## 161.178 TRANSPORTATION GREENHOUSE GAS EMISSIONS IMPACT ASSESSMENT.

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

(b) "Applicable entity" means the commissioner with respect to a project or portfolio for inclusion in the state transportation improvement program or a metropolitan planning organization with respect to a project or portfolio for inclusion in the appropriate metropolitan transportation improvement program.

(c) "Assessment" means the impact assessment under this section.

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

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

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

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

Subd. 2. **Project or portfolio assessment.** (a) Prior to inclusion of a project or portfolio in the state transportation improvement program or in a metropolitan transportation improvement program, the applicable entity must perform an impact assessment of the project or portfolio. Following the assessment, the applicable entity must determine if the project or portfolio is proportionally in conformance with:

(1) the greenhouse gas emissions reduction targets under section 174.01, subdivision 3; and

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

(b) If the applicable entity determines that the project or portfolio is not in conformance with paragraph (a), the applicable entity must:

(1) alter the scope or design of the project or any number of projects, add or remove one or more projects from the portfolio, or undertake a combination, and subsequently perform a revised assessment that meets the requirements under this section;

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

(3) halt project development and disallow inclusion of the project or portfolio in the appropriate transportation improvement program.

Subd. 2a. **Applicable projects.** (a) For purposes of this section:

(1) prior to the date established under paragraph (b), a project or portfolio is a capacity expansion project; and

(2) on and after the date established under paragraph (b), a project or portfolio is a capacity expansion project or a collection of trunk highway and multimodal projects for a fiscal year and specific region.

(b) The commissioner must establish a date to implement impact assessments on the basis of assessing a portfolio or program of projects instead of on a project-by-project basis. The date must be:

(1) August 1, 2027, which applies to projects that first enter the appropriate transportation improvement program for fiscal year 2031 or a subsequent year; or

(2) as established by the commissioner, if the commissioner:

(i) consults with metropolitan planning organizations;

(ii) prioritizes and makes reasonable efforts to meet the date under clause (1) or an earlier date;

(iii) determines that the date established under this clause is the earliest practicable in which the necessary models and tools are sufficient for analysis under this section; and

(iv) submits a notice to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over transportation policy and finance, which must identify the date established and summarize the efforts under item (ii) and the determination under item (iii).

Subd. 3. **Assessment requirements.** (a) The commissioner must establish a process to implement the requirements under this section, which includes:

(1) any necessary policies, procedures, manuals, and technical specifications;

(2) procedures to perform an impact assessment that provide for the determination under subdivision 2;

(3) in consultation with the technical advisory committee under section 161.1782, criteria for identification of a capacity expansion project; and

(4) related data reporting from local units of government on local multimodal transportation systems and local project impacts on greenhouse gas emissions and vehicle miles traveled.

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

(1) greenhouse gas emissions over a period of 20 years;

(2) a net change in vehicle miles traveled for the affected network; and

(3) impacts to trunk highways and related impacts to local road systems, on a local, regional, or statewide basis, as appropriate.

Subd. 4. **Impact mitigation; interlinking.** (a) To provide for impact mitigation, the applicable entity must interlink the project or portfolio as provided in this subdivision.

(b) Impact mitigation is sufficient under subdivision 2, paragraph (b), if the project or portfolio is interlinked to offset actions such that the total greenhouse gas emissions reduction from the offset actions, after accounting for the greenhouse gas emissions otherwise resulting from the project or portfolio, is consistent with meeting the targets specified under subdivision 2, paragraph (a). Each comparison under this paragraph must be performed over equal comparison periods.

(c) An offset action consists of a project, program, operations modification, or mitigation plan in one or more of the following areas:

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

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

(3) active transportation infrastructure;

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

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

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

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

(8) infrastructure improvements related to traffic operations, including but not limited to roundabouts and reduced conflict intersections;

(9) natural systems improvements, including but not limited to ecosystem restoration, prairie restoration, reforestation, afforestation, wetland conservation, restorative agriculture practices, and urban green space;

(10) land acquisition including easements, restoration, and enhancement for: (i) the outdoor recreation system under section 86A.04, excluding state rest areas; and (ii) regional parks; and

(11) as specified by the commissioner in the manner provided under paragraph (e).

(d) An offset action may be identified as interlinked to the project or portfolio if:

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

(2) the necessary funding sources are identified and sufficient amounts are committed;

(3) the mitigation is localized as provided in subdivision 5; and

(4) procedures are established to ensure that the mitigation action remains in substantially the same form or a revised form that continues to meet the calculation under paragraph (b).

(e) The commissioner may authorize additional offset actions under paragraph (c) if:

(1) the offset action is reviewed and recommended by the technical advisory committee under section 161.1782; and

(2) the commissioner determines that the offset action is directly related to reduction in the transportation sector of greenhouse gas emissions or vehicle miles traveled.

Subd. 5. **Impact mitigation; localization.** (a) An offset action under subdivision 4 must be localized in the following priority order:

(1) if the offset action is for one project, within or associated with at least one of the communities impacted by the project;

(2) if clause (1) does not apply or there is not a reasonably feasible location under clause (1), in areas of persistent poverty or historically disadvantaged communities, as measured and defined in federal law, guidance, and notices of funding opportunity;

(3) if there is not a reasonably feasible location under clauses (1) and (2), in the region of the project or portfolio; or

(4) if there is not a reasonably feasible location under clauses (1) to (3), on a statewide basis.

(b) The applicable entity must include an explanation regarding the feasibility and rationale for each mitigation action located under paragraph (a), clauses (2) to (4).

Subd. 6. **Public information.** The commissioner must publish information regarding impact assessments on the department's website. The information must include:

(1) for each project evaluated separately under this section, identification of the project;

(2) for each project evaluated separately, a summary that includes an overview of the assessment, the impact determination by the commissioner, and project disposition, including a review of any offset actions;

(3) for each portfolio of projects, an overview of the projects, the impact determination by the commissioner, and a summary of any offset actions;

(4) a review of any interpretation of or additions to offset actions under subdivision 4;

(5) identification of the date established by the commissioner under subdivision 2a, paragraph (b); and

(6) a summary of the activities of the technical advisory committee under section 161.1782, including but not limited to any findings or recommendations made by the advisory committee.

Subd. 7. **Safety and well-being.** The requirements of this section are in addition to and must not supplant the safety and well-being goals established under section 174.01, subdivision 2, clauses (1) and (2).

Subd. 8. **Transportation impact assessment and mitigation account.** (a) A transportation impact assessment and mitigation account is established in the special revenue fund. The account consists of funds provided by law and any other money donated, allotted, transferred, or otherwise provided to the account.

(b) Money in the account is annually appropriated to the commissioner and must only be expended on activities described or required under this section. In determining expenditures from the account, the commissioner must include prioritization for offset actions interlinked to trunk highway projects that reduce traffic fatalities or severe injuries.

**History:** *2023 c 68 art 4 s 28; 2024 c 127 art 3 s 14; 1Sp2025 c 8 art 2 s 12*