 4. **Construction manager/general contractor.** "Construction
5.25 manager/general contractor" means a proprietorship, partnership, limited liability
5.26 partnership, joint venture, corporation, any type of limited liability company, professional
5.27 corporation, or any legal entity selected by the commissioner to act as a construction
5.28 manager to manage the construction process, which includes but is not limited to
5.29 responsibility for the price, schedule, and execution of preconstruction services or the
5.30 workmanship of construction performed according to section 161.3209, or both.

5.31 Subd. 5. **Construction manager/general contractor contract.** "Construction
5.32 manager/general contractor contract" means a contract for construction of a project
5.33 between a construction manager/general contractor and the commissioner, which
5.34 must include terms providing for a price, construction schedule, and workmanship of
5.35 the construction performed. The construction manager/general contractor contract

6.1 may include provisions for incremental price contracts for specific work packages,
6.2 additional work performed, contingencies, or other contract provisions that will allow the
6.3 commissioner to negotiate time and cost changes to the contract.

6.4 Subd. 6. **Past performance; experience.** "Past performance" or "experience" does
6.5 not include the exercise or assertion of a person's legal rights.

6.6 Subd. 7. **Preconstruction services.** "Preconstruction services" means all
6.7 non-construction-related services that a construction manager/general contractor is
6.8 allowed to perform before execution of a construction manager/general contractor contract
6.9 or work package.

6.10 Subd. 8. **Preconstruction services contract.** "Preconstruction services contract"
6.11 means a contract under which a construction manager/general contractor is paid on the
6.12 basis of the actual cost to perform the work specified in the contract plus an amount for
6.13 overhead and profit for all preconstruction services.

6.14 Subd. 9. **Project.** "Project" means any project selected by the commissioner as a
6.15 construction manager/general contractor project under section 161.3208.

6.16 Subd. 10. **Request for proposals; RFP.** "Request for proposals" or "RFP" means
6.17 the document or publication soliciting proposals for a construction manager/general
6.18 contractor contract.

6.19 Subd. 11. **Request for qualifications; RFQ.** "Request for qualifications" or "RFQ"
6.20 means a document or publication used to prequalify and short-list potential construction
6.21 managers/general contractors.

6.22 Subd. 12. **Work package.** "Work package" means the scope of work for a defined
6.23 portion of a project. A defined portion includes construction services on any project
6.24 aspect, including procuring materials or services.

6.25 **EFFECTIVE DATE.** This section is effective the day following final enactment and
6.26 expires following the acceptance of ten construction manager/general contractor contracts.

6.27 Sec. 7. **[161.3208] CONSTRUCTION MANAGER/GENERAL CONTRACTOR;**
6.28 **AUTHORITY.**

6.29 Subdivision 1. **Selection authority; limitation.** Notwithstanding sections 16C.25,
6.30 161.32, and 161.321, or any other law to the contrary, the commissioner may select a
6.31 construction manager/general contractor as provided in section 161.3209, and award a
6.32 construction manager/general contractor contract. The number of awarded contracts
6.33 shall not exceed four in any calendar year.

6.34 Subd. 2. **Determination.** Final determination to use a construction manager/general
6.35 contractor contracting procedure may be made only by the commissioner.

7.1 Subd. 3. **Cancellation.** The solicitation of construction manager/general contractor
7.2 requests for qualifications or proposals does not obligate the commissioner to enter into a
7.3 construction manager/general contractor contract. The commissioner may accept or reject
7.4 any or all responses received as a result of the request. The solicitation of proposals may
7.5 be canceled at any time at the commissioner's sole discretion if cancellation is considered
7.6 to be in the state's best interest. If the commissioner rejects all responses or cancels the
7.7 solicitation for proposals, the commissioner may resolicit a request for proposals using the
7.8 same or different requirements.

7.9 Subd. 4. **Reporting.** The commissioner shall notify the chairs and ranking minority
7.10 members of the legislative committees with jurisdiction over transportation policy
7.11 and transportation finance each time the commissioner decides to use the construction
7.12 manager/general contractor method of procurement and explain why that method was
7.13 chosen.

7.14 **EFFECTIVE DATE.** This section is effective the day following final enactment and
7.15 expires following the acceptance of ten construction manager/general contractor contracts.

7.16 Sec. 8. **[161.3209] CONSTRUCTION MANAGER/GENERAL CONTRACTOR;**
7.17 **PROCEDURES.**

7.18 Subdivision 1. **Solicitation of proposals.** If the commissioner determines that
7.19 a construction manager/general contractor method of procurement is appropriate for
7.20 a project, the commissioner shall establish a two-phase procedure for awarding the
7.21 construction manager/general contractor contract, as described in subdivisions 2 and 3.

7.22 Subd. 2. **Phase 1 - request for proposals.** (a) The commissioner shall prepare
7.23 or have prepared an RFP for each construction manager/general contractor contract as
7.24 provided in this section. The RFP must contain, at a minimum, the following elements:

7.25 (1) the minimum qualifications of the construction manager/general contractor;

7.26 (2) the procedures for submitting proposals and the criteria for evaluation of
7.27 qualifications and the relative weight for each criteria;

7.28 (3) the form of the contract to be awarded;

7.29 (4) the scope of intended construction work;

7.30 (5) a listing of the types of preconstruction services that will be required;

7.31 (6) an anticipated schedule for commencing and completing the project;

7.32 (7) any applicable budget limits for the project;

7.33 (8) the requirements for insurance, statutorily required performance, and payment
7.34 bonds;

8.1 (9) the requirements that the construction manager/general contractor provide a
8.2 letter from a surety or insurance company stating that the construction manager/general
8.3 contractor is capable of obtaining a performance bond and payment bond covering the
8.4 estimated contract cost;

8.5 (10) the method for how construction manager/general contractor fees for the
8.6 preconstruction services contract will be negotiated;

8.7 (11) a statement that past performance or experience does not include the exercise
8.8 or assertion of a person's legal rights; and

8.9 (12) any other information desired by the commissioner.

8.10 (b) Before receiving any responses to the RFP:

8.11 (1) The commissioner shall appoint a technical review committee of at least five
8.12 individuals, of which one is a Department of Transportation manager who is also a
8.13 licensed professional engineer in Minnesota.

8.14 (2) The technical review committee shall evaluate the construction manager/general
8.15 contractor proposals according to criteria and subcriteria published in the RFP and
8.16 procedures established by the commissioner. The commissioner shall, as designated in
8.17 the RFP, evaluate construction manager/general contractor proposals on the basis of best
8.18 value as defined in section 16C.05, or using the qualifications-based selection process
8.19 set forth in section 16C.095, except section 16C.095, subdivision 1 does not apply. If
8.20 the commissioner does not receive at least two proposals from construction managers,
8.21 the commissioner may:

8.22 (i) solicit new proposals;

8.23 (ii) revise the RFP and thereafter solicit new proposals using the revised RFP;

8.24 (iii) select another allowed procurement method; or

8.25 (iv) reject the proposals.

8.26 (3) The technical review committee shall evaluate the responses to the request for
8.27 proposals and rank the construction manager/general contractor based on the predefined
8.28 criteria set forth in the RFP in accordance with paragraph (a), clause (2).

8.29 (c) Unless all proposals are rejected, the commissioner shall conduct contract
8.30 negotiations for a preconstruction services contract with the construction manager/general
8.31 contractor with the highest ranking. If the construction manager/general contractor with
8.32 the highest ranking declines or is unable to reach an agreement, the commissioner may
8.33 begin contract negotiations with the next highest ranked construction manager/general
8.34 contractor.

8.35 (d) Before issuing the RFP, the commissioner may elect to issue a request for
8.36 qualifications (RFQ) and short-list the most highly qualified construction managers/general

9.1 contractors. The RFQ must include the procedures for submitting statements of
9.2 qualification, the criteria for evaluation of qualifications, and the relative weight for each
9.3 criterion. The statements of qualifications must be evaluated by the technical review
9.4 committee.

9.5 Subd. 3. Phase 2 - construction manager/general contractor contract. (a) Before
9.6 conducting any construction-related services, the commissioner shall:

9.7 (1) conduct an independent cost estimate for the project or each work package; and

9.8 (2) conduct contract negotiations with the construction manager/general contractor
9.9 to develop a construction manager/general contractor contract. This contract must include
9.10 a minimum construction manager/general contractor self-performing requirement of 30
9.11 percent of the negotiated cost. Items designated in the construction manager/general
9.12 contractor contract as specialty items may be subcontracted and the cost of any specialty
9.13 item performed under the subcontract will be deducted from the cost before computing the
9.14 amount of work required to be performed by the contractor.

9.15 (b) If the construction manager/general contractor and the commissioner are unable
9.16 to negotiate a contract, the commissioner may use other contract procurement processes or
9.17 may readvertise the construction manager/general contractor contract. The construction
9.18 manager/general contractor may (1) bid or propose on the project if advertised under
9.19 section 161.32 or 161.3206 or (2) join a design-build team if advertised under sections
9.20 161.3410 to 161.3428.

9.21 (c) The commissioner shall provide to all bidders or design-build teams, all data
9.22 shared between the commissioner and the construction manager/general contractor during
9.23 the contract negotiations under this subdivision.

9.24 **EFFECTIVE DATE.** This section is effective the day following final enactment and
9.25 expires following the acceptance of ten construction manager/general contractor contracts.

9.26 Sec. 9. Minnesota Statutes 2010, section 161.321, is amended to read:

9.27 **161.321 SMALL BUSINESS CONTRACTS.**

9.28 Subdivision 1. **Definitions.** For purposes of this section the following terms have
9.29 the meanings given them, except where the context clearly indicates a different meaning is
9.30 intended.

9.31 (a) "Award" means the granting of a contract in accordance with all applicable laws
9.32 and rules governing competitive bidding except as otherwise provided in this section.

9.33 (b) "Contract" means an agreement entered into between a business entity and the
9.34 state of Minnesota for the construction of transportation improvements.

10.1 (c) "Subcontractor" means a business entity which enters into a legally binding
 10.2 agreement with another business entity which is a party to a contract as defined in
 10.3 paragraph (b).

10.4 (d) "Targeted group business" means a business designated under section 16C.16,
 10.5 subdivision 5.

10.6 (e) "Veteran-owned small business" means a business designated under section
 10.7 16C.16, subdivision 6a.

10.8 Subd. 2. **Small targeted group business, small business set-asides; contract**
 10.9 **preferences.** (a) The commissioner may award up to a six percent preference in the
 10.10 amount bid for specified construction work to small targeted group businesses ~~and~~
 10.11 ~~veteran-owned small businesses.~~

10.12 (b) The commissioner may designate a contract for construction work for award only
 10.13 to small targeted group businesses if the commissioner determines that at least three small
 10.14 targeted group businesses are likely to bid. ~~The commissioner may designate a contract for~~
 10.15 ~~construction work for award only to veteran-owned small businesses if the commissioner~~
 10.16 ~~determines that at least three veteran-owned small businesses are likely to bid.~~

10.17 ~~(c) The commissioner, as a condition of awarding a construction contract, may~~
 10.18 ~~set goals that require the prime contractor to subcontract a portion of the contract to~~
 10.19 ~~small targeted group businesses and veteran-owned small businesses. The commissioner~~
 10.20 ~~must establish a procedure for granting waivers from the subcontracting requirement~~
 10.21 ~~when qualified small targeted group businesses and veteran-owned small businesses~~
 10.22 ~~are not reasonably available. The commissioner may establish financial incentives for~~
 10.23 ~~prime contractors who exceed the goals for use of subcontractors and financial penalties~~
 10.24 ~~for prime contractors who fail to meet goals under this paragraph. The subcontracting~~
 10.25 ~~requirements of this paragraph do not apply to prime contractors who are small targeted~~
 10.26 ~~group businesses or veteran-owned small businesses.~~

10.27 ~~(d)~~ (c) The commissioner may award up to a four percent preference in the amount
 10.28 bid ~~on procurement~~ for specified construction work to small businesses located in an
 10.29 economically disadvantaged area as defined in section 16C.16, subdivision 7.

10.30 Subd. 2a. **Small targeted group business; subcontracting goals.** (a) The
 10.31 commissioner, as a condition of awarding a construction contract, may set goals that
 10.32 require the prime contractor to subcontract portions of the contract to small targeted
 10.33 group businesses. Prime contractors must demonstrate good faith efforts to meet the
 10.34 project goals. The commissioner shall establish a procedure for granting waivers from
 10.35 the subcontracting requirement when qualified small targeted group businesses are not
 10.36 reasonably available. The commissioner may establish (1) financial incentives for prime

11.1 contractors who exceed the goals set for the use of subcontractors under this subdivision;
11.2 and (2) sanctions for prime contractors who fail to make good faith efforts to meet the
11.3 goals set under this subdivision.

11.4 (b) The small targeted group business subcontracting requirements of this
11.5 subdivision do not apply to prime contractors who are small targeted group businesses.

11.6 Subd. 2b. **Veteran-owned small business; contract preferences.** (a) The
11.7 commissioner may award up to a six percent preference in the amount bid for specified
11.8 construction work to veteran-owned small businesses, except when prohibited by the
11.9 federal government as a condition of receiving federal funds. When a bid preference is
11.10 provided under this subdivision, the percentage of preference in bid amount may not be
11.11 less than the percentage of bid preference provided to any small targeted group business
11.12 under subdivision 2.

11.13 (b) When a bid preference is provided under this subdivision, the commissioner
11.14 must be as inclusive as possible in specifying contracts for construction work, as well
11.15 as for construction-related professional and technical services, available under this bid
11.16 preference program for veteran-owned small businesses. The term "construction" must be
11.17 given broad meaning for purposes of specifying and letting contracts for veteran-owned
11.18 small businesses and must include, but is not limited to, preplanning, planning, and all
11.19 other construction-related professional and technical services.

11.20 (c) When a bid preference is provided under this subdivision, the commissioner
11.21 must strive to ensure that contracts will be awarded on a proportional basis with contracts
11.22 awarded under subdivision 2.

11.23 (d) The commissioner may designate a contract for construction work for award
11.24 only to veteran-owned small businesses, if the commissioner determines that at least three
11.25 veteran-owned small businesses are likely to bid.

11.26 Subd. 2c. **Veteran-owned small business; subcontracting goals.** (a) The
11.27 commissioner, as a condition of awarding a construction contract, may set goals that
11.28 require the prime contractor to subcontract portions of the contract to veteran-owned small
11.29 businesses, except when prohibited by federal law or rule as a condition of receiving
11.30 federal funds. Prime contractors must demonstrate good faith efforts to meet the project
11.31 goals. The commissioner shall establish a procedure for granting waivers from the
11.32 subcontracting requirement when qualified veteran-owned small businesses are not
11.33 reasonably available. The commissioner may establish (1) financial incentives for prime
11.34 contractors who exceed the goals set for the use of subcontractors under this subdivision;
11.35 and (2) sanctions for prime contractors who have not been granted a waiver and fail
11.36 to meet goals set under this subdivision.

12.1 (b) The subcontracting requirements of this subdivision do not apply to prime
 12.2 contractors who are veteran-owned small businesses.

12.3 Subd. 3. **Small targeted group business subcontract awards to small businesses.**

12.4 At least 75 percent of subcontracts awarded to small targeted group businesses must be
 12.5 performed by the business to which the subcontract is awarded or another small targeted
 12.6 group business.

12.7 Subd. 3a. **Veteran-owned small business; subcontract awards.** At least 75
 12.8 percent of subcontracts awarded to veteran-owned small businesses must be performed by
 12.9 the business to which the subcontract is awarded or another veteran-owned small business.

12.10 Subd. 4. **Contract awards, limitations.** Contracts awarded pursuant to this
 12.11 section are subject to all limitations contained in rules adopted by the commissioner
 12.12 of administration.

12.13 Subd. 4a. **Small targeted group business; limited duration and reevaluation.**
 12.14 The commissioner shall cooperate with the commissioner of administration to periodically
 12.15 reevaluate the targeted group businesses to determine whether there is a statistical disparity
 12.16 between the percentage of construction contracts awarded to businesses owned by targeted
 12.17 group members and the representation of businesses owned by targeted group members
 12.18 among all businesses in the state in the construction category. The commissioner of
 12.19 administration shall designate targeted groups pursuant to section 16C.16, subdivision 5.

12.20 Subd. 5. **Recourse to other businesses.** If the commissioner is unable to award
 12.21 a contract pursuant to the provisions of subdivisions 2 ~~and 3~~ to 4a, the award may be
 12.22 placed pursuant to the normal solicitation and award provisions set forth in this chapter
 12.23 and chapter 16C.

12.24 Subd. 6. **Rules; eligibility.** (a) The rules adopted by the commissioner of
 12.25 administration to define small businesses and to set time and other eligibility requirements
 12.26 for participation in programs under sections 16C.16 to 16C.19 apply to this section. The
 12.27 commissioner may promulgate other rules necessary to carry out this section.

12.28 (b) In addition to other eligibility requirements, a small targeted group business or
 12.29 veteran-owned small business is eligible for the bid preferences under this section only for
 12.30 eight years following the latest of:

12.31 (1) the effective date of this section;

12.32 (2) for a targeted group business, the date of initial certification by the commissioner
 12.33 of administration, as provided under section 16C.19;

12.34 (3) for a veteran-owned small business, the date of initial certification by the United
 12.35 States Department of Veterans Affairs, as provided under section 16C.19, paragraph (d); or

13.1 (4) for a veteran-owned small business, the release or discharge of any one of the
 13.2 owners from military active service, as defined in section 190.05, subdivision 5, lasting for
 13.3 a period of 179 days or longer.

13.4 Subd. 7. **Noncompetitive bids.** The commissioner is encouraged to purchase
 13.5 from small targeted group businesses and veteran-owned small businesses designated
 13.6 under section 16C.16 when making purchases that are not subject to competitive bidding
 13.7 procedures.

13.8 Subd. 8. **Report by commissioner Reporting.** (a) ~~The commissioner of~~
 13.9 ~~transportation~~ shall report to the commissioner of administration on compliance with this
 13.10 section. The information must be reported at the time and in the manner requested by the
 13.11 commissioner of administration.

13.12 (b) By February 1 of each even-numbered year, the commissioner of transportation
 13.13 shall submit a report to the chairs and ranking minority members of the legislative
 13.14 committees with jurisdiction over transportation policy and finance and veterans policy
 13.15 and finance concerning contract awards during the preceding biennium under this section.

13.16 At a minimum, the report must include:

13.17 (1) a summary of the program;

13.18 (2) a review of the use of preferences for contracting during the preceding biennium,
 13.19 including frequency of establishment of a preference and frequency and amount of
 13.20 contract awards to:

13.21 (i) small targeted group businesses; and

13.22 (ii) veteran-owned small businesses;

13.23 (3) a review of goals and good faith efforts to use small targeted group businesses
 13.24 and veteran-owned small businesses in subcontracts, including analysis of methods used
 13.25 for, and effectiveness of, good faith efforts;

13.26 (4) a summary of any financial incentives used or sanctions imposed;

13.27 (5) agency commentary on any perceived impediments, whether statutory,
 13.28 administrative, or otherwise, that may be limiting the participation of small targeted
 13.29 group businesses and veteran-owned small businesses in the agency's contract preference
 13.30 program;

13.31 (6) information on each reevaluation under subdivision 4a, including details on the
 13.32 methodology for reevaluation; and

13.33 (7) any recommendations for legislative or programmatic changes.

13.34 Subd. 9. **Veteran-owned small business; purpose.** The purpose of the state
 13.35 contracting bid preference program for veteran-owned small businesses is to facilitate
 13.36 the healthy transition of veterans from military to civilian life, and to help compensate

14.1 veterans for their sacrifices including, but not limited to, their sacrifice of health and
14.2 time to the state and nation during their military service, as well as to enhance economic
14.3 development within Minnesota.

14.4 **EFFECTIVE DATE.** This section is effective the day following final enactment
14.5 and applies to contracts let on or after July 1, 2012.

14.6 Sec. 10. Minnesota Statutes 2010, section 161.3212, is amended to read:

14.7 **161.3212 WORKING CAPITAL FUND.**

14.8 The commissioner, to the extent allowed by other law or contract, may grant
14.9 available money that has been appropriated for socially or economically disadvantaged
14.10 business programs to a guaranty fund administered by a nonprofit organization that makes
14.11 or guarantees working capital loans to ~~businesses~~ small business concerns owned and
14.12 operated by socially ~~or~~ and economically disadvantaged ~~persons as defined~~ individuals.
14.13 "Small business concern" and "socially and economically disadvantaged individual" have
14.14 the meanings given them in Code of Federal Regulations, title 49, section ~~23.5~~ 26.5. The
14.15 purpose of loans made or guaranteed by the organization must be to provide short-term
14.16 working capital to enable eligible businesses to be awarded contracts for goods and
14.17 services or for construction-related services from government agencies.

14.18 Money contributed from a constitutionally or statutorily dedicated fund must be used
14.19 only for purposes consistent with the purposes of the dedicated fund.

14.20 Sec. 11. Minnesota Statutes 2010, section 162.09, is amended by adding a subdivision
14.21 to read:

14.22 Subd. 11. **Additional municipal state-aid street cities.** (a) For purposes of this
14.23 subdivision, the following terms have the meanings given them:

14.24 (1) "local bridge project costs" means the total amount of money expended by a
14.25 statutory or home rule charter city that, as determined by the commissioner in consultation
14.26 with the city, is (i) directly attributable to, or directly resulting from, a trunk highway
14.27 system project to construct a new bridge over the St. Croix River in Washington County;
14.28 and (ii) not offset by other sources of state or federal funds; and

14.29 (2) "state-aid eligible city" means any statutory or home rule charter city that incurs
14.30 local bridge project costs and has a population of more than 4,000 but less than 5,000
14.31 according to the most recent federal decennial census.

14.32 (b) Notwithstanding subdivision 4, state-aid eligible city is deemed:

14.33 (1) to have a population that is 5,000 for purposes of this chapter; and

15.1 (2) notwithstanding section 162.13, subdivision 2, to have money needs equal to
15.2 the local bridge project costs for the city.

15.3 (c) Notwithstanding section 162.13, subdivision 1, the total apportionment to a
15.4 state-aid eligible city, across all years in which this subdivision applies, may not exceed
15.5 the most recent calculation of local bridge project costs for the city.

15.6 (d) Except as provided in paragraph (e), the requirements of paragraph (b) apply to a
15.7 city for 20 calendar years following the first year in which the city becomes a state-aid
15.8 eligible city.

15.9 (e) This subdivision does not apply if a city has a population of 5,000 or more as
15.10 determined by the most recent federal decennial census or under subdivision 4.

15.11 Sec. 12. Minnesota Statutes 2010, section 165.01, is amended to read:

15.12 **165.01 DEFINITIONS.**

15.13 Subdivision 1. **Scope.** For the purposes of this chapter, the terms defined in this
15.14 section and section 160.02 have the meanings given them.

15.15 Subd. 2. **AASHTO manual.** ~~"AASHTO manual" means the Manual for Condition~~
15.16 ~~Evaluation of Bridges, published by the American Association of State Highway and~~
15.17 ~~Transportation Officials. "The Manual for Bridge Evaluation," published by the American~~
15.18 Association of State Highway and Transportation Officials, is incorporated by reference.

15.19 Subd. 3. **Bridge.** "Bridge" is defined as a structure, including supports erected over
15.20 a depression or an obstruction, such as water, a highway, or a railway, having a track or
15.21 passageway for carrying traffic or other moving loads, and having an opening measured
15.22 horizontally along the center of the roadway of ten feet or more between undercopings
15.23 of abutments, between spring line of arches, or between extreme ends of openings for
15.24 multiple boxes. Bridge also includes multiple pipes where the clear distance between
15.25 openings is less than one-half of the smaller contiguous opening. This definition of a
15.26 bridge includes only those railroad and pedestrian bridges over a public highway or street.

15.27 Subd. 4. **National Bridge Inspection Standards (NBIS).** "NBIS" means standards
15.28 established by the Federal Highway Administration in Code of Federal Regulations, title
15.29 23, part 650, subpart C, incorporated by reference.

15.30 Sec. 13. Minnesota Statutes 2010, section 165.03, is amended to read:

15.31 **165.03 STRENGTH OF BRIDGE; INSPECTION.**

15.32 Subdivision 1. **Standards generally.** Each bridge, including a privately owned
15.33 bridge, must conform to the strength, width, clearance, and safety standards imposed
15.34 by the commissioner for the connecting highway or street. This subdivision applies to

16.1 a bridge that is constructed after August 1, 1989, on any public highway or street. The
16.2 bridge must have sufficient strength to support with safety the maximum vehicle weights
16.3 allowed under sections 169.822 to 169.829 and must have the minimum width specified
16.4 in section 165.04, subdivision 3.

16.5 Subd. 1a. **Inspection.** (a) Each bridge must be inspected annually, unless a longer
16.6 interval not to exceed ~~two years~~ 24 months for bridges or ~~four years~~ 48 months for bridges
16.7 classified as culverts is authorized by the commissioner. The commissioner's authorization
16.8 must be based on factors including, but not limited to, the age and condition of the
16.9 bridge, the rate of deterioration of the bridge, the type of structure, the susceptibility of
16.10 the bridge to failure, and the characteristics of traffic on the bridge. The commissioner
16.11 may require interim inspections at intervals of less than one year on bridges that are
16.12 posted, bridges subjected to extreme scour conditions, bridges subject to significant
16.13 substructure movement or settlement, and for other reasons as specified or inferred in the
16.14 AASHTO manual.

16.15 (b) Additional requirements apply to structures meeting the NBIS definition of
16.16 a bridge:

16.17 (1) Underwater structural elements must be inspected at regular intervals not to
16.18 exceed 60 months. The commissioner may require inspections at intervals of less than
16.19 60 months on certain underwater structural elements based on factors including, but not
16.20 limited to, construction material, the environment, age, the scour characteristics, the
16.21 condition rating from past inspections, and any known deficiencies.

16.22 (2) Fracture critical members, or FCMs, must receive a hands-on fracture critical
16.23 inspection at intervals not to exceed 24 months. The commissioner may require
16.24 inspections at intervals of less than 24 months on certain FCMs based on factors including,
16.25 but not limited to, age, the traffic characteristics, and any known deficiencies.

16.26 (3) The commissioner may establish criteria to determine the level and frequency of
16.27 these inspections. If warranted by special circumstances, the commissioner retains the
16.28 authority to determine the inspection type and required inspection frequency for any
16.29 bridge on the state inventory.

16.30 ~~(b)~~ (c) The thoroughness of each inspection depends on such factors as age, traffic
16.31 characteristics, state of maintenance, and known deficiencies. The evaluation of these
16.32 factors is the responsibility of the engineer assigned the responsibility for inspection as
16.33 defined by ~~rule adopted by~~ the commissioner of transportation.

16.34 Subd. 2. **Inspection and inventory responsibilities; rules; forms.** (a) The
16.35 commissioner of transportation will adopt the National Bridge Inspection Standards
16.36 (NBIS) established by the Federal Highway Administration in Code of Federal

17.1 Regulations, title 23, part 650, subpart C, or its successor documents for structures
17.2 meeting the NBIS definition of a bridge. The commissioner shall establish inspection and
17.3 inventory standards for structures defined as bridges by section 165.01, subdivision 3.

17.4 ~~(a)~~ (b) The commissioner of transportation shall adopt official inventory and bridge
17.5 inspection report forms for use in making bridge inspections by the owners or highway
17.6 authorities specified by this subdivision. Inspections must be made at regular intervals,
17.7 not to exceed ~~two years for bridges and not to exceed four years for culverts~~ the intervals
17.8 outlined in subdivision 1a, by the following owner or official:

17.9 (1) the commissioner of transportation for all bridges located wholly or partially
17.10 within or over the right-of-way of a state trunk highway;

17.11 (2) the county highway engineer for all bridges located wholly or partially within or
17.12 over the right-of-way of any county or town road, or any street within a municipality that
17.13 does not have a city engineer regularly employed;

17.14 (3) the city engineer for all bridges located wholly or partially within or over the
17.15 right-of-way of any street located within or along municipal limits;

17.16 (4) the commissioner of transportation in case of a toll bridge that is used by the
17.17 general public and that is not inspected and certified under subdivision 6; provided, that
17.18 the commissioner of transportation may assess the owner for the costs of the inspection;

17.19 (5) the owner of a bridge over a public highway or street or that carries a roadway
17.20 designated for public use by a public authority, if not required to be inventoried and
17.21 inspected under clause (1), (2), (3), or (4).

17.22 ~~(b)~~ (c) The commissioner of transportation shall prescribe the ~~standards for bridge~~
17.23 ~~inspection and inventory by rules~~ inspection and inventory procedures required to
17.24 administer the bridge inspection program in Minnesota and has the authority to establish
17.25 and publish standards that describe the inspection and inventory requirements to ensure
17.26 compliance with paragraph (a). The owner or highway authority shall inspect and
17.27 inventory in accordance with these standards and furnish the commissioner with such data
17.28 as may be necessary to maintain a central inventory.

17.29 Subd. 3. **County inventory and inspection records and reports.** The county
17.30 engineer shall maintain a complete inventory record of all bridges as set forth in
17.31 subdivision 2, paragraph ~~(a)~~ (b), clause (2), with the inspection reports thereof, and shall
17.32 certify annually to the commissioner, as prescribed by the commissioner, that inspections
17.33 have been made at regular intervals, not to exceed ~~two years for bridges and not to~~
17.34 ~~exceed four years for culverts~~ the intervals outlined in subdivision 1a. A report of the
17.35 inspections must be filed annually, on or before February 15 of each year, with the county
17.36 auditor or town clerk, or the governing body of the municipality. The report must contain

18.1 recommendations for the correction of or legal posting of load limits on any bridge or
18.2 structure that is found to be understrength or unsafe.

18.3 Subd. 4. **Municipal inventory and inspection records and reports.** The
18.4 city engineer shall maintain a complete inventory record of all bridges as set forth in
18.5 subdivision 2, paragraph ~~(a)~~ (b), clause (3), with the inspection reports thereof, and shall
18.6 certify annually to the commissioner, as prescribed by the commissioner, that inspections
18.7 have been made at regular intervals, not to exceed ~~two years for bridges and not to exceed~~
18.8 ~~four years for culverts~~ the intervals outlined in subdivision 1a. A report of the inspections
18.9 must be filed annually, on or before February 15 of each year, with the governing body of
18.10 the municipality. The report must contain recommendations for the correction of or legal
18.11 posting of load limits on any bridge or structure that is found to be understrength or unsafe.

18.12 Subd. 5. **Agreement.** Agreements may be made among the various units of
18.13 governments, or between governmental units and qualified engineering personnel to
18.14 carry out the responsibilities for the bridge inspections and reports, as established by
18.15 subdivision 2.

18.16 Subd. 6. **Other bridges.** The owner of a toll bridge and the owner of a bridge
18.17 described in subdivision 2, paragraph ~~(a)~~ (b), clause (5), shall certify to the commissioner,
18.18 as prescribed by the commissioner, that inspections of the bridge or culvert have been
18.19 made at regular intervals, not to exceed ~~two years for bridges and not to exceed four years~~
18.20 ~~for culverts~~ the intervals outlined in subdivision 1a. The certification must be accompanied
18.21 by a report of the inspection. The report must contain recommendations for the correction
18.22 of or legal posting of load limitations if the bridge is found to be understrength or unsafe.

18.23 Subd. 6a. **Bridge load rating and posting.** (a) The term "posting" means the
18.24 placement of regulatory signs at a bridge indicating the safe load carrying capacity of
18.25 the bridge.

18.26 (b) Each structure required to be inspected by subdivision 2, paragraph (a), must be
18.27 load rated to determine its safe load carrying capacity, and this rating must be reported
18.28 on a structure inventory sheet form provided by the commissioner of transportation. A
18.29 structure must be rerated when it is determined that a significant change has occurred in
18.30 the condition of the structure or due to additional dead load placed on the structure since
18.31 the last load rating. Load ratings must be reviewed and the structure rerated if necessary
18.32 when the allowable legal load using the structure is increased. Changes in the load rating
18.33 of a bridge must be indicated on the structure inventory sheet form.

18.34 (c) Where it is determined that the maximum legal load under state law exceeds
18.35 the load permitted on the structure under the operating rating stress level assigned, the
18.36 bridge must be posted. Posting signs as adopted by the commissioner shall be used for

19.1 the posting. The owner or highway authority shall post the bridge in accordance with the
19.2 posted load assigned by the commissioner.

19.3 Subd. 7. **Department of Natural Resources bridge.** (a) Notwithstanding
19.4 subdivision 2, the commissioners of transportation and natural resources shall negotiate a
19.5 memorandum of understanding that governs the inspection of bridges owned, operated,
19.6 or maintained by the commissioner of natural resources.

19.7 (b) The memorandum of understanding must provide for:

19.8 (1) the inspection and inventory of bridges subject to federal law or regulations;

19.9 (2) the frequency of inspection of bridges described in ~~paragraph (a)~~ subdivision
19.10 1a; and

19.11 (3) who may perform inspections required under the memorandum of understanding.

19.12 Subd. 8. **Biennial report on bridge inspection quality assurance.** By February
19.13 1 of each odd-numbered year, the commissioner shall submit a report electronically to
19.14 the members of the senate and house of representatives committees with jurisdiction over
19.15 transportation policy and finance concerning quality assurance for bridge inspections.

19.16 At a minimum, the report must:

19.17 (1) summarize the bridge inspection quality assurance and quality control procedures
19.18 used in Minnesota;

19.19 (2) identify any substantive changes to quality assurance and quality control
19.20 procedures made in the previous two years;

19.21 (3) summarize and provide a briefing on findings from bridge inspection quality
19.22 reviews performed in the previous two years;

19.23 (4) identify actions taken and planned in response to findings from bridge inspection
19.24 quality reviews performed in the previous two years;

19.25 (5) summarize the results of any bridge inspection compliance review by the Federal
19.26 Highway Administration; and

19.27 (6) identify actions in response to the Federal Highway Administration compliance
19.28 review taken by the department in order to reach full compliance.

19.29 Sec. 14. Minnesota Statutes 2010, section 168.002, subdivision 19, is amended to read:

19.30 Subd. 19. **Motorcycle.** "Motorcycle" ~~means every motor vehicle having a seat or~~
19.31 ~~saddle for the use of the rider and designed to travel on not more than three wheels in~~
19.32 ~~contact with the ground, including motor scooters and bicycles with motor attached, other~~
19.33 ~~than those vehicles defined as motorized bicycles in subdivision 20, but excluding a tractor~~
19.34 has the meaning given in section 169.011, subdivision 44.

20.1 Sec. 15. Minnesota Statutes 2010, section 168.002, subdivision 20, is amended to read:

20.2 Subd. 20. **Motorized bicycle.** ~~"Motorized bicycle" means a bicycle that is propelled~~
20.3 ~~by an electric or a liquid fuel motor of a piston displacement capacity of 50 cubic~~
20.4 ~~centimeters or less, and a maximum of two brake horsepower, which is capable of a~~
20.5 ~~maximum speed of not more than 30 miles per hour on a flat surface with not more than~~
20.6 ~~one percent grade in any direction when the motor is engaged. "Motorized bicycle"~~
20.7 ~~includes an electric-assisted bicycle as defined in section 169.011, subdivision 27~~ has the
20.8 meaning given in section 169.011, subdivision 45.

20.9 Sec. 16. Minnesota Statutes 2010, section 168.012, is amended by adding a subdivision
20.10 to read:

20.11 Subd. 2d. **Electric-assisted bicycles.** Electric-assisted bicycles must not be taxed as
20.12 motor vehicles using the public streets and highways, and are exempt from the provisions
20.13 of this chapter.

20.14 Sec. 17. Minnesota Statutes 2010, section 168.013, subdivision 3, is amended to read:

20.15 Subd. 3. **Application; cancellation; excessive gross weight forbidden.** (a) The
20.16 applicant for all licenses based on gross weight shall state the unloaded weight of the
20.17 motor vehicle, trailer, or semitrailer and the maximum load the applicant proposes to carry
20.18 on it, the sum of which constitutes the gross weight upon which the license tax must be
20.19 paid. However, the declared gross weight upon which the tax is paid must not be less than
20.20 1-1/4 times the declared unloaded weight of the motor vehicle, trailer, or semitrailer
20.21 to be registered, except recreational vehicles taxed under subdivision 1g, school buses
20.22 taxed under subdivision 18, and tow trucks or towing vehicles defined in section 169.011,
20.23 subdivision 83. The gross weight of a tow truck or towing vehicle is the actual weight
20.24 of the tow truck or towing vehicle fully equipped, but does not include the weight of a
20.25 wrecked or disabled vehicle towed or drawn by the tow truck or towing vehicle.

20.26 (b) The gross weight of a motor vehicle, trailer, or semitrailer must not exceed
20.27 the gross weight upon which the license tax has been paid by more than four percent or
20.28 1,000 pounds, whichever is greater; provided that, a vehicle transporting unfinished forest
20.29 products on a highway, other than a highway that is part of the system of interstate and
20.30 defense highways, unless a federal exemption is granted, in accordance with paragraph
20.31 (d)(3):

20.32 (1) shall not exceed its gross vehicle weight upon which the license tax has been
20.33 paid, or gross axle weight on any axle, by more than five percent and, notwithstanding

21.1 other law to the contrary, is not subject to any fee, fine, or other assessment or penalty for
21.2 exceeding a gross vehicle or axle weight by up to five percent; and

21.3 (2) between the dates set by the commissioner in accordance with section 169.826,
21.4 subdivision 1, is not subject to any provision of paragraph (d) or chapter 169 limiting
21.5 the gross axle weight of any individual axle unless the entire vehicle also exceeds its
21.6 gross vehicle weight plus its weight allowance allowed in clause (1) and plus any weight
21.7 allowance permitted under section 169.826, in which case the vehicle is subject to all
21.8 applicable penalties for excess weight violations.

21.9 (c) The gross weight of the motor vehicle, trailer, or semitrailer for which the
21.10 license tax is paid must be indicated by a distinctive character on the license plate or
21.11 plates except as provided in subdivision 12 and the plate or plates must be kept clean
21.12 and clearly visible at all times.

21.13 (d) The owner, driver, or user of a motor vehicle, trailer, or semitrailer, upon
21.14 conviction for transporting a gross weight in excess of the gross weight for which it was
21.15 registered or for operating a vehicle with an axle weight exceeding the maximum lawful
21.16 axle load weight, is guilty of a misdemeanor and subject to increased registration or
21.17 reregistration according to the following schedule:

21.18 (1) Upon conviction for transporting a gross weight in excess of the gross weight
21.19 for which a motor vehicle, trailer, or semitrailer is registered by more than the allowance
21.20 set forth in paragraph (b) but less than 25 percent, or for operating or using a motor
21.21 vehicle, trailer, or semitrailer with an axle weight exceeding the maximum lawful axle
21.22 load as provided in sections 169.822 to 169.829 by more than the allowance set forth in
21.23 paragraph (b) but less than 25 percent, the owner, driver, or user of the motor vehicle,
21.24 trailer, or semitrailer used to commit the violation, in addition to any penalty imposed for
21.25 the misdemeanor, shall apply to the registrar to increase the authorized gross weight to
21.26 be carried on the vehicle to a weight equal to or greater than the gross weight the owner,
21.27 driver, or user was convicted of carrying. The increase is computed for the balance of
21.28 the calendar year on the basis of 1/12 of the annual tax for each month remaining in the
21.29 calendar year beginning with the first day of the month in which the violation occurred.
21.30 If the additional registration tax computed upon that weight, plus the tax already paid,
21.31 amounts to more than the regular tax for the maximum gross weight permitted for the
21.32 vehicle under sections 169.822 to 169.829, that additional amount must nevertheless be
21.33 paid into the highway fund, but the additional tax thus paid does not authorize or permit
21.34 any person to operate the vehicle with a gross weight in excess of the maximum legal
21.35 weight as provided by sections 169.822 to 169.829. Unless the owner within 30 days
21.36 after a conviction applies to increase the authorized weight and pays the additional tax

22.1 as provided in this section, the registrar shall revoke the registration on the vehicle and
22.2 demand the return of the registration card and plates issued on that registration.

22.3 (2) Upon conviction of an owner, driver, or user of a motor vehicle, trailer, or
22.4 semitrailer for transporting a gross weight in excess of the gross weight for which the
22.5 motor vehicle, trailer, or semitrailer was registered by 25 percent or more or for operating
22.6 or using the vehicle or trailer with an axle weight exceeding the maximum lawful axle load
22.7 as provided in sections 169.822 to 169.829 by 25 percent or more, and in addition to any
22.8 penalty imposed for the misdemeanor, the registrar shall either (i) cancel the reciprocity
22.9 privileges on the vehicle involved if the vehicle is being operated under reciprocity
22.10 or (ii) if the vehicle is not being operated under reciprocity, cancel the certificate of
22.11 registration on the vehicle operated and demand the return of the registration certificate
22.12 and registration plates. The registrar may not cancel the registration or reciprocity
22.13 privileges for any vehicle found in violation of seasonal load restrictions imposed under
22.14 section 169.87 unless the axle weight exceeds the year-round weight limit for the highway
22.15 on which the violation occurred. The registrar may investigate any allegation of gross
22.16 weight violations and demand that the operator show cause why all future operating
22.17 privileges in the state should not be revoked unless the additional tax assessed is paid.

22.18 (3) Clause (1) does not apply to the first haul of unprocessed or raw farm products
22.19 or unfinished forest products, when the registered gross weight is not exceeded by more
22.20 than ten percent. For purposes of this clause, "first haul" means (i) the first, continuous
22.21 transportation of unprocessed or raw farm products from the place of production or
22.22 on-farm storage site to any other location within ~~50~~100 miles of the place of production or
22.23 on-farm storage site, or (ii) the continuous or noncontinuous transportation of unfinished
22.24 forest products from the place of production to the place of final processing or manufacture
22.25 located within 200 miles of the place of production.

22.26 (4) When the registration on a motor vehicle, trailer, or semitrailer is revoked by the
22.27 registrar according to this section, the vehicle must not be operated on the highways of the
22.28 state until it is registered or reregistered, as the case may be, and new plates issued, and
22.29 the registration fee is the annual tax for the total gross weight of the vehicle at the time of
22.30 violation. The reregistration pursuant to this subdivision of any vehicle operating under
22.31 reciprocity agreements pursuant to section 168.181 or 168.187 must be at the full annual
22.32 registration fee without regard to the percentage of vehicle miles traveled in this state.

22.33 Sec. 18. Minnesota Statutes 2010, section 168.013, is amended by adding a subdivision
22.34 to read:

23.1 **Subd. 22. Optional donation for education on anatomical gifts.** As part of
 23.2 procedures for payment of the vehicle registration tax under this section, the commissioner
 23.3 shall allow a vehicle owner to add to the tax a \$2 donation for the purposes of public
 23.4 information and education on anatomical gifts under section 171.075, for in-person
 23.5 transactions conducted by a deputy registrar appointed under section 168.33, subdivision
 23.6 2. This subdivision applies to annual renewal registrations only, and does not apply to
 23.7 registrations authorized under sections 168.053 to 168.057, 168.127, 168.187, and 168.27.

23.8 **EFFECTIVE DATE.** This section is effective January 1, 2013.

23.9 Sec. 19. Minnesota Statutes 2011 Supplement, section 168.12, subdivision 5, is
 23.10 amended to read:

23.11 **Subd. 5. Additional fee.** (a) In addition to any fee otherwise authorized or any tax
 23.12 otherwise imposed upon any vehicle, the payment of which is required as a condition to
 23.13 the issuance of any plate or plates, the commissioner shall impose the fee specified in
 23.14 paragraph (b) that is calculated to cover the cost of manufacturing and issuing the plate
 23.15 or plates, except for plates issued to disabled veterans as defined in section 168.031 and
 23.16 plates issued pursuant to section 168.124, 168.125, or 168.27, subdivisions 16 and 17,
 23.17 for passenger automobiles. The commissioner shall issue graphic design plates only
 23.18 for vehicles registered pursuant to section 168.017 and recreational vehicles registered
 23.19 pursuant to section 168.013, subdivision 1g.

23.20 (b) Unless otherwise specified or exempted by statute, the following plate and
 23.21 validation sticker fees apply for the original, duplicate, or replacement issuance of a
 23.22 plate in a plate year:

23.23 License Plate	Single	Double
23.24 Regular and Disability	\$ 4.50	\$ 6.00
23.25 Special	\$ 8.50	\$ 10.00
23.26 Personalized (Replacement)	\$ 10.00	\$ 14.00
23.27 Collector Category	\$ 13.50	\$ 15.00
23.28 Emergency Vehicle Display	\$ 3.00	\$ 6.00
23.29 Utility Trailer Self-Adhesive	\$ 2.50	
23.30 Vertical Motorcycle Plate	\$ 100.00	NA
23.31 Stickers		
23.32 Duplicate year	\$ 1.00	\$ 1.00
23.33 International Fuel Tax Agreement	\$ 2.50	

23.34 (c) For vehicles that require two of the categories above, the registrar shall only
 23.35 charge the higher of the two fees and not a combined total.

24.1 ~~(d) As part of procedures for payment of the fee under paragraph (b), the~~
24.2 ~~commissioner shall allow a vehicle owner to add to the fee, a \$2 donation for the purposes~~
24.3 ~~of public information and education on anatomical gifts under section 171.075.~~

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

24.5 Sec. 20. Minnesota Statutes 2011 Supplement, section 168.123, subdivision 1, is
24.6 amended to read:

24.7 Subdivision 1. **General requirements; fees.** (a) On payment of a fee of \$10 for
24.8 each set of two plates, or for a single plate in the case of a motorcycle plate, payment of
24.9 the registration tax required by law, and compliance with other applicable laws relating to
24.10 vehicle registration and licensing, as applicable, the commissioner shall issue:

24.11 (1) special veteran's plates to an applicant who served in the active military service
24.12 in a branch of the armed forces of the United States or of a nation or society allied with the
24.13 United States in conducting a foreign war, was discharged under honorable conditions, and
24.14 is a registered owner of a passenger automobile as defined in section 168.002, subdivision
24.15 24, recreational motor vehicle as defined in section 168.002, subdivision 27, or one-ton
24.16 pickup truck as defined in section 168.002, subdivision 21b, but which is not a commercial
24.17 motor vehicle as defined in section 169.011, subdivision 16; or

24.18 (2) a veteran's special motorcycle plate as described in subdivision 2, paragraph (a),
24.19 (f), (h), (i), or (j), or another special plate designed by the commissioner to an applicant
24.20 who is a registered owner of a motorcycle as defined in section 168.002, subdivision 19,
24.21 and meets the criteria listed in this paragraph and in subdivision 2, paragraph (a), (f), (h),
24.22 (i), or (j). Plates issued under this clause must be the same size as regular motorcycle
24.23 plates. Special motorcycle license plates issued under this clause are not subject to
24.24 section 168.1293.

24.25 (b) The additional fee of \$10 is payable for each set of veteran's plates, is payable
24.26 only when the plates are issued, and is not payable in a year in which stickers are issued
24.27 instead of plates.

24.28 (c) The veteran must have a certified copy of the veteran's discharge papers,
24.29 indicating character of discharge, at the time of application. If an applicant served in the
24.30 active military service in a branch of the armed forces of a nation or society allied with the
24.31 United States in conducting a foreign war and is unable to obtain a record of that service
24.32 and discharge status, the commissioner of veterans affairs may certify the applicant as
24.33 qualified for the veterans' plates provided under this section.

24.34 ~~(d) For license plates issued for one-ton trucks described in paragraph (a), clause~~
24.35 ~~(1), the commissioner shall collect a surcharge of \$5 on each \$10 fee collected under~~

25.1 ~~paragraph (a). The surcharge must be deposited in the vehicle services operating account~~
25.2 ~~in the special revenue fund.~~

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

25.4 Sec. 21. Minnesota Statutes 2010, section 168.185, is amended to read:

25.5 **168.185 USDOT NUMBERS.**

25.6 (a) Except as provided in paragraph (d), an owner of a truck or truck-tractor having
25.7 a gross vehicle weight of more than 10,000 pounds, as defined in section 169.011,
25.8 subdivision 32, shall report to the commissioner at the time of registration its USDOT
25.9 carrier number. A person subject to this paragraph who does not have a USDOT number
25.10 shall apply for the number at the time of registration by completing a form MCS-150 Motor
25.11 Carrier Identification Report, issued by the Federal Motor Carrier Safety Administration,
25.12 or comparable document as determined by the commissioner. The commissioner shall not
25.13 assign a USDOT carrier number to a vehicle owner who is not subject to this paragraph.

25.14 (b) Assigned USDOT numbers must be displayed as required by section 221.031,
25.15 subdivision 6. The vehicle owner shall notify the commissioner if there is a change to the
25.16 owner's USDOT number.

25.17 (c) If an owner fails to report or apply for a USDOT number, the commissioner shall
25.18 suspend the owner's registration.

25.19 (d) This section does not apply to (1) a farm truck that (i) is not used in interstate
25.20 commerce or (ii) does not leave the physical boundaries of the state, (2) a vehicle that is
25.21 not used in intrastate commerce or interstate commerce, or (3) a vehicle that is owned
25.22 and used solely in the transaction of official business by the federal government, the
25.23 state, or any political subdivision.

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

25.25 Sec. 22. Minnesota Statutes 2010, section 168A.03, subdivision 1, is amended to read:

25.26 Subdivision 1. **No certificate issued.** The registrar shall not issue a certificate of
25.27 title for:

25.28 (1) a vehicle owned by the United States;

25.29 (2) a vehicle owned by a nonresident and not required by law to be registered in
25.30 this state;

25.31 (3) a vehicle owned by a nonresident and regularly engaged in the interstate
25.32 transportation of persons or property for which a currently effective certificate of title
25.33 has been issued in another state;

- 26.1 (4) a vehicle moved solely by animal power;
- 26.2 (5) an implement of husbandry;
- 26.3 (6) special mobile equipment;
- 26.4 (7) a self-propelled wheelchair or invalid tricycle;
- 26.5 (8) a trailer (i) having a gross weight of 4,000 pounds or less unless a secured party
- 26.6 holds an interest in the trailer or a certificate of title was previously issued by this state or
- 26.7 any other state or (ii) designed primarily for agricultural purposes except a recreational
- 26.8 vehicle or a manufactured home, both as defined in section 168.002, subdivisions 16
- 26.9 and 27;
- 26.10 (9) a snowmobile; ~~and~~
- 26.11 (10) a spotter truck, as defined in section 169.011, subdivision 77; and
- 26.12 (11) an electric-assisted bicycle, as defined in section 169.011, subdivision 27.

26.13 Sec. 23. Minnesota Statutes 2010, section 168A.07, subdivision 1, is amended to read:

26.14 Subdivision 1. **Ownership at issue; certificate withheld or bond filed.** In the event

26.15 application is made in this state for a certificate of title on a vehicle and the department is

26.16 not satisfied as to the ownership of the vehicle or the existence of security interests therein,

26.17 the vehicle may be registered but the department, subject to subdivision 1a, shall either:

26.18 (1) withhold issuance of a certificate of title until the applicant shall present

26.19 documents reasonably sufficient to satisfy the department of the applicant's ownership of

26.20 the vehicle and as to any security interest therein; or

26.21 (2) as a condition to issuing a certificate of title, require the applicant to file a bond

26.22 in the form and amount provided in subdivision 1b.

26.23 Subd. 1a. **Ownership at issue; requirements for certificate issuance.** (a) In the

26.24 event application is made in this state for a certificate of title on a vehicle with a model

26.25 year designated by the manufacturer of more than five years prior to the year in which

26.26 application is made, and the applicant is unable to establish sole ownership of the vehicle

26.27 because one or more owners, prior owners, or lienholders cannot be found, the department

26.28 shall issue a certificate of title to the applicant if the applicant submits:

26.29 (1) the application;

26.30 (2) a bond in the form and amount provided in subdivision 1b;

26.31 (3) an affidavit that identifies the make, model year, and vehicle identification

26.32 number of the vehicle, and includes a statement that:

26.33 (i) the applicant is an owner of the vehicle;

26.34 (ii) the applicant has physical possession of the vehicle; and

27.1 (iii) in attempting to transfer interest in the vehicle or obtain a certificate of title or
 27.2 lien release, the applicant was unable after using due diligence to (A) determine the names
 27.3 or locations of one or more owners, prior owners, or lienholders; or (B) successfully
 27.4 contact one or more owners, prior owners, or lienholders known to the applicant; and
 27.5 (4) payment for required taxes and fees.

27.6 (b) Unless the department has been notified of the pendency of an action to recover
 27.7 the bond under paragraph (a), clause (2), the department shall allow it to expire at the
 27.8 end of three years.

27.9 Subd. 1b. **Bond requirements.** A bond filed under this section must be in the form
 27.10 prescribed by the department and executed by the applicant, and either accompanied by the
 27.11 deposit of cash or executed by a surety company authorized to do business in this state, in
 27.12 an amount equal to 1-1/2 times the value of the vehicle as determined by the department.
 27.13 The bond shall be conditioned to indemnify any prior owner and secured party and any
 27.14 subsequent purchaser of the vehicle or person acquiring any security interest therein, or the
 27.15 successor in interest of any said person, against any expense, loss, or damage, including
 27.16 reasonable attorneys' fees, by reason of the issuance of the certificate of title to the vehicle
 27.17 or on account of any defect in or undisclosed security interest upon the right, title and
 27.18 interest of the applicant in and to the vehicle. Any such interested person shall have a right
 27.19 of action to recover on such bond for any breach of its conditions, but the aggregate
 27.20 liability of the surety to all such persons shall in no event exceed the amount of the bond.
 27.21 Unless the department has been notified of the pendency of an action to recover on the
 27.22 bond and if all questions as to ownership and outstanding security interests have been
 27.23 resolved to the satisfaction of the department, such bond, and any deposit accompanying
 27.24 it, shall be returned at the end of three years or prior thereto in the event the vehicle is no
 27.25 longer registered in this state and the currently valid certificate of title is surrendered.

27.26 Sec. 24. Minnesota Statutes 2010, section 169.011, subdivision 4, is amended to read:

27.27 Subd. 4. **Bicycle.** "Bicycle" means every device capable of being propelled
 27.28 solely by human power upon which any person may ride, having two tandem wheels
 27.29 ~~except scooters and similar devices,~~ and including any device generally recognized as a
 27.30 bicycle though equipped with two front or rear wheels. Bicycle does not include scooters,
 27.31 motorized foot scooters, or similar devices.

27.32 Sec. 25. Minnesota Statutes 2010, section 169.011, subdivision 27, is amended to read:

27.33 Subd. 27. **Electric-assisted bicycle.** "Electric-assisted bicycle" means a ~~motor~~
 27.34 ~~vehicle~~ bicycle with two or three wheels that:

- 28.1 (1) has a saddle and fully operable pedals for human propulsion;
- 28.2 (2) meets the requirements:
- 28.3 (i) of federal motor vehicle safety standards for a motor-driven cycle in Code of
- 28.4 Federal Regulations, title 49, sections 571.1 et seq.; or
- 28.5 (ii) for bicycles under Code of Federal Regulations, title 16, part 1512, or successor
- 28.6 requirements; and
- 28.7 (3) has an electric motor that (i) has a power output of not more than 1,000 watts, (ii)
- 28.8 is incapable of propelling the vehicle at a speed of more than 20 miles per hour, (iii) is
- 28.9 incapable of further increasing the speed of the device when human power alone is used
- 28.10 to propel the vehicle at a speed of more than 20 miles per hour, and (iv) disengages or
- 28.11 ceases to function when the vehicle's brakes are applied.

28.12 Sec. 26. Minnesota Statutes 2010, section 169.011, subdivision 44, is amended to read:

28.13 Subd. 44. **Motorcycle.** "Motorcycle" means every motor vehicle having a seat or

28.14 saddle for the use of the rider and designed to travel on not more than three wheels in

28.15 contact with the ground, including motor scooters ~~and bicycles with motor attached,~~

28.16 ~~other than those vehicles defined as.~~ Motorcycle does not include (1) motorized bicycles

28.17 as defined in subdivision 45, but excluding (2) electric-assisted bicycles as defined in

28.18 subdivision 27, or (3) a tractor.

28.19 Sec. 27. Minnesota Statutes 2010, section 169.011, subdivision 45, is amended to read:

28.20 Subd. 45. **Motorized bicycle.** "Motorized bicycle" means a bicycle that is propelled

28.21 by an electric or a liquid fuel motor of a piston displacement capacity of 50 cubic

28.22 centimeters or less, and a maximum of two brake horsepower, which is capable of a

28.23 maximum speed of not more than 30 miles per hour on a flat surface with not more than

28.24 one percent grade in any direction when the motor is engaged. "Motorized bicycle"

28.25 ~~includes~~ does not include an electric-assisted bicycle as defined in subdivision 27.

28.26 Sec. 28. Minnesota Statutes 2010, section 169.06, subdivision 4, is amended to read:

28.27 Subd. 4. **Obedience to traffic-control signal or flagger; presumptions.** (a) The

28.28 driver of any vehicle shall obey the instructions of any official traffic-control device

28.29 applicable thereto placed in accordance with the provisions of this chapter, unless

28.30 otherwise directed by a police officer or by a ~~certified overdimensional load escort driver~~

28.31 flagger authorized under this subdivision, subject to the exceptions granted the driver of

28.32 an authorized emergency vehicle in this chapter.

29.1 (b) No provision of this chapter for which official traffic-control devices are required
29.2 shall be enforced against an alleged violator if at the time and place of the alleged
29.3 violation an official device is not in proper position and sufficiently legible to be seen by
29.4 an ordinarily observant person. Whenever a particular section does not state that official
29.5 traffic-control devices are required, such section shall be effective even though no devices
29.6 are erected or in place.

29.7 (c) Whenever official traffic-control devices are placed in position approximately
29.8 conforming to the requirements of this chapter, such devices shall be presumed to have
29.9 been so placed by the official act or direction of lawful authority, unless the contrary
29.10 shall be established by competent evidence.

29.11 (d) Any official traffic-control device placed pursuant to the provisions of this
29.12 chapter and purporting to conform to the lawful requirements pertaining to such devices
29.13 shall be presumed to comply with the requirements of this chapter, unless the contrary
29.14 shall be established by competent evidence.

29.15 (e) A flagger in a designated work zone may stop vehicles and hold vehicles in place
29.16 until it is safe for the vehicles to proceed. A person operating a motor vehicle that has
29.17 been stopped by a flagger in a designated work zone may proceed after stopping only on
29.18 instruction by the flagger.

29.19 (f) An overdimensional load escort driver with a certificate issued under section
29.20 299D.085, while acting as a flagger escorting a legal overdimensional load, may stop
29.21 vehicles and hold vehicles in place until it is safe for the vehicles to proceed. A person
29.22 operating a motor vehicle that has been stopped by an escort driver acting as a flagger may
29.23 proceed only on instruction by the flagger or a police officer.

29.24 (g) A person may stop and hold vehicles in place until it is safe for the vehicles to
29.25 proceed, if the person: (1) holds a motorcycle road guard certificate issued under section
29.26 171.60; (2) meets the safety and equipment standards for operating under the certificate;
29.27 (3) is acting as a flagger escorting a motorcycle group ride; (4) has notified each statutory
29.28 or home rule charter city through which the motorcycle group is proceeding; and (5) has
29.29 obtained consent from the chief of police, or the chief's designee, of any city of the first
29.30 class through which the motorcycle group is proceeding. A flagger operating as provided
29.31 under this paragraph may direct operators of motorcycles within a motorcycle group
29.32 ride or other vehicle traffic, notwithstanding any contrary indication of a traffic-control
29.33 device, including stop signs or traffic-control signals. A person operating a vehicle that
29.34 has been stopped by a flagger under this paragraph may proceed only on instruction by the
29.35 flagger or a police officer.

30.1 Sec. 29. Minnesota Statutes 2010, section 169.222, subdivision 4, is amended to read:

30.2 Subd. 4. **Riding on roadway or shoulder rules.** (a) Every person operating a
30.3 bicycle upon a roadway shall ride as close as practicable to the right-hand curb or edge of
30.4 the roadway except under any of the following situations:

30.5 (1) when overtaking and passing another vehicle proceeding in the same direction;

30.6 (2) when preparing for a left turn at an intersection or into a private road or driveway;

30.7 (3) when reasonably necessary to avoid conditions, including fixed or moving
30.8 objects, vehicles, pedestrians, animals, surface hazards, or narrow width lanes, that make
30.9 it unsafe to continue along the right-hand curb or edge.

30.10 (b) If a bicycle is traveling on a shoulder of a roadway, the bicycle shall travel in the
30.11 same direction as adjacent vehicular traffic.

30.12 (c) Persons riding bicycles upon a roadway or shoulder shall not ride more than two
30.13 abreast and shall not impede the normal and reasonable movement of traffic and, on a
30.14 laned roadway, shall ride within a single lane.

30.15 (d) A person operating a bicycle upon a sidewalk, or across a roadway or shoulder
30.16 on a crosswalk, shall yield the right-of-way to any pedestrian and shall give an audible
30.17 signal when necessary before overtaking and passing any pedestrian. No person shall ride
30.18 a bicycle upon a sidewalk within a business district unless permitted by local authorities.
30.19 Local authorities may prohibit the operation of bicycles on any sidewalk or crosswalk
30.20 under their jurisdiction.

30.21 (e) An individual operating a bicycle or other vehicle on a bikeway shall leave a safe
30.22 distance when overtaking a bicycle or individual proceeding in the same direction on the
30.23 bikeway, and shall maintain clearance until safely past the overtaken bicycle or individual.

30.24 (f) A person lawfully operating a bicycle on a sidewalk, or across a roadway or
30.25 shoulder on a crosswalk, shall have all the rights and duties applicable to a pedestrian
30.26 under the same circumstances.

30.27 (g) A person may operate an electric-assisted bicycle on the shoulder of a roadway,
30.28 on a bikeway, or on a bicycle trail, if not otherwise prohibited.

30.29 Sec. 30. Minnesota Statutes 2010, section 169.222, subdivision 6, is amended to read:

30.30 Subd. 6. **Bicycle equipment.** (a) No person shall operate a bicycle at nighttime
30.31 unless the bicycle or its operator is equipped with (1) a lamp which shall emit emits
30.32 a white light visible from a distance of at least 500 feet to the front; and with (2) a red
30.33 reflector of a type approved by the Department of Public Safety which is visible from all
30.34 distances from 100 feet to 600 feet to the rear when directly in front of lawful lower
30.35 beams of headlamps on a motor vehicle.

31.1 (b) No person may operate a bicycle at any time when there is not sufficient light to
 31.2 render persons and vehicles on the highway clearly discernible at a distance of 500 feet
 31.3 ahead unless the bicycle or its operator is equipped with reflective surfaces that shall be
 31.4 visible during the hours of darkness from 600 feet when viewed in front of lawful lower
 31.5 beams of headlamps on a motor vehicle. The reflective surfaces shall include reflective
 31.6 materials on each side of each pedal to indicate their presence from the front or the rear and
 31.7 with a minimum of 20 square inches of reflective material on each side of the bicycle or its
 31.8 operator. Any bicycle equipped with side reflectors as required by regulations for new
 31.9 bicycles prescribed by the United States Consumer Product Safety Commission shall be
 31.10 considered to meet the requirements for side reflectorization contained in this subdivision.

31.11 (c) A bicycle may be equipped with a front lamp that emits a white flashing signal,
 31.12 and a rear lamp that emits a red flashing signal.

31.13 (d) A bicycle may be equipped with tires having studs, spikes, or other protuberances.

31.14 ~~(b)~~ (e) No person shall operate a bicycle unless it is equipped with a brake which
 31.15 will enable the operator to make the braked wheels skid on dry, level, clean pavement.

31.16 ~~(e)~~ (f) No person shall operate upon a highway any bicycle equipped with handlebars
 31.17 so raised that the operator must elevate the hands above the level of the shoulders in
 31.18 order to grasp the normal steering grip area.

31.19 ~~(d)~~ (g) No person shall operate upon a highway any bicycle which is of such a size
 31.20 as to prevent the operator from stopping the bicycle, supporting it with at least one foot
 31.21 on the highway surface and restarting in a safe manner.

31.22 Sec. 31. Minnesota Statutes 2010, section 169.222, is amended by adding a subdivision
 31.23 to read:

31.24 Subd. 6a. **Operator and passenger equipment.** No person under the age of 18
 31.25 shall operate or ride an electric-assisted bicycle on a street or highway without wearing
 31.26 properly fitted and fastened headgear that (1) complies with standards established by
 31.27 the commissioner of public safety under section 169.974, subdivision 4; or (2) meets
 31.28 the standards under Code of Federal Regulations, title 16, part 1203, or successor
 31.29 requirements.

31.30 Sec. 32. Minnesota Statutes 2010, section 169.222, is amended by adding a subdivision
 31.31 to read:

31.32 Subd. 6b. **Operator age.** No person under the age of 15 shall operate an
 31.33 electric-assisted bicycle.

32.1 Sec. 33. Minnesota Statutes 2010, section 169.222, subdivision 7, is amended to read:

32.2 Subd. 7. **Sale with reflectors and other equipment.** No person shall sell or offer for
32.3 sale any new bicycle unless it is equipped with reflectors and other equipment as required
32.4 by subdivision 6, ~~clauses (a) and paragraphs (b) and (e)~~ and by the applicable regulations
32.5 for new bicycles prescribed by the United States Consumer Product Safety Commission.

32.6 Sec. 34. Minnesota Statutes 2010, section 169.223, subdivision 1, is amended to read:

32.7 Subdivision 1. **Safety equipment; parking.** ~~Except as otherwise provided in this~~
32.8 ~~section,~~ Section 169.974 relating to motorcycles is applicable to motorized bicycles,
32.9 except as otherwise provided in this section and except that:

32.10 (1) protective headgear includes headgear that meets the ~~American National~~
32.11 ~~Standard for Protective Headgear for Bicyclists, ANSI Z90.4-1984, approved by the~~
32.12 ~~American National Standards Institute, Inc.~~ standards under Code of Federal Regulations,
32.13 title 16, part 1203, or successor requirements;

32.14 (2) a motorized bicycle equipped with a headlight and taillight meeting the
32.15 requirements of lighting for motorcycles may be operated during nighttime hours;

32.16 (3) ~~except as provided in clause (5),~~ protective headgear is not required for operators
32.17 18 years of age or older; and

32.18 (4) the provisions of section 169.222, subdivision 9, governing the parking of
32.19 bicycles apply to motorized bicycles; and

32.20 (5) ~~the operator of an electric-assisted bicycle must wear properly fitted and~~
32.21 ~~fastened headgear that meets the American National Standard for Protective Headgear for~~
32.22 ~~Bicyclists, ANSI Z90.4-1984, approved by the American National Standards Institute,~~
32.23 ~~Inc., when operating the electric-assisted bicycle on a street or highway; and~~

32.24 (6) ~~eye protection devices are not required for operators of electric-assisted bicycles.~~

32.25 Sec. 35. Minnesota Statutes 2010, section 169.223, subdivision 5, is amended to read:

32.26 Subd. 5. **Other operation requirements and prohibitions.** (a) A person operating
32.27 a motorized bicycle on a roadway shall ride as close as practicable to the right-hand curb
32.28 or edge of the roadway except in one of the following situations:

32.29 (1) when overtaking and passing another vehicle proceeding in the same direction;

32.30 (2) when preparing for a left turn at an intersection or into a private road or
32.31 driveway; or

32.32 (3) when reasonably necessary to avoid conditions, including fixed or moving
32.33 objects, vehicles, pedestrians, animals, surface hazards, or narrow width lanes, that make
32.34 it unsafe to continue along the right-hand curb or edge.

33.1 (b) Persons operating motorized bicycles on a roadway may not ride more than two
 33.2 abreast and may not impede the normal and reasonable movement of traffic. On a laned
 33.3 roadway, a person operating a motorized bicycle shall ride within a single lane.

33.4 (c) This section does not permit the operation of a motorized bicycle on a bicycle
 33.5 path or bicycle lane that is reserved for the exclusive use of nonmotorized traffic.

33.6 ~~(d) Subject to the provisions of section 160.263, subdivision 3, a person may operate~~
 33.7 ~~an electric-assisted bicycle on a bicycle lane. A person may operate an electric-assisted~~
 33.8 ~~bicycle on the shoulder of a roadway if the electric-assisted bicycle is traveling in the same~~
 33.9 ~~direction as the adjacent vehicular traffic.~~

33.10 Sec. 36. Minnesota Statutes 2010, section 169.72, subdivision 1, is amended to read:

33.11 Subdivision 1. **Solid rubber, metal, and studded tires; exceptions; permits.** (a)
 33.12 Every solid rubber tire on a vehicle ~~shall~~ must have rubber on its entire traction surface at
 33.13 least one inch thick above the edge of the flange of the entire periphery.

33.14 (b) No person shall operate or move on any highway any motor vehicle, trailer, or
 33.15 semitrailer, having any metal tire in contact with the roadway, except in case of emergency.

33.16 (c) Except as provided in this section, no tire on a vehicle moved on a highway shall
 33.17 have on its periphery any block, stud, flange, cleat, or spike or any other protuberances
 33.18 of any material other than rubber which projects beyond the tread of the traction surface
 33.19 of the tire.

33.20 ~~(d) It shall be~~ is permissible to use any of the following on highways:

33.21 (1) implements of husbandry with tires having protuberances which will not injure
 33.22 the highway, and;

33.23 (2) tire chains of reasonable proportions upon any vehicle when required for safety
 33.24 because of snow, ice, or other conditions tending to cause a vehicle to skid; and

33.25 (3) tires on a bicycle as provided in section 169.222, subdivision 6.

33.26 ~~(d)~~ (e) The commissioner and local authorities in their respective jurisdictions may,
 33.27 in their discretion, issue special permits authorizing the operation upon a highway of
 33.28 traction engines or tractors having movable tracks with transverse corrugations upon the
 33.29 periphery of such movable tracks or farm tractors or other farm machinery, the operation
 33.30 of which upon a highway would otherwise be prohibited under this chapter.

33.31 Sec. 37. Minnesota Statutes 2010, section 169.86, subdivision 3b, is amended to read:

33.32 Subd. 3b. **Escort vehicles.** The commissioner or local authority shall specify in
 33.33 the permit:

34.1 (1) the minimum number of escort vehicles required to escort the overdimensional
34.2 load; and

34.3 (2) whether the operators of the escort vehicles must be certified licensed peace
34.4 officers, ~~or~~ may be overdimensional load escort drivers who hold a current certificate under
34.5 section 299D.085, or may be civilian escort drivers as provided under section 299D.085.

34.6 **EFFECTIVE DATE.** This section is effective on the effective date of this
34.7 subdivision under Laws 2010, chapter 311, section 4.

34.8 Sec. 38. Minnesota Statutes 2010, section 169.872, subdivision 1a, is amended to read:

34.9 Subd. 1a. **Limit on civil penalties.** A civil penalty for excessive weight under
34.10 section 169.871 may be imposed based on a record of a shipment under this section only if
34.11 a state law enforcement officer or motor transportation representative (1) has inspected
34.12 and copied the record within 14 days of the date the shipment was received by the person
34.13 keeping the record, and (2) has assessed the penalty within 60 days of the date the officer
34.14 or representative inspected and copied the record.

34.15 Sec. 39. Minnesota Statutes 2010, section 169.98, subdivision 1, is amended to read:

34.16 Subdivision 1. **Colors and markings.** (a) Except as provided in subdivisions 2 and
34.17 2a, all motor vehicles which are primarily used in the enforcement of highway traffic rules
34.18 by the State Patrol or for general uniform patrol assignment by any municipal police
34.19 department or other law enforcement agency, except conservation officers, shall have
34.20 uniform colors and markings as provided in this subdivision. Motor vehicles of:

34.21 (1) municipal police departments, including the University of Minnesota Police
34.22 Department and park police units, shall be predominantly blue, brown, green, black,
34.23 or white;

34.24 (2) the State Patrol shall be predominantly maroon; and

34.25 (3) the county sheriff's office shall be predominantly brown, black, gold, or white.

34.26 (b) The identity of the governmental unit operating the vehicle shall be displayed on
34.27 both front door panels and on the rear of the vehicle. The identity may be in the form of
34.28 a shield or emblem, or may be the word "police," "sheriff," or the words "State Patrol"
34.29 or "conservation officer," as appropriate, with letters not less than 2-1/2 inches high,
34.30 one-inch wide and of a three-eighths inch brush stroke. The identity shall be of a color
34.31 contrasting with the background color so that the motor vehicle is easily identifiable as
34.32 belonging to a specific type of law enforcement agency. Each vehicle shall be marked
34.33 with its own identifying number on the rear of the vehicle. The number shall be printed

35.1 in the same size and color required pursuant to this subdivision for identifying words
35.2 which may be displayed on the vehicle.

35.3 Sec. 40. Minnesota Statutes 2010, section 169.98, subdivision 3, is amended to read:

35.4 Subd. 3. **Security guard vehicle.** (a) All motor vehicles which are used by security
35.5 guards in the course of their employment may have any color other than those specified in
35.6 subdivision 1 for law enforcement vehicles. The identity of the security service shall be
35.7 displayed on the motor vehicle as required for law enforcement vehicles.

35.8 (b) Notwithstanding subdivision 1, paragraph (a), clause (1), a security guard may
35.9 continue to use a motor vehicle that is predominantly black in the course of the guard's
35.10 employment if the vehicle was being used in this manner before August 1, 2002.

35.11 (c) Notwithstanding subdivision 1, paragraph (a), clause (3), a security guard may
35.12 continue to use a motor vehicle that is predominantly gold in the course of the guard's
35.13 employment if the vehicle was being used in this manner before August 1, 2012.

35.14 Sec. 41. Minnesota Statutes 2010, section 171.01, subdivision 41, is amended to read:

35.15 Subd. 41. **Motorized bicycle.** ~~"Motorized bicycle" means a bicycle that is propelled~~
35.16 ~~by an electric or a liquid fuel motor of a piston displacement capacity of 50 cubic~~
35.17 ~~centimeters or less, and a maximum of two brake horsepower, which is capable of a~~
35.18 ~~maximum speed of not more than 30 miles per hour on a flat surface with not more than~~
35.19 ~~one percent grade in any direction when the motor is engaged. "Motorized bicycle"~~
35.20 ~~includes an electric-assisted bicycle as defined in section 169.011, subdivision 27~~ has the
35.21 meaning given in section 169.011, subdivision 45.

35.22 Sec. 42. Minnesota Statutes 2010, section 171.02, subdivision 2b, is amended to read:

35.23 Subd. 2b. **Exception for type III vehicle drivers.** (a) Notwithstanding subdivision
35.24 2, the holder of a class A, B, C, or D driver's license, without a school bus endorsement,
35.25 may operate a type III vehicle described in section 169.011, subdivision 71, paragraph (h),
35.26 under the conditions in paragraphs (b) through (o).

35.27 (b) The operator is an employee of the entity that owns, leases, or contracts for
35.28 the school bus.

35.29 (c) The operator's employer has adopted and implemented a policy that provides for
35.30 annual training and certification of the operator in:

35.31 (1) safe operation of a type III vehicle;

35.32 (2) understanding student behavior, including issues relating to students with
35.33 disabilities;

36.1 (3) encouraging orderly conduct of students on the bus and handling incidents of
36.2 misconduct appropriately;

36.3 (4) knowing and understanding relevant laws, rules of the road, and local school
36.4 bus safety policies;

36.5 (5) handling emergency situations;

36.6 (6) proper use of seat belts and child safety restraints;

36.7 (7) performance of pretrip vehicle inspections;

36.8 (8) safe loading and unloading of students, including, but not limited to:

36.9 (i) utilizing a safe location for loading and unloading students at the curb, on the
36.10 nontraffic side of the roadway, or at off-street loading areas, driveways, yards, and other
36.11 areas to enable the student to avoid hazardous conditions;

36.12 (ii) refraining from loading and unloading students in a vehicular traffic lane, on the
36.13 shoulder, in a designated turn lane, or a lane adjacent to a designated turn lane;

36.14 (iii) avoiding a loading or unloading location that would require a pupil to cross a
36.15 road, or ensuring that the driver or an aide personally escort the pupil across the road if it
36.16 is not reasonably feasible to avoid such a location;

36.17 (iv) placing the type III vehicle in "park" during loading and unloading; and

36.18 (v) escorting a pupil across the road under item (iii) only after the motor is stopped,
36.19 the ignition key is removed, the brakes are set, and the vehicle is otherwise rendered
36.20 immobile; and

36.21 (9) compliance with paragraph (k), concerning reporting certain convictions to the
36.22 employer within ten days of the date of conviction.

36.23 (d) A background check or background investigation of the operator has been
36.24 conducted that meets the requirements under section 122A.18, subdivision 8, or 123B.03
36.25 for school district employees; section 144.057 or chapter 245C for day care employees; or
36.26 section 171.321, subdivision 3, for all other persons operating a type III vehicle under
36.27 this subdivision.

36.28 (e) Operators shall submit to a physical examination as required by section 171.321,
36.29 subdivision 2.

36.30 (f) The operator's employer requires preemployment drug testing of applicants for
36.31 operator positions. Current operators must comply with the employer's policy under
36.32 section 181.951, subdivisions 2, 4, and 5. Notwithstanding any law to the contrary, the
36.33 operator's employer may use a Breathalyzer or similar device to fulfill random alcohol
36.34 testing requirements.

36.35 (g) The operator's driver's license is verified annually by the entity that owns, leases,
36.36 or contracts for the type III vehicle as required under section 171.321, subdivision 5.

37.1 (h) A person who sustains a conviction, as defined under section 609.02, of violating
37.2 section 169A.25, 169A.26, 169A.27, or 169A.31, or whose driver's license is revoked
37.3 under sections 169A.50 to 169A.53 of the implied consent law, or who is convicted of
37.4 violating or whose driver's license is revoked under a similar statute or ordinance of
37.5 another state, is precluded from operating a type III vehicle for five years from the date
37.6 of conviction.

37.7 (i) A person who has ever been convicted of a disqualifying offense as defined in
37.8 section 171.3215, subdivision 1, paragraph (c), may not operate a type III vehicle under
37.9 this subdivision.

37.10 (j) A person who sustains a conviction, as defined under section 609.02, of a moving
37.11 offense in violation of chapter 169 within three years of the first of three other moving
37.12 offenses is precluded from operating a type III vehicle for one year from the date of
37.13 the last conviction.

37.14 (k) An operator who sustains a conviction as described in paragraph (h), (i), or (j)
37.15 while employed by the entity that owns, leases, or contracts for the school bus, shall report
37.16 the conviction to the employer within ten days of the date of the conviction.

37.17 (l) Students riding the type III vehicle must have training required under section
37.18 123B.90, subdivision 2.

37.19 (m) Documentation of meeting the requirements listed in this subdivision must be
37.20 maintained under separate file at the business location for each type III vehicle operator.
37.21 The business manager, school board, governing body of a nonpublic school, or any
37.22 other entity that owns, leases, or contracts for the type III vehicle operating under this
37.23 subdivision is responsible for maintaining these files for inspection.

37.24 (n) The type III vehicle must bear a current certificate of inspection issued under
37.25 section 169.451.

37.26 (o) An employee of a school or of a school district, who is not employed for the sole
37.27 purpose of operating a type III vehicle, is exempt from paragraphs (e) and (f).

37.28 (p) Notwithstanding any law to the contrary, if the testing under paragraph (f)
37.29 follows the testing procedures set forth for transportation workplace drug and alcohol
37.30 testing programs in Code of Federal Regulations, title 49, part 40, any person who is
37.31 also required to comply with the alcohol and controlled substances testing requirements
37.32 of Code of Federal Regulations, title 49, part 219, 382, or 655, is exempt from sections
37.33 181.950 to 181.957.

37.34 Sec. 43. Minnesota Statutes 2011 Supplement, section 171.075, subdivision 1, is
37.35 amended to read:

38.1 Subdivision 1. **Anatomical gift account.** An anatomical gift account is established
38.2 in the special revenue fund. The account consist of funds donated under sections ~~168.12~~
38.3 168.013, subdivision ~~5~~ 22, and 171.06, subdivision 2, and any other money donated,
38.4 allotted, transferred, or otherwise provided to the account. Money in the account is
38.5 annually appropriated to the commissioner for (1) grants under subdivision 2, and (2)
38.6 administrative expenses in implementing the donation and grant program.

38.7 **EFFECTIVE DATE.** This section is effective January 1, 2013.

38.8 Sec. 44. **[171.60] MOTORCYCLE ROAD GUARD CERTIFICATE.**

38.9 Subdivision 1. **Certificate required.** No person may perform traffic control as a
38.10 motorcycle road guard as provided under chapter 169 without a valid motorcycle road
38.11 guard certificate issued by the commissioner.

38.12 Subd. 2. **Certification qualifications and standards; fee.** Through the Minnesota
38.13 Motorcycle Safety Center, the commissioner of public safety shall:

38.14 (1) establish qualifications and requirements for a person to obtain a motorcycle road
38.15 guard certificate under this section, which must include:

38.16 (i) a minimum 18 years of age;

38.17 (ii) possession of a valid driver's license; and

38.18 (iii) successful completion of a motorcycle road guard certification course;

38.19 (2) develop and offer, whether by the Minnesota Motorcycle Safety Center or
38.20 authorized agents, a motorcycle road guard certification course; and

38.21 (3) establish safety and equipment standards for a person who operates under a
38.22 motorcycle road guard certificate, including but not limited to specifying requirements
38.23 for a reflective safety vest.

38.24 Subd. 3. **Fee.** The commissioner of public safety shall assess a fee for each applicant
38.25 for a motorcycle road guard certificate, calculated to cover the commissioner's cost of
38.26 establishing and administering the program.

38.27 Subd. 4. **Penalty.** A person who violates any provision of this section is guilty
38.28 of a petty misdemeanor.

38.29 Subd. 5. **Rulemaking.** The commissioner of public safety shall adopt rules to carry
38.30 out the provisions of this section. Notwithstanding section 16A.1283, the rules must
38.31 specify the fee to be assessed under subdivision 3.

38.32 Sec. 45. Minnesota Statutes 2010, section 174.03, subdivision 1b, is amended to read:

38.33 Subd. 1b. **Statewide freight and passenger rail plan; freight rail economic**
38.34 **development study.** (a) The commissioner shall develop a comprehensive statewide

39.1 freight and passenger rail plan to be included and revised as a part of the statewide
39.2 transportation plan.

39.3 ~~(b) Before the initial version of the plan is adopted, the commissioner shall provide a~~
39.4 ~~copy for review and comment to the chairs and ranking minority members of the senate~~
39.5 ~~and house of representatives committees with jurisdiction over transportation policy and~~
39.6 ~~finance. Notwithstanding paragraph (a), the commissioner may adopt the next revision~~
39.7 ~~of the statewide transportation plan, scheduled to be completed in calendar year 2009,~~
39.8 ~~prior to completion of the initial version of the comprehensive statewide freight and~~
39.9 ~~passenger rail plan.~~

39.10 (b) The commissioner, in cooperation with the commissioner of employment and
39.11 economic development, shall conduct a freight rail economic development study. The
39.12 study must assess the economic impact of freight railroads in the state and identify
39.13 opportunities to expand business development and enhance economic competitiveness
39.14 through improved utilization of freight rail options. The commissioner shall incorporate
39.15 findings from the study as an amendment or update to the comprehensive statewide freight
39.16 and passenger rail plan.

39.17 (c) The commissioner shall provide an interim progress report by January 15, 2013,
39.18 and a final report by September 1, 2013, on the freight rail economic development study to
39.19 the chairs and ranking minority members of the legislative committees with jurisdiction
39.20 over transportation policy and finance and employment and economic development. The
39.21 final report must include any recommended legislative initiatives.

39.22 (d) The commissioner may expend money under section 222.50, subdivision 7, to
39.23 pay the costs of the study and reports under paragraphs (b) and (c).

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

39.25 Sec. 46. Minnesota Statutes 2010, section 221.091, subdivision 2, is amended to read:

39.26 Subd. 2. **Small vehicle passenger service.** ~~(a)~~ A city that licenses and regulates
39.27 small vehicle passenger service must do so by ordinance. The ordinance must, at a
39.28 minimum, provide for driver qualifications, insurance, vehicle safety, and periodic vehicle
39.29 inspections. A city that has adopted an ordinance complying with this subdivision may
39.30 enforce the registration requirement in section 221.021.

39.31 ~~(b) A person who provides small vehicle passenger service to an individual for the~~
39.32 ~~purpose of obtaining nonemergency medical care and who receives reimbursement under~~
39.33 ~~section 256B.0625, subdivision 17, for providing the service, must comply with the rules~~
39.34 ~~of the commissioner adopted under section 174.30.~~

40.1 Sec. 47. Minnesota Statutes 2011 Supplement, section 299A.705, subdivision 3,
40.2 is amended to read:

40.3 Subd. 3. **Driver and vehicle services technology account.** (a) The driver and
40.4 vehicle services technology account is created in the special revenue fund, consisting of
40.5 the technology surcharge collected as specified in chapters 168, 168A, and 171; the filing
40.6 fee revenue collected under section 168.33, subdivision 7; and any other money otherwise
40.7 donated, allotted, appropriated, or legislated to this account.

40.8 (b) Money in the account is annually appropriated to the commissioner of public
40.9 safety to support the research, development, deployment, and maintenance of a driver and
40.10 vehicle services information system, except that on or after the effective date of this
40.11 section, the commissioner may not expend funds from the account until the commissioner
40.12 has entered into at least one agreement with a private entity to develop the information
40.13 system.

40.14 (c) Following completion of the deposit of filing fee revenue into the driver and
40.15 vehicle services technology account as provided under section 168.33, subdivision 7, the
40.16 commissioner shall submit a notification to the chairs and ranking minority members
40.17 of the legislative committees with jurisdiction over transportation policy and finance
40.18 concerning driver and vehicle services information system implementation, which must
40.19 include information on (1) total revenue deposited in the driver and vehicle services
40.20 technology account, with a breakdown by sources of funds; (2) total project costs incurred,
40.21 with a breakdown by key project components; and (3) an estimate of ongoing system
40.22 maintenance costs.

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

40.24 Sec. 48. Minnesota Statutes 2010, section 299D.085, subdivision 1, is amended to read:

40.25 Subdivision 1. **Definition.** For purposes of this section, the following terms have
40.26 the meanings given them:

40.27 (1) "civilian escort driver" means an individual who is at least 18 years of age,
40.28 holds a valid driver's license for the type of vehicle being operated, and does not hold an
40.29 overdimensional load escort driver certificate under this section; and

40.30 (2) "overdimensional load" is a vehicle or combination of vehicles of a size or
40.31 weight of vehicle or load exceeding the maximum specified in chapter 169, or otherwise
40.32 not in conformity with the provisions of chapter 169.

40.33 **EFFECTIVE DATE.** This section is effective on the effective date of this
40.34 subdivision under Laws 2010, chapter 311, section 4.

41.1 Sec. 49. Minnesota Statutes 2010, section 299D.085, is amended by adding a
41.2 subdivision to read:

41.3 Subd. 2a. **Civilian escort driver.** (a) A civilian escort driver who meets those
41.4 requirements established as of January 1, 2012, to provide overdimensional load escorts
41.5 under Minnesota Statutes and under policies and regulations of the Department of
41.6 Public Safety and the Department of Transportation, is exempt from the requirements of
41.7 subdivisions 2, 3, and 5.

41.8 (b) A civilian escort driver may not operate under this subdivision if the
41.9 overdimensional load:

41.10 (1) extends over the centerline of a roadway; or

41.11 (2) is routed to travel the wrong way on a road.

41.12 **EFFECTIVE DATE.** This section is effective on the effective date of Minnesota
41.13 Statutes, section 299D.085, subdivisions 1 to 4, under Laws 2010, chapter 311, section 4.

41.14 Sec. 50. Minnesota Statutes 2010, section 299D.09, is amended to read:

41.15 **299D.09 ESCORT SERVICE; APPROPRIATION; RECEIPTS.**

41.16 Fees charged for escort services provided by the State Patrol are annually
41.17 appropriated to the commissioner of public safety to administer and provide these services.

41.18 The ~~fees~~ fee charged for services provided by the State Patrol with a vehicle ~~are~~
41.19 ~~\$73.60~~ is \$79.28 an hour in fiscal year ~~2008~~ and \$75.76 an hour in fiscal year 2009 2013,
41.20 and in fiscal year 2014 and thereafter, the fee may be reviewed and adjusted by the
41.21 commissioner of public safety in an amount equal to the costs of providing this service.
41.22 The ~~fees~~ fee charged for services provided without a vehicle ~~are \$54~~ is \$59.28 an hour in
41.23 fiscal year ~~2008~~ and \$56.16 an hour in fiscal year 2009 2013, and in fiscal year 2014 and
41.24 thereafter, the fee may be reviewed and adjusted by the commissioner of public safety
41.25 in an amount equal to the costs of providing this service.

41.26 The fees charged for State Patrol flight services are \$140 an hour for a fixed wing
41.27 aircraft, \$490 an hour for a helicopter, and \$600 an hour for the Queen Air in fiscal
41.28 year 2012; \$139.64 an hour for a fixed wing aircraft, \$560.83 an hour for a helicopter,
41.29 and \$454.84 an hour for the Queen Air in fiscal year 2013; and in fiscal year 2014 and
41.30 thereafter, the fees may be reviewed and adjusted by the commissioner of public safety in
41.31 an amount equal to the costs of providing these services.

41.32 **EFFECTIVE DATE.** This section is effective July 1, 2012.

41.33 Sec. 51. **[375.771] VETERAN-OWNED SMALL BUSINESS CONTRACTS.**

42.1 Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this
42.2 section.

42.3 (b) "Award" means the granting of a contract in accordance with all applicable laws
42.4 and rules governing competitive bidding, except as otherwise provided in this section.

42.5 (c) "Contract" means an agreement entered into between a business entity and the
42.6 county for procurement of goods and services including both technical and nontechnical
42.7 goods and services, printing, and construction.

42.8 (d) "County board" or "board" has the meaning given in section 375.01.

42.9 (e) "County purchasing department" has the meaning given in section 375.72.

42.10 (f) "Director of purchasing" has the meaning given in section 375.74.

42.11 (g) "Subcontractor" means a business entity that enters into a legally binding
42.12 agreement with another business entity that is a party to a contract as defined in paragraph
42.13 (c).

42.14 (h) "Veteran" has the meaning given in section 197.447.

42.15 (i) "Veteran-owned small business" means a business designated under section
42.16 16C.16, subdivision 6a.

42.17 Subd. 2. **Policy; purpose; director.** (a) A county board may establish a program
42.18 within the county in accordance with this section to provide a bid preference for
42.19 awarding contracts to designated veteran-owned small businesses for the procurement of
42.20 technical and nontechnical goods and services including, but not limited to, printing and
42.21 construction, broadly defined to include all phases of the construction process.

42.22 (b) The purpose of this program is to facilitate the transition of veterans from
42.23 military to civilian life, and to help compensate veterans for their sacrifices including, but
42.24 not limited to, their sacrifice of health and time to the community, state, and nation during
42.25 their military service, as well as to enhance economic development throughout Minnesota.

42.26 (c) The county board may direct the county director of purchasing, or other
42.27 designated official within the county purchasing department, to administer this program in
42.28 accordance with county policy established by the board.

42.29 Subd. 3. **Small business set-asides.** (a) The county director of purchasing may
42.30 award up to a six percent preference in the amount bid for procurement of goods and
42.31 services including, but not limited to, technical and nontechnical goods and services,
42.32 printing, and construction to veteran-owned small businesses having their principal place
42.33 of business in Minnesota.

42.34 (b) The board, as a condition of awarding a construction contract, may set goals that
42.35 require the prime contractor to subcontract a portion of the contract to veteran-owned
42.36 small businesses. The board must establish a procedure for granting waivers from the

43.1 subcontracting requirement when qualified veteran-owned small businesses are not
 43.2 reasonably available. The board may establish financial incentives for prime contractors
 43.3 who exceed the goals for use of veteran-owned small business subcontractors and
 43.4 financial penalties for prime contractors who fail to meet goals under this paragraph. The
 43.5 subcontracting requirements of this paragraph do not apply to prime contractors who are
 43.6 veteran-owned small businesses.

43.7 Subd. 4. **Awards to small businesses.** At least 75 percent of subcontracts awarded
 43.8 to veteran-owned small businesses must be performed by the business to which the
 43.9 subcontract is awarded or another veteran-owned small business.

43.10 Subd. 5. **Awards, limitations.** Contracts awarded under this section are subject to
 43.11 all limitations adopted by the board.

43.12 Subd. 6. **Recourse to other businesses.** If the director is unable to award a contract
 43.13 under subdivisions 3 and 4, the award may be placed under normal solicitation and award
 43.14 statutes and rules.

43.15 Subd. 7. **Noncompetitive bids.** The board is encouraged to purchase from
 43.16 veteran-owned small businesses designated under section 16C.16, subdivision 6a, when
 43.17 making purchases that are not subject to competitive bidding procedures.

43.18 Subd. 8. **Report to board.** At the request of the county board, the county treasurer
 43.19 shall report to the board on compliance with this section. The information must be
 43.20 reported at the time and in the manner requested by the board.

43.21 **EFFECTIVE DATE.** This section is effective July 1, 2012, for contracts awarded
 43.22 by counties on or after that date.

43.23 Sec. 52. Minnesota Statutes 2010, section 473.388, subdivision 2, is amended to read:

43.24 Subd. 2. **Replacement service; eligibility.** (a) The council may provide assistance
 43.25 under the program to a statutory or home rule charter city or town or combination thereof,
 43.26 that:

43.27 ~~(a)~~ (1) is located in the metropolitan transit taxing district;

43.28 ~~(b)~~ (2) is not served by the council bus service or is served only with council bus
 43.29 routes which begin or end within the applying city or town or combination thereof; and

43.30 ~~(c)~~ (3) has fewer than four scheduled runs of council bus service during off-peak
 43.31 hours as defined by the Metropolitan Council.

43.32 (b) Eligible cities or towns or combinations thereof may apply on behalf of a transit
 43.33 operator with whom they propose to contract for service.

43.34 ~~The council may not provide assistance under this section to a statutory or home rule~~
 43.35 ~~charter city or town unless the city or town,~~

44.1 ~~(i) was receiving assistance under Minnesota Statutes 1982, section 174.265, by~~
 44.2 ~~July 1, 1984,~~

44.3 ~~(ii) had submitted an application for assistance under that section by July 1, 1984, or~~

44.4 ~~(iii) had submitted a letter of intent to apply for assistance under that section by July~~
 44.5 ~~1, 1984, and submits an application for assistance under this section by July 1, 1988. A~~
 44.6 ~~statutory or home rule charter city or town has an additional 12-month extension if it~~
 44.7 ~~notified the former regional transit board before July 1, 1988, that the city or town is in the~~
 44.8 ~~process of completing a transportation evaluation study that includes an assessment of~~
 44.9 ~~the local transit needs of the city or town.~~

44.10 (c) The council may not provide assistance under this section unless the statutory or
 44.11 home rule charter city or town or combination:

44.12 (1) was receiving assistance under this section as of January 1, 2012; or

44.13 (2) had submitted an application for assistance under this section by July 1, 2016.

44.14 **EFFECTIVE DATE.** This section is effective August 1, 2012, and applies in the
 44.15 counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

44.16 Sec. 53. Minnesota Statutes 2010, section 473.388, subdivision 4, is amended to read:

44.17 Subd. 4. **Financial assistance.** (a) The council must grant the requested financial
 44.18 assistance if it determines that the proposed service is intended to replace the service to
 44.19 the applying city or town or combination thereof by the council and that the proposed
 44.20 service will meet the needs of the applicant at least as efficiently and effectively as the
 44.21 existing service.

44.22 (b) The minimum amount of assistance which the council must provide ~~to a system~~
 44.23 under this section may not be less than the sum of the amounts calculated or determined
 44.24 for each ~~municipality comprising the system as follows:~~ of the replacement service
 44.25 municipalities as provided in paragraphs (c) and (d).

44.26 (c) For each replacement service municipality that received assistance under this
 44.27 section in 2011, the minimum amount of financial assistance is calculated as:

44.28 (1) an amount equal to 3.74 percent of the total state revenues generated from the
 44.29 taxes imposed under chapter 297B for the current fiscal year; times

44.30 (2) the ratio of (i) the transit operating assistance grants received under this
 44.31 subdivision by the municipality in calendar year 2001 or the tax revenues for transit
 44.32 services levied by the municipality for taxes payable in 2001, including that portion of the
 44.33 levy derived from the areawide pool under section 473F.08, subdivision 3, clause (a), plus
 44.34 the portion of the municipality's aid under section 273.1398, subdivision 2, attributable
 44.35 to the transit levy; times (2) the ratio of (i) an amount equal to 3.74 percent of the state

45.1 ~~revenues generated from the taxes imposed under chapter 297B for the current fiscal~~
 45.2 ~~year~~ to (ii) the total transit operating assistance grants received under this subdivision
 45.3 in calendar year 2001 or the tax revenues for transit services levied by all replacement
 45.4 service municipalities under this section for taxes payable in 2001, including that portion
 45.5 of the levy derived from the areawide pool under section 473F.08, subdivision 3, clause
 45.6 (a), plus the portion of homestead and agricultural credit aid under section 273.1398,
 45.7 subdivision 2, attributable to nondebt transit levies; 2 times

45.8 (3) the ratio of (i) the municipality's total taxable market value for taxes payable
 45.9 in 2006 divided by the municipality's total taxable market value for taxes payable in
 45.10 2001, to (ii) the total taxable market value of all property located in replacement service
 45.11 municipalities for taxes payable in 2006 divided by the total taxable market value of all
 45.12 property located in replacement service municipalities for taxes payable in 2001.

45.13 (d) For each replacement service municipality that first begins receiving assistance
 45.14 under this section after January 1, 2012, the council shall identify a minimum amount of
 45.15 assistance. The amount must be (1) to the extent practical, commensurate with the amount
 45.16 of assistance provided under paragraph (c); and (2) based on criteria developed by the
 45.17 council, including the following factors: operating expenses and revenues from other
 45.18 sources, service hours, ridership, and service performance standards.

45.19 ~~(e)~~ (e) The council shall pay the amount to be provided to the recipient from the
 45.20 funds the council receives in the metropolitan area transit account under section 16A.88.

45.21 **EFFECTIVE DATE.** This section is effective August 1, 2012, and applies in the
 45.22 counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

45.23 Sec. 54. Minnesota Statutes 2010, section 604A.21, subdivision 5, is amended to read:

45.24 Subd. 5. **Recreational purpose.** "Recreational purpose" includes, but is not
 45.25 limited to, hunting; trapping; fishing; swimming; boating; camping; picnicking; hiking;
 45.26 rock climbing; cave exploring; bicycling; horseback riding; firewood gathering;
 45.27 pleasure driving, including snowmobiling and the operation of any motorized vehicle or
 45.28 conveyance upon a road or upon or across land in any manner, including recreational trail
 45.29 use; nature study; water skiing; winter sports; noncommercial aviation activities; and
 45.30 viewing or enjoying historical, archaeological, scenic, or scientific sites. "Rock climbing"
 45.31 means the climbing of a naturally exposed rock face. "Cave exploring" means the
 45.32 planned exploration of naturally occurring cavities in rock, including passage through any
 45.33 structures placed for the purpose of safe access, access control, or conservation, but does
 45.34 not include the exploration of other man-made cavities such as tunnels, mines, and sewers.

46.1 Sec. 55. Laws 2009, chapter 158, section 10, is amended to read:

46.2 Sec. 10. **EFFECTIVE DATE.**

46.3 Sections 2 and 3 are effective August 1, 2009, and the amendments made in sections
 46.4 2 and 3 to Minnesota Statutes, sections 169.011 and 169.045, expire July 31, ~~2012~~ 2014.

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

46.6 Sec. 56. Laws 2011, First Special Session chapter 3, article 1, section 4, is amended to
 46.7 read:

46.8 Sec. 4. **METROPOLITAN COUNCIL** \$ **39,038,000** \$ **39,038,000**

46.9 This appropriation is from the general
 46.10 fund for transit system operations under
 46.11 Minnesota Statutes, sections 473.371 to
 46.12 473.449.

46.13 Of this appropriation, \$140,000 in each
 46.14 fiscal year is for transit service for disabled
 46.15 veterans under Minnesota Statutes, section
 46.16 473.408, subdivision 10.

46.17 The base appropriation is \$64,889,000 for
 46.18 fiscal year 2014 and \$64,970,000 for fiscal
 46.19 year 2015.

46.20 Notwithstanding Minnesota Statutes, section
 46.21 473.388, subdivision 4, in ~~each year of the~~
 46.22 ~~biennium~~ fiscal year 2012, the Metropolitan
 46.23 Council shall provide financial assistance to
 46.24 transit providers under Minnesota Statutes,
 46.25 section 473.388, in an amount that is
 46.26 \$1,650,000 less than the amount of assistance
 46.27 that was provided to transit providers by the
 46.28 Metropolitan Council in fiscal year 2011.
 46.29 Funds not transferred as a result of this
 46.30 rider are available for use by the council for
 46.31 metropolitan transit operations.

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

47.1 Sec. 57. **LEGISLATIVE ROUTE NO. 227 REMOVED.**

47.2 (a) Minnesota Statutes, section 161.115, subdivision 158, is repealed effective the
47.3 day after the commissioner of transportation receives a copy of the agreement between
47.4 the commissioner and the governing body of Wadena County to transfer jurisdiction of
47.5 Legislative Route No. 227 and notifies the revisor of statutes under paragraph (b).

47.6 (b) The revisor of statutes shall delete the route identified in paragraph (a) from
47.7 Minnesota Statutes when the commissioner of transportation sends notice to the revisor
47.8 electronically or in writing that the conditions required to transfer the route have been
47.9 satisfied.

47.10 Sec. 58. **LEGISLATIVE ROUTE NO. 258 REMOVED.**

47.11 (a) Minnesota Statutes, section 161.115, subdivision 189, is repealed effective the
47.12 day after the commissioner of transportation receives a copy of the agreement between
47.13 the commissioner and the governing body of Brown County to transfer jurisdiction of
47.14 Legislative Route No. 258 and notifies the revisor of statutes under paragraph (b).

47.15 (b) The revisor of statutes shall delete the route identified in paragraph (a) from
47.16 Minnesota Statutes when the commissioner of transportation sends notice to the revisor
47.17 electronically or in writing that the conditions required to transfer the route have been
47.18 satisfied.

47.19 Sec. 59. **LEGISLATIVE ROUTE NO. 291 REMOVED.**

47.20 (a) Minnesota Statutes, section 161.115, subdivision 222, is repealed effective the
47.21 day after the commissioner of transportation receives a copy of the agreement between the
47.22 commissioner and the governing body of the city of Hastings to transfer jurisdiction of
47.23 Legislative Route No. 291 and notifies the revisor of statutes under paragraph (b).

47.24 (b) The revisor of statutes shall delete the route identified in paragraph (a) from
47.25 Minnesota Statutes when the commissioner of transportation sends notice to the revisor
47.26 electronically or in writing that the conditions required to transfer the route have been
47.27 satisfied.

47.28 Sec. 60. **TRUNK HIGHWAY 47 MAINTENANCE.**

47.29 Notwithstanding any law to the contrary, the commissioner of transportation shall
47.30 permit the Anoka County Board to perform routine roadway maintenance on the portion
47.31 of marked Trunk Highway 47 north of marked Trunk Highway 10 and located within the
47.32 jurisdiction of the county. For purposes of this section, "routine roadway maintenance"
47.33 means work on the roadway to keep it in a reasonable state of repair and functional use,

48.1 including but not limited to striping, erecting and maintaining traffic control devices, and
48.2 adding turn lanes within existing rights-of-way.

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

48.4 Sec. 61. **I-94 NOISE IMPACTS STAKEHOLDER GROUP.**

48.5 (a) The commissioner of transportation shall establish a noise impacts stakeholder
48.6 group in conjunction with all trunk highway projects on marked Interstate Highway
48.7 94, at or near the interchange with marked Trunk Highway 280 in St. Paul, for which
48.8 preliminary engineering or preliminary design commences prior to January 1, 2018.

48.9 (b) At a minimum, membership of the stakeholder group consists of Department of
48.10 Transportation project team representatives and interested community stakeholders.

48.11 (c) As part of the project development process for any project identified under
48.12 paragraph (a), the commissioner shall consult with the stakeholder group to provide
48.13 background information and data on noise impacts, review practices and evaluate options
48.14 for noise mitigation, and obtain recommendations from the stakeholder group for noise
48.15 mitigation components of the project design.

48.16 Sec. 62. **LEGISLATIVE REPORTS ON CONTRACTING.**

48.17 Subdivision 1. **Submission of reports.** The commissioner shall report on experience
48.18 with and evaluation of the construction manager/general contractor method of contracting
48.19 authorized in Minnesota Statutes, sections 161.3207 to 161.3209. The reports must be
48.20 submitted to the chairs and ranking minority members of the legislative committees with
48.21 jurisdiction over transportation policy or transportation finance and in compliance with
48.22 Minnesota Statutes, sections 3.195 and 3.197. An interim report must be submitted
48.23 no later than 12 months following the commissioner's acceptance of five construction
48.24 manager/general contractor contracts. A final report must be submitted no later than 12
48.25 months following the commissioner's acceptance of ten construction manager/general
48.26 contractor contracts.

48.27 Subd. 2. **Content of reports.** The reports must include: (1) a description of
48.28 circumstances of any projects as to which construction manager/general contractor
48.29 requests for qualifications or requests for proposals were solicited, followed by a
48.30 cancellation of the solicitation; (2) a description of projects as to which construction
48.31 manager/general contractor method was utilized; (3) a comparison of project cost
48.32 estimates with final project costs, if available; and (4) evaluation of the construction
48.33 manager/general contractor method of procurement with respect to implications for
48.34 project cost, use of innovative techniques, completion time, and obtaining maximum

49.1 value. The final report must also include recommendations as to continued use of the
 49.2 program and desired modifications to the program, and recommended legislation to
 49.3 continue, discontinue, or modify the program.

49.4 **EFFECTIVE DATE.** This section is effective the day following final enactment and
 49.5 expires following the acceptance of ten construction manager/general contractor contracts.

49.6 Sec. 63. **REVISOR'S INSTRUCTION.**

49.7 The revisor of statutes shall renumber the provisions of Minnesota Statutes listed
 49.8 in column A to the references listed in column B. The revisor shall also make necessary
 49.9 cross-reference changes in Minnesota Statutes consistent with the renumbering.

<u>Column A</u>	<u>Column B</u>
49.10 <u>169.011, subd. 83</u>	<u>168B.011, subd. 12a</u>
49.11 <u>169.041</u>	<u>168B.035</u>
49.12 <u>169.64, subd. 5</u>	<u>168B.16</u>
49.13 <u>169.86, subd. 8</u>	<u>168B.15</u>
49.14 <u>465.75</u>	<u>168B.14</u>
49.15 <u>514.18, subd. 1a</u>	<u>168B.045</u>

49.17 Sec. 64. **RULES REPEALER.**

49.18 Minnesota Rules, parts 8810.9000; 8810.9100; 8810.9200; 8810.9300; 8810.9400;
 49.19 8810.9500; 8810.9600; and 8810.9700, are repealed.

49.20 Sec. 65. **EFFECTIVE DATE.**

49.21 Sections 28 and 44, subdivisions 1 to 4, are effective one year after publication in the
 49.22 State Register of rules adopted under section 44, subdivision 5. Section 44, subdivision 5,
 49.23 is effective the day following final enactment.

49.24 Sec. 66. **EFFECTIVE DATE.**

49.25 Unless otherwise specified, this act is effective August 1, 2012.