A bill for an act

relating to transportation finance; appropriating money for transportation, Metropolitan Council, and public safety activities and programs; providing for fund transfers and tort claims; authorizing an account and certain contingent appropriations; modifying previous appropriations provisions; modifying various provisions related to transportation finance and policy; modifying provisions related to speed limits, fracture-critical bridges, transit, passenger rail, motor vehicle lease sales tax revenue allocations, and transit services; requiring reports; amending Minnesota Statutes 2008, sections 161.081, by adding a subdivision; 161.36, subdivision 7, as added; 162.12, subdivision 2; 169.14, by adding a subdivision; 174.24, subdivision 1a, by adding a subdivision; 174.50, by adding a subdivision; 297A.815, subdivision 3; 473.408, by adding a subdivision; Laws 2007, chapter 143, article 1, section 3, subdivision 2, as amended; Laws 2008, chapter 152, article 1, section 5; proposing coding for new law in Minnesota Statutes, chapters 161; 174.

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

ARTICLE 1
TRANSPORTATION APPROPRIATIONS

Section 1. **SUMMARY OF APPROPRIATIONS.**

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

		2010		2011		Total
General	$	101,590,000	$	94,030,000	$	195,620,000
Airports		21,909,000		19,659,000		41,568,000
C.S.A.H.		496,786,000		524,478,000		1,021,264,000
M.S.A.S.		134,003,000		141,400,000		275,403,000
Special Revenue		49,038,000		49,038,000		98,076,000
H.U.T.D.		9,538,000		9,838,000		19,376,000

Trunk Highway	1,263,292,000	1,369,846,000	2,633,138,000
Total	**$ 2,076,156,000**	**$ 2,208,289,000**	**$ 4,284,445,000**

Sec. 2. **TRANSPORTATION APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the trunk highway fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2010" and "2011" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2010, or June 30, 2011, respectively. "The first year" is fiscal year 2010. "The second year" is fiscal year 2011. "The biennium" is fiscal years 2010 and 2011. Appropriations for the fiscal year ending June 30, 2009, are effective the day following final enactment.

	APPROPRIATIONS Available for the Year Ending June 30	
	2010	**2011**
Sec. 3. **DEPARTMENT OF TRANSPORTATION**		
Subdivision 1. **Total Appropriation**	**$ 1,849,926,000**	**$ 1,983,923,000**

Appropriations by Fund		
	2010	2011
General	18,704,000	11,144,000
Airports	21,859,000	19,609,000
C.S.A.H.	496,786,000	524,478,000
M.S.A.S.	134,003,000	141,400,000
Trunk Highway	1,178,574,000	1,287,292,000

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

Subd. 2. **Multimodal Systems**

(a) **Airport Development and Assistance**	16,548,000	14,298,000

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

Notwithstanding Minnesota Statutes, section 16A.28, subdivision 6, this appropriation is available for five years after appropriation. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

(b) **Aviation Support and Services**	6,123,000	6,123,000

Appropriations by Fund		
Airports	5,286,000	5,286,000
Trunk Highway	837,000	837,000

$65,000 the first year and $65,000 the second year from the state airports fund are for the Civil Air Patrol.

(c) **Airport Development Appropriation Adjustments**

If an appropriation for airport development and assistance under paragraph (a) does not exhaust the balance in the state airports fund in the year for which it is made, the commissioner of finance, upon request of the commissioner of transportation, shall notify the chairs and ranking minority members of the senate and house of representatives committees with jurisdiction over transportation finance of the amount of the remainder and shall then add that amount to the appropriation. The amount added is appropriated as provided in paragraph (a).

If the appropriation for airport development and assistance under paragraph (a) or this paragraph does exhaust the balance in the state airports fund in the year for which it is made, the commissioner of finance shall notify the chairs and ranking minority members of the senate and house of representatives committees with jurisdiction over transportation finance of the amount by which the appropriation exceeds the balance and shall then reduce that amount from the appropriation.

(d) **Transit**	18,549,000	10,989,000

Appropriations by Fund		
General	17,774,000	10,214,000
Trunk Highway	775,000	775,000

The base appropriation from the general fund for fiscal years 2012 and 2013 is $17,774,000 for each year.

(e) **Commuter and Passenger Rail**	500,000	500,000

This appropriation is from the general fund for (1) development of the comprehensive statewide freight and passenger rail plan under Minnesota Statutes, section 174.03, subdivision 1b, and (2) passenger rail system planning, alternatives analysis, environmental analysis, design, preliminary engineering, and land acquisition under Minnesota Statutes, sections 174.632 to 174.636.

(f) **Freight**	5,262,000	5,262,000

Appropriations by Fund		
General	365,000	365,000
Trunk Highway	4,897,000	4,897,000

Subd. 3. **State Roads**

(a) **Infrastructure Operations and Maintenance**	250,457,000	242,651,000

The base appropriation for fiscal years 2012 and 2013 is $257,395,000 for each year.

(b) **Infrastructure Investment Support**	200,527,000	194,384,000

The base appropriation for fiscal years 2012 and 2013 is $205,988,000 for each year.

Of the appropriation for fiscal year 2010, $390,000 is for engineering, signage, and roadway marking related to speed limit requirements under Minnesota Statutes, section 169.14, subdivision 2a.

$266,000 the first year and $266,000 the second year are available for grants to metropolitan planning organizations outside the seven-county metropolitan area.

$75,000 the first year and $75,000 the second year are for a transportation research contingent account to finance research projects that are reimbursable from the federal government or from other sources. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

$600,000 the first year and $600,000 the second year are available for grants for transportation studies outside the metropolitan area to identify critical concerns, problems, and issues. These grants are available (1) to regional development commissions; (2) in regions where no regional development commission is functioning, to joint powers boards established under agreement of two or more political subdivisions in the region to exercise the planning functions of a regional development commission; and (3) in regions where no regional development commission or joint powers board is functioning, to the department's district office for that region.

(c) **State Road Construction**	557,300,000	612,700,000

The base appropriation for fiscal years 2012 and 2013 is $635,000,000 for each year.

It is estimated that these appropriations will be funded as follows:

Appropriations by Fund		
Federal Highway Aid	301,100,000	388,500,000
Highway User Taxes	256,200,000	224,200,000

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

The commissioner of transportation shall notify the chairs and ranking minority members of the senate and house of representatives committees with jurisdiction over transportation finance of any significant events that should cause these estimates to change.

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

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

(d) **Highway Debt Service**	100,598,000	169,752,000

$85,945,000 the first year and $153,656,000 the second year are for transfer to the state bond fund. If this appropriation is insufficient to make all transfers required in the year for which it is made, the commissioner of finance shall notify the Committee on Finance of the senate and the Committee on Ways and Means of the house of representatives of the amount of the deficiency and shall then transfer that amount under the statutory open appropriation. Any excess appropriation cancels to the trunk highway fund.

(e) **Electronic Communications**	5,177,000	5,177,000

Appropriations by Fund

General	9,000	9,000
Trunk Highway	5,168,000	5,168,000

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

Subd. 4. **Local Roads**

(a) **County State Aids**	496,786,000	524,478,000

This appropriation is from the county state-aid highway fund and is available until spent.

(b) **Municipal State Aids**	134,003,000	141,400,000

This appropriation is from the municipal state-aid street fund and is available until spent.

(c) **State Aid Appropriation Adjustments**

If an appropriation for either county state aids or municipal state aids does not exhaust the balance in the fund from which it is made in the year for which it is made, the commissioner of finance, upon request of the commissioner of transportation, shall notify the chairs and ranking minority members of the senate and house of representatives committees with jurisdiction over transportation finance of the amount of the remainder and shall then add that amount to the appropriation. The amount added is appropriated for the purposes of county state aids or municipal state aids, as appropriate.

If the appropriation for either county state aids or municipal state aids does exhaust the balance in the fund from which it is made in the year for which it is made, the commissioner of finance shall notify the chairs and ranking minority members of the senate and house of representatives committees with jurisdiction over transportation finance of the amount by which the appropriation exceeds the balance and shall then reduce that amount from the appropriation.

Subd. 5. **General Support and Services**

(a) **Department Support**	40,735,000	39,388,000

Appropriations by Fund		
Airports	25,000	25,000
Trunk Highway	40,710,000	39,363,000

The base appropriation from the trunk highway fund in fiscal years 2012 and 2013 is $41,907,000 for each year.

(b) **Buildings**	17,361,000	16,821,000

Appropriations by Fund		
General	56,000	56,000
Trunk Highway	17,305,000	16,765,000

The base appropriation from the trunk highway fund in fiscal years 2012 and 2013 is $17,784,000 for each year.

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

Subd. 6. **Transfers**

(a) With the approval of the commissioner of finance, the commissioner of transportation may transfer unencumbered balances among the appropriations from the trunk highway fund and the state airports fund made in this section. No transfer may be made from the appropriation for state road construction. No transfer may be made from the appropriations for debt service to any other appropriation. Transfers under this paragraph may not be made between funds. Transfers between programs must be reported immediately to the chairs and ranking minority members of the senate and house of representatives committees with jurisdiction over transportation finance.

(b) The commissioner of finance shall transfer from the flexible account in the county state-aid highway fund $8,440,000 the first year and $1,550,000 the second year to the municipal turnback account in the municipal state-aid street fund.

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

Any money appropriated to the commissioner of transportation for state road construction for any fiscal year before fiscal year 2010 is available to the commissioner during the biennium to the extent that the commissioner spends the money on the state road construction project for which the money was originally encumbered during the fiscal year for which it was appropriated. The commissioner of transportation shall report to the commissioner of finance by August 1, 2009, and August 1, 2010, on a form the commissioner of finance provides, on expenditures made during the previous fiscal year that are authorized by this subdivision.

Subd. 8. **Contingent Appropriation**

The commissioner of transportation may request an appropriation of an unappropriated balance in the trunk highway fund in the biennium as provided under Minnesota Statutes, section 161.358, for (1) trunk highway design, construction, or inspection in order to take advantage of an unanticipated receipt of income to the trunk highway fund or to take advantage of federal advanced construction funding; (2) trunk highway maintenance in order to meet an emergency; or (3) payment of tort or environmental claims.

Nothing in this subdivision authorizes the commissioner to increase the use of federal advanced construction funding beyond amounts specifically authorized. Any transfer as a result of the use of federal advanced construction funding must include an analysis of the effects on the long-term trunk highway fund balance.

Sec. 4. **METROPOLITAN COUNCIL**

Subdivision 1. **Total Appropriation**	**$**	**75,186,000**	**$**	**75,186,000**

The appropriations in this section are from the general fund.

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

Subd. 2. **Bus Transit**	69,893,000	69,893,000

This appropriation is for bus system operations.

Of this appropriation, $129,000 for fiscal year 2010 and $140,000 for fiscal year 2011 is for transit service for disabled veterans under Minnesota Statutes, section 473.408, subdivision 10.

Subd. 3. **Rail Operations**	5,293,000	5,293,000

This appropriation is for operations of the Hiawatha light rail transit line.

Sec. 5. **DEPARTMENT OF PUBLIC SAFETY**

Subdivision 1. **Total Appropriation**	**$**	**150,069,000**	**$**	**148,205,000**

Appropriations by Fund

	2010	2011
General	7,700,000	7,700,000
H.U.T.D.	9,413,000	9,713,000
Special Revenue	49,038,000	49,038,000
Trunk Highway	83,918,000	81,754,000

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

Subd. 2. **Administration and Related Services**

(a) **Office of Communications**	434,000	434,000

Appropriations by Fund

General	41,000	41,000
Trunk Highway	393,000	393,000

(b) **Public Safety Support**			8,035,000	8,035,000
Appropriations by Fund				
General	3,163,000	3,163,000		
H.U.T.D.	1,366,000	1,366,000		
Trunk Highway	3,506,000	3,506,000		

$380,000 the first year and $380,000 the second year are appropriated from the general fund for payment of public safety officer survivor benefits under Minnesota Statutes, section 299A.44. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

$1,367,000 the first year and $1,367,000 the second year are appropriated from the general fund to be deposited in the public safety officer's benefit account. This money is available for reimbursements under Minnesota Statutes, section 299A.465.

$508,000 the first year and $508,000 the second year are appropriated from the general fund for soft body armor reimbursements under Minnesota Statutes, section 299A.38.

$792,000 the first year and $792,000 the second year are appropriated from the general fund for transfer by the commissioner of finance to the trunk highway fund on December 31, 2009, and December 31, 2010, respectively, in order to reimburse the trunk highway fund for expenses not related to the fund. These represent amounts appropriated out of the trunk highway fund for general fund purposes in the administration and related services program.

$610,000 the first year and $610,000 the second year are appropriated from the highway user tax distribution fund for transfer by the commissioner of finance to the trunk highway fund on December 31, 2009, and December 31, 2010, respectively, in order to reimburse the trunk highway fund for expenses not related to the fund. These represent amounts appropriated out of the trunk highway fund for highway user tax distribution fund purposes in the administration and related services program.

$716,000 the first year and $716,000 the second year are appropriated from the highway user tax distribution fund for transfer by the commissioner of finance to the general fund on December 31, 2009, and December 31, 2010, respectively, in order to reimburse the general fund for expenses not related to the fund. These represent amounts appropriated out of the general fund for operation of the criminal justice data network related to driver and motor vehicle licensing.

(c) **Technical Support Services**			3,835,000	3,835,000

Appropriations by Fund		
General	1,472,000	1,472,000
H.U.T.D.	19,000	19,000
Trunk Highway	2,344,000	2,344,000

Subd. 3. **State Patrol**

(a) **Patrolling Highways**			69,597,000	67,433,000

Appropriations by Fund		
General	37,000	37,000
H.U.T.D.	92,000	92,000
Trunk Highway	69,468,000	67,304,000

The base appropriation from the trunk highway fund for fiscal years 2012 and 2013 is $71,393,000 for each year.

(b) **Commercial Vehicle Enforcement**	7,771,000	7,771,000
(c) **Capitol Security**	2,987,000	2,987,000

This appropriation is from the general fund.

The commissioner may not (1) spend any money from the trunk highway fund for capitol security or (2) permanently transfer any state trooper from the patrolling highways activity to capitol security.

The commissioner may not transfer any money (1) appropriated for Department of Public Safety administration, the patrolling of highways, commercial vehicle enforcement, or driver and vehicle services to capitol security or (2) from capitol security.

Subd. 4. **Driver and Vehicle Services**

(a) **Vehicle Services**	26,909,000	27,209,000

Appropriations by Fund

Special Revenue	18,973,000	18,973,000
H.U.T.D.	7,936,000	8,236,000

The special revenue fund appropriation is from the vehicle services operating account.

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

Appropriations by Fund

Special Revenue	28,711,000	28,711,000
Trunk Highway	1,000	1,000

The special revenue fund appropriation is from the driver services operating account.

Subd. 5. **Traffic Safety**	435,000	435,000
Subd. 6. **Pipeline Safety**	1,354,000	1,354,000

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

Sec. 6. **GENERAL CONTINGENT ACCOUNTS**		**$**	**375,000** **$**	**375,000**

Appropriations by Fund		
Trunk Highway	200,000	200,000
H.U.T.D.	125,000	125,000
Airports	50,000	50,000

The appropriations in this section from the trunk highway fund, the highway user tax distribution fund, and the state airports fund may only be spent upon approval as provided under Minnesota Statutes, section 161.358.

If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it.

Sec. 7. **TORT CLAIMS**		**$**	**600,000** **$**	**600,000**

This appropriation is to the commissioner of finance.

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

Sec. 8. Laws 2007, chapter 143, article 1, section 3, subdivision 2, as amended by Laws 2008, chapter 363, article 11, section 10, is amended to read:

Subd. 2. **Multimodal Systems**

(a) **Aeronautics**

(1) **Airport Development and Assistance**	20,298,000	5,298,000

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

$6,000,000 the first year is a onetime appropriation and does not add to the base appropriations. The base for this appropriation for fiscal year 2010 is $14,298,000.

Of this appropriation $200,000 the first year is to the Legislative Coordinating Commission for the administrative expenses of the Airport Funding Advisory Task Force and for other costs relating to the preparation of the task force report, including the costs of hiring a consultant, if needed. Any remaining amount of this appropriation shall revert to the state airports fund.

Notwithstanding Minnesota Statutes, section 16A.28, subdivision 6, this appropriation is available for five years after appropriation.

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

(2) **Aviation Support and Services**

Appropriations by Fund

Airports	5,184,000	5,286,000
Trunk Highway	852,000	866,000

$65,000 the first year and $65,000 the second year from the state airports fund are for the Civil Air Patrol.

(b) **Transit**

Appropriations by Fund

General	18,813,000	~~18,816,000~~ 26,376,000
Trunk Highway	740,000	761,000

Of the appropriation in fiscal year 2009, $7,560,000 may be expended for financial assistance under Minnesota Statutes, section 174.24, notwithstanding the payment schedule under Minnesota Statutes, section 174.24, subdivision 5.

(c) **Freight**

Appropriations by Fund		
General	357,000	367,000
Trunk Highway	5,028,000	5,158,000

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

Sec. 9. Laws 2008, chapter 152, article 1, section 5, is amended to read:

Sec. 5. **APPROPRIATION; TRANSPORTATION EMERGENCY RELIEF.**

$55,000,000 in fiscal year 2008 and ~~$77,000,000~~ $33,000,000 in fiscal year 2009 are appropriated to the commissioner of transportation from the trunk highway fund for the purposes specified in the federal grants and aids related to the I-35W bridge collapse on marked Interstate Highway I-35W in Minneapolis. The appropriation in fiscal year 2009 is available for other trunk highway construction projects. This appropriation is in addition to appropriations under Laws 2007, chapter 143, article 1, section 3, and Laws 2007, First Special Session chapter 2, article 2, section 2.

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

ARTICLE 2
TRANSPORTATION FINANCE AND POLICY

Section 1. Minnesota Statutes 2008, section 161.081, is amended by adding a subdivision to read:

Subd. 4. **Metropolitan routes of regional significance account.** (a) For purposes of this subdivision, the following terms have the meanings given them:

(1) "metropolitan county" has the meaning given in section 473.121, subdivision 4; and

(2) "population" has the meaning given in section 477A.011, subdivision 3, except that it excludes the three most populous cities in the metropolitan area.

(b) The metropolitan routes of regional significance account is created in the state treasury. Funds in the account are for allocation to metropolitan counties to assist in paying the costs of construction, reconstruction, or maintenance of county highways with statewide or regional significance that have not been fully funded through other state, federal, or local funding sources.

(c) The commissioner shall allocate funds in the account to each metropolitan county so that the county receives an amount proportional to the percentage that its population, estimated or established by July 15 of the year prior to the current calendar year, bears to the total population of the counties receiving funds under this subdivision.

EFFECTIVE DATE. This section is effective July 1, 2009.

Sec. 2. **[161.358] CONTINGENT APPROPRIATIONS.**

Subdivision 1. **Application.** This section only applies as specifically provided in conjunction with a contingent appropriation under law, and provides for the commissioner of transportation, or another named commissioner, to obtain appropriation authority from the trunk highway fund, or another named fund, for transportation purposes.

Subd. 2. **Definition.** (a) For purposes of this section, the following term has the meaning given.

(b) "Transportation Contingent Appropriations Group" or "TCAG" means a group comprised of the following members:

(1) the members of the Legislative Advisory Commission under section 3.30; and

(2) the ranking minority members of the house of representatives and senate committees with jurisdiction over transportation finance.

Subd. 3. **Appropriations process; request; hearings.** (a) To request an appropriation under this section, the commissioner shall submit to members of the Transportation Contingent Appropriations Group written notice and request for appropriation authority. The notice must provide information on the appropriation authority being sought, and request the written response of each TCAG member within ten days of the date of notification.

(b) Upon request by any member of the Transportation Contingent Appropriations Group for further information, the TCAG shall hold hearings on the requested appropriation authority. A member must make the request for further information within ten days of the date of notification under paragraph (a).

(c) The division chair of the finance committee with jurisdiction over transportation finance in the senate and the division chair of the appropriate finance committee or division with jurisdiction over transportation finance in the house of representatives shall on an alternating basis chair the TCAG hearings. The TCAG shall conclude hearings and provide written approval or disapproval of the request for appropriation authority within six weeks of the date of notification.

Subd. 4. **Approval.** A member of the Transportation Contingent Appropriations Group is deemed to approve the commissioner's request for appropriation authority if:

(1) no request for further information is made under subdivision 3, paragraph (b), and that member does not respond with written disapproval within ten days of the date of notification under subdivision 3, paragraph (a); or

(2) a request for further information is made, and that member does not respond with written disapproval within six weeks of the date of notification.

Subd. 5. **Contingent appropriation.** Upon approval of the governor and the approval of a minimum of five members of the Transportation Contingent Appropriations Group, the funds requested under subdivision 3 are appropriated to the commissioner from the trunk highway fund, or another named fund, and must be utilized in conformance with the purposes specified.

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

Sec. 3. Minnesota Statutes 2008, section 161.36, subdivision 7, as added by Laws 2009, chapter 9, section 1, is amended to read:

Subd. 7. **Economic recovery funds.** (a) All federal funds made available as of April 2, 2009, to the commissioner under title XII of the American Recovery and Reinvestment Act of 2009, Public Law 111-5 (the act), and designated for transportation purposes, including but not limited to assistance for highways and bridges, transit, aeronautics, ports, and railroads, are appropriated to the commissioner from the trunk highway fund or the federal fund, as appropriate. ~~This appropriation includes any funds not initially made available to the commissioner under the act, including but not limited to competitive grant awards and funds made available in addition to the amount expected on the effective date of this section.~~ The money is available until expended.

(b) The commissioner may request an appropriation from the trunk highway fund or the federal fund, as appropriate, as provided under section 161.358, for funds made available to the commissioner under the act that are not appropriated in paragraph (a).

(c) The commissioner shall make every reasonable effort to seek and utilize all funds available under title XII of the act.

~~(c)~~ (d) The commissioner shall expend funds appropriated under this subdivision in conformance with federal requirements established in association with use of the funds. The commissioner may expend up to 17 percent of the funds for program delivery.

~~(d)~~ (e) Notwithstanding section 360.305, subdivision 4, no local contribution is required for eligible aeronautics project elements funded by a federal grant-in-aid through the act.

~~(e)~~ (f) Within two weeks of submitting each report to the United States Department of Transportation as required for the federal aid under this subdivision, the commissioner shall submit a corresponding report to the chairs and ranking members of the house of representatives and senate committees with jurisdiction over transportation policy and finance. The corresponding report must contain (1) a copy of the report submitted to the United States Department of Transportation, and (2) information on the geographic distribution of projects funded under this subdivision, which at a minimum specifies the amount provided for highways and bridges, transit, aeronautics, ports, and railroads within each of the department's districts.

Sec. 4. Minnesota Statutes 2008, section 162.12, subdivision 2, is amended to read:

Subd. 2. **Administrative costs.** A sum of ~~1-1/2~~ two percent shall be deducted from the total available in the municipal state-aid street fund, set aside in a separate account, and used for administration costs incurred by the state Transportation Department in carrying out the provisions relating to the municipal state-aid street system.

Sec. 5. Minnesota Statutes 2008, section 169.14, is amended by adding a subdivision to read:

Subd. 2a. **Increased speed limit when passing.** Notwithstanding subdivision 2, the speed limit is increased by ten miles per hour over the posted speed limit when the driver:

(1) is on a two-lane highway having one lane for each direction of travel;

(2) is on a highway with a posted speed limit that is equal to or higher than 55 miles per hour;

(3) is overtaking and passing another vehicle proceeding in the same direction of travel; and

(4) meets the requirements in section 169.18.

Sec. 6. Minnesota Statutes 2008, section 174.24, subdivision 1a, is amended to read:

Subd. 1a. **Transit service needs implementation plan.** The commissioner shall develop a transit service needs implementation plan that contains a goal of meeting at least 80 percent of unmet transit service needs in greater Minnesota by July 1, 2015, and meeting at least 90 percent of unmet transit service needs in greater Minnesota by July 1, 2025. The plan must include, but is not limited to, the following: an analysis of ridership and transit service needs throughout greater Minnesota; a calculation of unmet needs; an assessment of the level and type of service required to meet unmet needs; an analysis of costs and revenue options; and, a plan to reduce unmet transit service needs as specified in this subdivision. The plan must specifically address special transportation service ridership and needs. The plan must also provide that recipients of operating assistance under this section provide public transit service without charge for disabled veterans in accordance with subdivision 7. The commissioner may amend the plan as necessary, and may use all or part of the 2001 greater Minnesota public transportation plan created by the Minnesota Department of Transportation.

Sec. 7. Minnesota Statutes 2008, section 174.24, is amended by adding a subdivision to read:

Subd. 7. **Transit service for disabled veterans.** On and after July 1, 2009, an eligible recipient of operating assistance under this section, who contracts or has contracted to provide public transit, shall provide public transit service free of charge for veterans, as defined in section 197.447, certified as disabled. For purposes of this section, "certified as disabled" means certified in writing by the United States Department of Veterans Affairs or the state commissioner of veterans affairs as having a permanent service-connected disability.

Sec. 8. Minnesota Statutes 2008, section 174.50, is amended by adding a subdivision to read:

Subd. 6c. **Fracture-critical bridges.** (a) The commissioner may make a grant to any political subdivision for replacement or rehabilitation of a fracture-critical bridge. To be eligible for a grant under this subdivision, the project must produce a bridge structure:

(1) that is no longer classified as fracture critical, by having alternate load paths; and

(2) whose failure of a main component will not result in the collapse of the bridge.

(b) A grant under this subdivision is subject to the procedures and criteria established under subdivisions 5 and 6.

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

Sec. 9. **[174.632] PASSENGER RAIL; COMMISSIONER'S DUTIES.**

(a) The planning, design, development, construction, operation, and maintenance of passenger rail track, facilities, and services are governmental functions, serve a public purpose, and are a matter of public necessity.

(b) The commissioner is responsible for all aspects of planning, designing, developing, constructing, equipping, operating, and maintaining passenger rail, including system planning, alternatives analysis, environmental studies, preliminary engineering, final design, construction, negotiating with railroads, and developing financial and operating plans.

(c) The commissioner may enter into a memorandum of understanding or agreement with a public or private entity, including a regional railroad authority, a joint powers board, and a railroad, to carry out these activities.

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

Sec. 10. **[174.634] PASSENGER RAIL; FUNDING.**

(a) The commissioner may apply for funding from federal, state, regional, local, and private sources to carry out the commissioner's duties in section 174.632.

(b) Section 174.88, subdivision 2, does not apply to the commissioner's performance of duties and exercise of powers under sections 174.632 to 174.636.

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

Sec. 11. **[174.636] PASSENGER RAIL; EXERCISE OF POWER.**

(a) The commissioner has all powers necessary to carry out the duties specified in section 174.632. In the exercise of those powers, the commissioner may:

(1) acquire by purchase, gift, or by eminent domain proceedings as provided by law, all land and property necessary to preserve future passenger rail corridors or to construct, maintain, and improve passenger rail corridors;

(2) let all necessary contracts as provided by law; and

(3) make agreements with and cooperate with any governmental authority or private entity to carry out statutory duties related to passenger rail.

(b) The commissioner shall consult with metropolitan planning organizations and regional rail authorities in areas where passenger rail corridors are under consideration to ensure that passenger rail services are integrated with existing rail and transit services and other transportation facilities to provide as nearly as possible connected, efficient, and integrated services.

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

Sec. 12. Minnesota Statutes 2008, section 297A.815, subdivision 3, is amended to read:

Subd. 3. **Motor vehicle lease sales tax revenue.** (a) For purposes of this subdivision, "net revenue" means an amount equal to:

(1) the revenues, including interest and penalties, collected under this section, during the fiscal year; less

(2) the estimated reduction in individual income tax receipts and the estimated amount of refunds paid out under section 290.06, subdivision 34, for the fiscal year.

(b) On or before June 30 of each fiscal year, the commissioner of revenue shall estimate the amount of the revenues and subtraction under paragraph (a) for the current fiscal year.

(c) On or after July 1 of the subsequent fiscal year, the commissioner of finance shall transfer the net revenue as estimated in paragraph (b) from the general fund, as follows:

(1) 65 percent to the metropolitan area transit account;

(2) ~~50~~ 25 percent to the greater Minnesota transit account; and

~~(2) 50 percent to the county state-aid highway fund. Notwithstanding any other law to the contrary, the commissioner of transportation shall allocate the funds transferred under this clause to the counties in the metropolitan area, as defined in section 473.121, subdivision 4, excluding the counties of Hennepin and Ramsey, so that each county shall receive of such amount the percentage that its population, as defined in section 477A.011, subdivision 3, estimated or established by July 15 of the year prior to the current calendar year, bears to the total population of the counties receiving funds under this clause.~~

(3) ten percent to the metropolitan routes of regional significance account under section 161.081, subdivision 4.

(d) For fiscal years 2010 and 2011, the amount under paragraph (a), clause (1), must be calculated using the following percentages of the total revenues:

(1) for fiscal year 2010, 83.75 percent; and

(2) for fiscal year 2011, 93.75 percent.

Sec. 13. Minnesota Statutes 2008, section 473.408, is amended by adding a subdivision to read:

Subd. 10. **Transit service for disabled veterans.** (a) On and after the effective date of this section, the council shall provide regular route transit, as defined in section 473.385, subdivision 1, free of charge for veterans, as defined in section 197.447, certified as disabled. For purposes of this section, "certified as disabled" means certified in writing by the United States Department of Veterans Affairs or the state commissioner of veterans affairs as having a permanent service-connected disability.

(b) The requirements under this subdivision apply to operators of regular route transit (1) receiving financial assistance under section 473.388, or (2) operating under section 473.405, subdivision 12.

Sec. 14. **FUND TRANSFERS; METROPOLITAN COUNCIL TRANSIT SERVICE.**

Subdivision 1. **Metropolitan livable communities fund.** (a) Notwithstanding Minnesota Statutes, sections 473.25 to 473.255, or any other law, the Metropolitan Council may transfer to its transit operating budget in 2009, 2010, and 2011, funds from:

(1) the revenues and amounts credited, transferred, or distributed to the metropolitan livable communities fund accounts in 2009, 2010, and 2011 pursuant to Minnesota Statutes, sections 473.252, 473.253, 473.254, and 473F.08, subdivision 3b, that are not committed to grant or loan awards made by the council; and

(2) balances in the metropolitan livable communities fund accounts in 2009, 2010, and 2011 that are not committed to grant or loan awards made by the council.

(b) The council may not transfer proceeds from solid waste bonds issued under Minnesota Statutes, section 473.831, before August 1, 1992, for the purposes specified in this section.

(c) The total amount transferred under paragraph (a) may not exceed $1,000,000.

(d) If the council transfers funds under this subdivision, the council shall amend the annual distribution plan described in Minnesota Statutes, section 473.25, paragraph (d), and include information about the transfer in the annual report required under Minnesota Statutes, section 473.25, paragraph (e).

Subd. 2. **Right-of-way acquisition loan fund.** (a) Notwithstanding Minnesota Statutes, section 473.167, or any other law, the Metropolitan Council may transfer to its transit operating budget in 2009, 2010, and 2011 funds from the amounts levied and collected in 2009, 2010, and 2011 under Minnesota Statutes, section 473.167, subdivision 3.

(b) The total amount transferred under paragraph (a) may not exceed $3,000,000.

Subd. 3. **Use of transferred funds.** The council shall use the amounts transferred under subdivisions 1 and 2 to cover operating deficits for the transit, paratransit, and light rail and commuter rail services provided or assisted by the council under Minnesota Statutes, sections 473.371 to 473.449.

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

Sec. 15. **MAINTENANCE OF EFFORT.**

(a) On or after the effective date of this section, with transit, paratransit, and light rail and commuter rail services provided by the Metropolitan Council under Minnesota Statutes, sections 473.371 to 473.449, the council may not (1) increase fares, or (2) reduce service, including but not limited to reducing the frequency of bus or rail service, or eliminating existing routes.

(b) This section applies to transit operators receiving financial assistance from the council under Minnesota Statutes, sections 473.384; 473.386; 473.388; and 473.405, subdivision 12.

(c) This provision applies for calendar years 2009, 2010, and 2011.

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

Sec. 16. **PASSENGER RAIL REPORT.**

By February 1, 2010, the commissioner of transportation shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance concerning the status of passenger rail in this state. The report must be made electronically and made available in print only upon request. The report must include a summary of the current status of passenger rail projects and recommend:

(1) a public participation process for intercity passenger rail planning;

(2) appropriate participation and levels of review by local units of government;

(3) future sources of funding for capital costs and operations;

(4) definitions to distinguish passenger rail from commuter rail;

(5) legislative changes to facilitate and improve the passenger rail planning processes and operation; and

(6) state operating subsidy mechanisms designed to create local tax equity between communities served by passenger rail and communities served by commuter rail.

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

Sec. 17. **LAND USE AND PLANNING REPORT.**

(a) The Metropolitan Council shall transfer $500,000 from the livable communities demonstration account in the metropolitan livable communities fund to the Board of Regents of the University of Minnesota for the Center for Transportation Studies to develop the resources and report as provided in this section.

(b) By December 15, 2010, the Center for Transportation Studies shall develop resources for use by local governments and the Metropolitan Council to identify land use and transportation planning strategies and processes to support the reduction of greenhouse gas emissions through the reduction of per capita vehicle miles driven. The resources must take into account recent transportation trends, including travel and demographic trends specific to the Twin Cities Metropolitan Area. The Center for Transportation Studies shall identify and use existing information and models to the extent they are useful and accurate. The Center for Transportation Studies shall collaborate with the Metropolitan Council and local units of government interested in development and refinement of the resources.

(c) By January 15, 2011, the Center for Transportation Studies shall submit a report on the resources and findings to the chairs and ranking minority members of the house of representatives and senate committees having jurisdiction over transportation policy and finance.

APPENDIX
Article locations in H1309-1