A bill for an act

relating to government 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; providing for use of revenues from metropolitan transportation area sales tax; reducing funding for 2010 state road construction; authorizing temporary transfers from metropolitan livable communities fund accounts, right-of-way loan acquisition fund for transit operating deficits, and Metropolitan Council operating budget; establishing direct appropriation from transit assistance fund; establishing an account; modifying various provisions related to transportation finance and policy; modifying provisions related to licensing drivers; mandating and amending legislative reports; making technical and clarifying changes; amending Minnesota Statutes 2010, sections 16A.11, subdivision 3a; 16A.86, subdivision 3a; 16A.88; 162.06, subdivision 1; 162.12, subdivision 1; 168.12, subdivision 5; 171.06, subdivision 2; 171.0701; 171.13, subdivision 1, by adding a subdivision; 174.93; 297A.992, subdivision 5, by adding a subdivision; Laws 2009, chapter 36, article 1, section 3, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 171.

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.

		2012		2013		Total
General	$	20,880,000	$	20,880,000	$	41,760,000
Airports		19,609,000		21,384,000		40,993,000
C.S.A.H.		545,109,000		572,773,000		1,117,882,000
M.S.A.S.		145,455,000		153,484,000		298,939,000
Special Revenue		49,088,000		49,088,000		98,176,000

Transit Assistance	214,280,000	227,735,000	442,015,000
H.U.T.D.	10,406,000	10,406,000	20,812,000
Trunk Highway	1,540,960,000	1,335,146,000	2,876,106,000
Total	**$ 2,545,787,000**	**$ 2,390,896,000**	**$ 4,936,683,000**

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 "2012" and "2013" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2012, or June 30, 2013, respectively. "The first year" is fiscal year 2012. "The second year" is fiscal year 2013. "The biennium" is fiscal years 2012 and 2013. "Each year" is fiscal year 2012 and fiscal year 2013 respectively. Appropriations for the fiscal year ending June 30, 2011, are effective the day following final enactment.

	APPROPRIATIONS Available for the Year Ending June 30	
	2012	**2013**
Sec. 3. **DEPARTMENT OF TRANSPORTATION**		
Subdivision 1. **Total Appropriation**	**$ 2,199,019,000**	**$ 2,033,292,000**

Appropriations by Fund

	2012	2013
General	12,926,000	12,926,000
Airports	19,609,000	21,384,000
C.S.A.H.	545,109,000	572,773,000
M.S.A.S.	145,455,000	153,484,000
Transit Assistance	21,428,000	24,047,000
Trunk Highway	1,454,492,000	1,248,678,000

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

Subd. 2. **Multimodal Systems**

(a) **Aeronautics**

(1) **Airport Development and Assistance**	14,298,000	16,073,000

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

The base appropriation for fiscal years 2014 and 2015 is $14,298,000 for each year.

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.

If the commissioner of transportation determines that a balance remains in the state airports fund following the appropriations made in this article, and that the appropriations made are insufficient for advancing airport development and assistance projects, an amount necessary to advance the projects, not to exceed the balance in the state airports fund, is appropriated in each year to the commissioner and must be spent according to Minnesota Statutes, section 360.305, subdivision 4. Within two weeks of a determination under this contingent appropriation, the commissioner of transportation shall notify the commissioner of management and budget and the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance concerning funds appropriated. Funds appropriated under this contingent appropriation do not adjust the base appropriation for fiscal years 2014 and 2015.

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

Appropriations by Fund

	2012	2013
Airports	5,286,000	5,286,000
Trunk Highway	837,000	837,000

$65,000 in each year is from the state airports fund for the Civil Air Patrol.

(b) **Transit**	34,766,000	37,385,000

Appropriations by Fund

	2012	2013
General	12,563,000	12,563,000
Transit Assistance	21,428,000	24,047,000
Trunk Highway	775,000	775,000

The transit assistance fund appropriation is from the greater Minnesota transit account under Minnesota Statutes, section 16A.88.

The base appropriation from the general fund is $12,563,000 for fiscal year 2014 and $12,482,000 for fiscal year 2015.

$100,000 in each year is from the general fund for the administrative expenses of the Minnesota Council on Transportation Access under Minnesota Statutes, section 174.285.

If the commissioner of transportation determines that a balance remains in the greater Minnesota transit account following the appropriations made in this paragraph, and that the appropriations made are insufficient for transit financial assistance, an amount necessary to provide financial assistance, not to exceed the balance in the greater Minnesota transit account, is appropriated in each year to the commissioner for operating assistance grants under Minnesota Statutes, section

174.24. Within two weeks of a determination under this contingent appropriation, the commissioner of transportation shall notify the commissioner of management and budget and the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance concerning funds appropriated. Funds appropriated under this contingent appropriation do not adjust the base appropriation for fiscal years 2014 and 2015.

(c) **Commuter and Passenger Rail**

The commissioner of transportation may not expend funds from the appropriations under this section for passenger rail purposes under Minnesota Statutes, sections 174.632 to 174.636, unless the commissioner identifies special circumstances of an immediate nature. Within two weeks of an expenditure under this paragraph, the commissioner shall notify the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance and policy concerning the expenditure and circumstances.

(d) **Freight**	5,203,000	5,203,000

Appropriations by Fund

	2012	2013
General	306,000	306,000
Trunk Highway	4,897,000	4,897,000

Subd. 3. **State Roads**

(a) **Infrastructure Operations and Maintenance**	257,395,000	257,395,000
(b) **Program Planning and Delivery**	206,788,000	206,603,000

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

$75,000 in each year is 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 in each year is 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**	781,000,000	555,000,000

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

Appropriations by Fund		
	2012	2013
Federal Highway Aid	494,800,000	268,800,000
Highway User Taxes	286,200,000	286,200,000

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

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 base appropriation for fiscal years 2014 and 2015 is $635,000,000 for each year.

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

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**	137,876,000	158,247,000

$123,876,000 the first year and $144,247,000 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 management and budget 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**	5,171,000	5,171,000

Appropriations by Fund

	2012	2013
General	3,000	3,000
Trunk Highway	5,168,000	5,168,000

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

Subd. 4. **Local Roads**

(a) **County State Aids**	545,109,000	572,773,000

This appropriation is from the county state-aid highway fund for county state-aid highways, town roads and bridges, and flexible highway purposes under Minnesota Statutes, sections 161.081 to 161.085; and Minnesota Statutes, chapter 162. This appropriation is available until spent.

Of this amount, the commissioner shall transfer from the flexible highway account in the county state-aid highway fund: (1) $1,000,000 in the first year to the municipal turnback account in the municipal state-aid street fund; (2) $1,900,000 in the first year to the trunk highway fund; and (3) the remainder in each year to the county turnback account in the county state-aid highway fund. The funds transferred are for highway turnback purposes as provided under Minnesota Statutes, section 161.081, subdivision 3.

If the commissioner of transportation determines that a balance remains in the county state-aid highway fund following the appropriations and transfers made in this subdivision, and that the appropriations made are insufficient for advancing county state-aid highway projects, an amount necessary to advance the projects, not to exceed the balance in the county state-aid highway fund, is appropriated in each year to the commissioner. Within two weeks of a determination under this contingent appropriation, the commissioner of transportation shall notify the commissioner of management and budget and the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance concerning funds appropriated.

(b) **Municipal State Aids**	145,455,000	153,484,000

This appropriation is from the municipal state-aid street fund for municipal state-aid streets under Minnesota Statutes, chapter 162. This appropriation is available until spent.

If the commissioner of transportation determines that a balance remains in the municipal state-aid street fund following the appropriations made in this subdivision, and that the appropriations made are insufficient for advancing municipal state-aid street projects, an amount necessary to advance the projects, not to exceed the balance in the municipal state-aid street fund, is appropriated in each year to the commissioner. Within two weeks of a determination under this contingent appropriation, the commissioner of transportation shall notify the commissioner of management and budget and the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance concerning funds appropriated.

Subd. 5. **Agency Management**

(a) **Agency Services**	41,997,000	41,997,000

Appropriations by Fund

	2012	2013
Airports	25,000	25,000
Trunk Highway	41,972,000	41,972,000

(b) **Buildings**	17,838,000	17,838,000

Appropriations by Fund

	2012	2013
General	54,000	54,000
Trunk Highway	17,784,000	17,784,000

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

Subd. 6. **Transfers Among Appropriations**

With the approval of the commissioner of management and budget, 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. Transfers under this subdivision may not be made between funds. Transfers under this subdivision must be reported immediately to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance.

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

Any money appropriated to the commissioner of transportation for state road construction for any fiscal year before the first year 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 management and budget by August 1, 2011, and August 1, 2012, on a form the commissioner of management and budget provides, on expenditures made during the previous fiscal year that are authorized by this subdivision.

Subd. 8. **Contingent Appropriation**

The commissioner of transportation, with the approval of the governor and the written approval of at least five members of a group consisting of the members of the Legislative Advisory Commission under Minnesota Statutes, section 3.30, and the ranking minority members of the legislative committees with jurisdiction over transportation finance, may transfer all or part of the unappropriated balance in the trunk highway fund to an appropriation (1) for 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) for trunk highway maintenance in order to meet an emergency, or (3) to pay 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. The amount transferred is appropriated for the purpose of the account to which it is transferred.

Subd. 9. **Use of Trunk Highway Fund**

No transfer or expenditure of trunk highway funds may be made for the purpose of paying personnel costs incurred on behalf of the Governor's Office.

Sec. 4. **METROPOLITAN COUNCIL**	**$**	**192,852,000**	**$**	**203,688,000**

This appropriation is from the metropolitan area transit account in the transit assistance fund under Minnesota Statutes, section 16A.88, for transit system operations under Minnesota Statutes, sections 473.371 to 473.449.

The base appropriation from the general fund is $39,199,000 for fiscal year 2014 and $39,280,000 for fiscal year 2015.

If the chair of the Metropolitan Council determines that a balance remains in the metropolitan area transit account following the appropriations made in this section, and that the appropriations made are insufficient for transit operations, an amount necessary to provide for such operations, not to exceed the balance in the metropolitan area transit account, is appropriated in each year to the Metropolitan Council. Within two weeks of a determination under this contingent appropriation, the Metropolitan Council shall notify the commissioner of management and budget and the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance concerning funds appropriated. Funds appropriated under this contingent appropriation do not adjust the base appropriation for fiscal years 2014 and 2015.

Notwithstanding Minnesota Statutes, section 473.388, subdivision 4, in each year of the biennium, the Metropolitan Council shall provide financial assistance to each transit provider under Minnesota Statutes, section 473.388, in an amount equal to the amount of assistance provided to that transit provider by the Metropolitan Council in fiscal year 2011.

The Metropolitan Council may not reduce the level of service provided in the biennium for special transportation service under

Minnesota Statutes, section 473.386, from the level of service provided by the council on January 1, 2011. The Metropolitan Council may not restrict eligibility in the biennium for special transportation service under Minnesota Statutes, section 473.386, beyond the eligibility requirements in place on January 1, 2011. Level of service includes, but is not limited to, geographic coverage area, hours of service, hours of operation for reservation services, and any other aspects of the program having a substantial impact on usability of the service.

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

Subdivision 1. **Total Appropriation**	**$ 153,316,000**	**$ 153,316,000**

Appropriations by Fund

	2012	2013
General	7,954,000	7,954,000
Special Revenue	49,088,000	49,088,000
H.U.T.D.	10,406,000	10,406,000
Trunk Highway	85,868,000	85,868,000

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

	2012	2013
General	41,000	41,000
Trunk Highway	393,000	393,000

(b) **Public Safety Support**	8,168,000	8,168,000

Appropriations by Fund

	2012	2013
General	3,296,000	3,296,000

H.U.T.D.	1,366,000	1,366,000
Trunk Highway	3,506,000	3,506,000

$380,000 in each year is 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 in each year is 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 in each year is 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 from the general fund for transfer by the commissioner of management and budget to the trunk highway fund on December 31, 2011, and December 31, 2012, 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 from the highway user tax distribution fund for transfer by the commissioner of management and budget to the trunk highway fund on December 31, 2011, and December 31, 2012, 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 from the highway user tax distribution fund for transfer by the commissioner of management and budget to the general fund on December 31, 2011, and December 31, 2012, 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) **Technology and Support Services**	3,835,000	3,835,000

Appropriations by Fund

	2012	2013
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**	71,522,000	71,522,000

Appropriations by Fund

	2012	2013
General	37,000	37,000
H.U.T.D.	92,000	92,000
Trunk Highway	71,393,000	71,393,000

(b) **Commercial Vehicle Enforcement**	7,796,000	7,796,000

$600,000 in each year is for the Office of Pupil Transportation Safety under Minnesota Statutes, section 169.435.

(c) **Capitol Security**	3,108,000	3,108,000

(1) This appropriation is from the general fund.

(2) The commissioner may not (i) spend any money from the trunk highway fund for capitol security or (ii) permanently transfer any state trooper capitol security from another budget activity.

(3) The commissioner may not transfer any money appropriated to the commissioner under this section (i) to capitol security or (ii) from capitol security.

(d) **Vehicle Crimes Unit**	693,000	693,000

This appropriation is from the highway user tax distribution fund.

This appropriation is to investigate (1) registration tax and motor vehicle sales tax liabilities from individuals and businesses that currently do not pay all taxes owed, and (2) illegal or improper activity related to sale, transfer, titling, and registration of motor vehicles.

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

(a) **Vehicle Services**	27,259,000	27,259,000

Appropriations by Fund

	2012	2013
Special Revenue	19,023,000	19,023,000
H.U.T.D.	8,236,000	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

	2012	2013
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

The commissioner of public safety shall spend 50 percent of the money available to the state under Public Law 105-206, section 164, and the remaining 50 percent must be transferred to the commissioner of transportation for hazard elimination activities under United States Code, title 23, section 152.

Subd. 6. **Pipeline Safety**	1,354,000	1,354,000

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

Subd. 7. **Use of Trunk Highway Fund**

No transfer or expenditure of trunk highway funds may be made for the purpose of paying personnel costs incurred on behalf of the Governor's Office.

Sec. 6. **TORT CLAIMS**	**$**	**600,000**	**$**	**600,000**

This appropriation is to the commissioner of management and budget.

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

Sec. 7. Minnesota Statutes 2010, section 297A.992, subdivision 5, is amended to read:

Subd. 5. **Grant application and awards; Grant Evaluation and Ranking System (GEARS) Committee.** (a) The joint powers board shall establish a grant application process and identify the amount of available funding for grant awards. Grant applications must be submitted in a form prescribed by the joint powers board. An applicant must provide, in addition to all other information required by the joint powers board, the estimated cost of the project, the amount of the grant sought, possible sources of funding in addition to the grant sought, and identification of any federal funds that will be utilized if the grant is awarded. A grant application seeking transit capital funding must identify the source of money necessary to operate the transit improvement.

(b) The joint powers board shall establish a timeline and procedures for the award of grants, and may award grants only to the state and political subdivisions. The board shall define objective criteria for the award of grants, which must include, but not be limited to, consistency with the most recent version of the transportation policy plan adopted by the Metropolitan Council under section 473.146. The joint powers board shall maximize the availability and use of federal funds in projects funded under this section.

(c) The joint powers board shall establish a GEARS Committee, which must consist of:

(1) one county commissioner from each county that is in the metropolitan transportation area, appointed by its county board;

(2) one elected city representative from each county that is in the metropolitan transportation area;

(3) one additional elected city representative from each county for every additional 400,000 in population, or fraction of 400,000, in the county that is above 400,000 in population; and

(4) the chair of the Metropolitan Council Transportation Committee.

(d) Each city representative must be elected at a meeting of cities in the metropolitan transportation area, which must be convened for that purpose by the Association of Metropolitan Municipalities.

(e) The committee shall evaluate grant applications following objective criteria established by the joint powers board, and must provide to the joint powers board a selection list of transportation projects that includes a priority ranking.

(f) A grant award for a transit project located within the metropolitan area, as defined in section 473.121, subdivision 2, may be funded only after the Metropolitan Council reviews the project for consistency with the transit portion of the Metropolitan Council policy plan and one of the following occurs:

(1) the Metropolitan Council finds the project to be consistent;

(2) the Metropolitan Council initially finds the project to be inconsistent, but after a good faith effort to resolve the inconsistency through negotiations with the joint powers board, agrees that the grant award may be funded; or

(3) the Metropolitan Council finds the project to be inconsistent, and submits the consistency issue for final determination to a panel, which determines the project to be consistent. The panel is composed of a member appointed by the chair of the Metropolitan

Council, a member appointed by the joint powers board, and a member agreed upon by both the chair and the joint powers board.

(g) Grants must be funded by the proceeds of the taxes imposed under this section, bonds, notes, or other obligations issued by the joint powers board under subdivision 7.

(h) ~~Notwithstanding the provisions of this subdivision, in fiscal year 2009, of the initial revenue collected under this section, the joint powers board shall allocate at least $30,783,000 to the Metropolitan Council for operating assistance for transit.~~ Notwithstanding the provisions of this section except subdivision 6a, and subject to referendum by eligible voters in the next general election, of the revenue collected under this section, the joint powers board may allocate to the Metropolitan Council, in fiscal years 2012 and 2013, any amount that is not provided as grant awards for transit ways or park-and-ride facilities.

(i) The Metropolitan Council shall expend any funds allocated under paragraph (h):

(1) for bus operations under sections 473.371 to 473.449, and excluding (i) bus rapid transit operations, and (ii) light rail transit and commuter rail operations under sections 174.90, 473.3993 to 473.3999, and 473.4051 to 473.4057; and

(2) solely within those counties that are in the metropolitan transportation area.

(j) Nothing in paragraph (h) or (i) prevents grant awards to the Metropolitan Council for capital and operating assistance for transit ways and park-and-ride facilities.

Sec. 8. Minnesota Statutes 2010, section 297A.992, is amended by adding a subdivision to read:

Subd. 6a. **Priority of fund uses.** The joint powers board shall allocate all revenues from the taxes imposed under this section in conformance with the following priority order:

(1) payment of debt service necessary for the fiscal year on bonds or other obligations issued prior to January 1, 2011, under subdivision 7; and

(2) as otherwise authorized under this section.

Sec. 9. Laws 2009, chapter 36, article 1, section 3, subdivision 3, is amended to read:

Subd. 3. **State Roads**		
(a) **Infrastructure Operations and Maintenance**	251,643,000	245,892,000
The base appropriation for fiscal years 2012 and 2013 is $257,395,000 for each year.		
(b) **Infrastructure Investment and Planning**		
(1) **Infrastructure Investment Support**	201,461,000	196,935,000

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

$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.

(2) **State Road Construction**	551,300,000	~~598,700,000~~ 555,700,000

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	250,200,000	210,200,000

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.

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 shall expend up to one-half of one percent of the federal appropriations under this paragraph as grants to opportunity industrialization centers and other nonprofit job training centers for job training programs related to highway construction.

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.

(3) **Highway Debt Service**	101,170,000	173,400,000

$86,517,000 the first year and $157,304,000 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.

(c) **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.

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

Sec. 10. **METROPOLITAN LIVABLE COMMUNITIES FUND; TRANSFERS.**

(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 2011, 2012, and 2013 up to 100 percent of the sum of balances in, revenues in, and amounts otherwise credited, transferred, or distributed to, each of the following accounts in 2011, 2012, and 2013:

(1) the tax base revitalization account pursuant to Minnesota Statutes, section 473.252;

(2) the livable communities demonstration account pursuant to Minnesota Statutes, section 473.253; and

(3) the local housing incentives account pursuant to Minnesota Statutes, section 473.254.

(b) The council may not transfer funds under this section that are committed to grant or loan awards made by the council.

(c) The council shall use any amounts transferred under this section to cover operating deficits for transit services provided or assisted by the council under Minnesota Statutes, sections 473.371 to 473.449. If the council transfers funds pursuant to this section, 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).

Sec. 11. **RIGHT-OF-WAY ACQUISITION LOAN FUND; TRANSFERS.**

(a) Notwithstanding Minnesota Statutes, section 473.167, or any other law, the Metropolitan Council may transfer to its transit operating budget in 2011, 2012, and 2013 up to 100 percent of the amounts levied and collected in 2011, 2012, and 2013 under Minnesota Statutes, section 473.167, subdivision 3. The council shall use the amounts transferred to cover operating deficits for transit services provided or assisted by the council under Minnesota Statutes, sections 473.371 to 473.449.

(b) If the council transfers funds pursuant to this section, the council shall within two weeks notify the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over transportation policy and finance concerning the transfers.

Sec. 12. **METROPOLITAN COUNCIL OPERATING BUDGET; TRANSFERS.**

(a) Notwithstanding Minnesota Statutes, chapter 473, or any other law, the Metropolitan Council may transfer to its transit operating budget in 2011, 2012, and 2013 up to 100 percent of the amounts levied and collected in 2011, 2012, and 2013, respectively, under Minnesota Statutes, section 473.249, that are otherwise budgeted in that year in the council's operating budget under Minnesota Statutes, section 473.13, for the following departments or functions:

(1) government affairs;

(2) public affairs;

(3) regional systems planning and growth strategy; and

(4) local planning assistance.

(b) The council may not transfer funds under this section that are identified for or committed to grant or loan awards made by the council.

(c) The council shall use the amounts transferred to cover operating deficits for transit services provided or assisted by the council under Minnesota Statutes, sections 473.371 to 473.449. If the council transfers funds pursuant to this section, the council shall within two weeks notify the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over transportation policy and finance concerning the transfers.

Sec. 13. **APPLICATION.**

Sections 10 to 12 apply in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

ARTICLE 2

TRANSPORTATION FINANCE AND POLICY

Section 1. Minnesota Statutes 2010, section 16A.11, subdivision 3a, is amended to read:

Subd. 3a. **Part three: detailed capital budget.** The detailed capital budget must include recommendations for capital projects to be funded during the next six fiscal years and, if applicable, must meet the requirements under section 174.93, subdivision 1a. It must be submitted with projects recommended by the governor and in order of importance among that agency's requests as determined by the agency originating the request.

Sec. 2. Minnesota Statutes 2010, section 16A.86, subdivision 3a, is amended to read:

Subd. 3a. **Information provided.** All requests for state assistance under this section must include the following information:

(1) the name of the political subdivision that will own the capital project for which state assistance is being requested;

(2) the public purpose of the project;

(3) the extent to which the political subdivision has or expects to provide local, private, user financing, or other nonstate funding for the project;

(4) a list of the bondable activities that the project encompasses; examples of bondable activities are public improvements of a capital nature for land acquisition, predesign, design, construction, and furnishing and equipping for occupancy;

(5) whether the project will require new or additional state operating subsidies;

(6) whether the governing body of the political subdivision requesting the project has passed a resolution in support of the project and has established priorities for all projects within its jurisdiction for which bonding appropriations are requested when submitting multiple requests; ~~and~~

(7) if the project requires a predesign under section 16B.335, whether the predesign has been completed at the time the capital project request is submitted, and whether the political subdivision has submitted the project predesign to the commissioner of administration for review and approval; and

(8) if applicable, the information required under section 174.93, subdivision 1a.

Sec. 3. Minnesota Statutes 2010, section 16A.88, is amended to read:

16A.88 TRANSIT ASSISTANCE FUND.

Subdivision 1. **Transit assistance fund established.** A transit assistance fund is established within the state treasury. The fund receives money distributed under section 297B.09, subdivision 1, and other money as specified by law. Money in the fund must be allocated to the greater Minnesota transit account under subdivision 1a and the metropolitan area transit account under subdivision 2 in the manner specified in section 297B.09, subdivision 1, and must be used solely for transit purposes under the Minnesota Constitution, article XIV, section 13.

Subd. 1a. **Greater Minnesota transit account.** The greater Minnesota transit account is established within the transit assistance fund in the state treasury. Money in the account is ~~annually appropriated to the commissioner of transportation~~ for assistance to transit systems outside the metropolitan area under section 174.24. The commissioner may use up to ~~$408,000 in fiscal year 2008 and~~ $416,000 in fiscal year 2009 and thereafter for administration of the transit program. The commissioner shall use funds appropriated by law from the account for transit operations as provided in section 174.24 and related program administration.

Subd. 2. **Metropolitan area transit account.** The metropolitan area transit account is established within the transit assistance fund in the state treasury. ~~All money in the account is annually appropriated to~~ The Metropolitan Council shall use funds appropriated by law from the account for the funding of transit systems within the metropolitan area under sections 473.384, 473.386, 473.387, 473.388, and 473.405 to 473.449.

Sec. 4. Minnesota Statutes 2010, section 162.06, subdivision 1, is amended to read:

Subdivision 1. **Estimate.** (a) By December 15 of each year the commissioner shall estimate the amount of money that will be available to the county state-aid highway fund during that fiscal year. The amount available must be based on actual receipts from July 1 through ~~November 30~~ October 31, the unallocated fund balance, and the projected receipts for the remainder of the fiscal year. The amount available, except for deductions as provided in this section, shall be apportioned by the commissioner to the counties as provided in section 162.07.

(b) For purposes of this section, "amount available" means the amount estimated in paragraph (a).

Sec. 5. Minnesota Statutes 2010, section 162.12, subdivision 1, is amended to read:

Subdivision 1. **Estimate of accruals.** By December 15 of each year the commissioner shall estimate the amount of money that will be available to the municipal state-aid street fund during that fiscal year. The amount available is based on actual receipts from July 1 through ~~November 30~~ <u>October 31</u>, the unallocated fund balance, and the projected receipts for the remainder of the fiscal year. The total available, except for deductions as provided herein, shall be apportioned by the commissioner to the cities having a population of 5,000 or more as hereinafter provided.

Sec. 6. Minnesota Statutes 2010, section 168.12, subdivision 5, is amended to read:

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

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

License Plate	Single	Double
Regular and Disability	$ 4.50	$ 6.00
Special	$ 8.50	$ 10.00
Personalized (Replacement)	$ 10.00	$ 14.00
Collector Category	$ 13.50	$ 15.00
Emergency Vehicle Display	$ 3.00	$ 6.00
Utility Trailer Self-Adhesive	$ 2.50	
Vertical Motorcycle Plate	$ 100.00	NA
Stickers		
Duplicate year	$ 1.00	$ 1.00
International Fuel Tax Agreement	$ 2.50	

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

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

EFFECTIVE DATE. This section is effective January 1, 2012.

Sec. 7. Minnesota Statutes 2010, section 171.06, subdivision 2, is amended to read:

Subd. 2. **Fees.** (a) The fees for a license and Minnesota identification card are as follows:

Classified Driver's License	D-$22.25	C-$26.25	B-$33.25	A-$41.25
Classified Under-21 D.L.	D-$22.25	C-$26.25	B-$33.25	A-$21.25
Enhanced Driver's License	D-$37.25	C-$41.25	B-$48.25	A-$56.25
Instruction Permit				$10.25
Enhanced Instruction Permit				$25.25
Provisional License				$13.25
Enhanced Provisional License				$28.25
Duplicate License or duplicate identification card				$11.75
Enhanced Duplicate License or enhanced duplicate identification card				$26.75
Minnesota identification card or Under-21 Minnesota identification card, other than duplicate, except as otherwise provided in section 171.07, subdivisions 3 and 3a				$16.25
Enhanced Minnesota identification card				$31.25

In addition to each fee required in this paragraph, the commissioner shall collect a surcharge of $1.75 until June 30, 2012. Surcharges collected under this paragraph must be credited to the driver and vehicle services technology account in the special revenue fund under section 299A.705.

(b) Notwithstanding paragraph (a), an individual who holds a provisional license and has a driving record free of (1) convictions for a violation of section 169A.20, 169A.33, 169A.35, or sections 169A.50 to 169A.53, (2) convictions for crash-related moving violations, and (3) convictions for moving violations that are not crash related, shall have a $3.50 credit toward the fee for any classified under-21 driver's license. "Moving violation" has the meaning given it in section 171.04, subdivision 1.

(c) In addition to the driver's license fee required under paragraph (a), the commissioner shall collect an additional $4 processing fee from each new applicant or individual renewing a license with a school bus endorsement to cover the costs for processing an applicant's initial and biennial physical examination certificate. The department shall not charge these applicants any other fee to receive or renew the endorsement.

(d) An application for a Minnesota identification card, instruction permit, provisional license, or driver's license, including an application for renewal, must contain a provision that allows the applicant to add to the fee under paragraph (a), a $2 donation for the purposes of public information and education on anatomical gifts under section 171.075.

EFFECTIVE DATE. This section is effective January 1, 2012.

Sec. 8. Minnesota Statutes 2010, section 171.0701, is amended to read:

171.0701 DRIVER EDUCATION CONTENT.

Subdivision 1. **Driver education requirements.** (a) The commissioner shall adopt rules requiring a minimum of 30 minutes of instruction, beginning January 1, 2007, relating to organ and tissue donations and the provisions of section 171.07, subdivision 5, for persons enrolled in driver education programs offered at public schools, private schools, and commercial driver training schools.

(b) The commissioner shall adopt rules for persons enrolled in driver education programs offered at public schools, private schools, and commercial driver training schools, requiring inclusion in the course of instruction, by January 1, 2009, a section on awareness and safe interaction with commercial motor vehicle traffic. The rules must require classroom instruction and behind-the-wheel training that includes, but is not limited to, truck stopping distances, proper distances for following trucks, identification of truck blind spots, and avoidance of driving in truck blind spots.

(c) By January 1, 2012, the commissioner shall adopt rules for persons enrolled in driver education programs offered at public schools, private schools, and commercial driver training schools, requiring inclusion in the course of instruction of a section on carbon monoxide poisoning. The instruction must include but is not limited to (1) a description of the characteristics of carbon monoxide, (2) a review of the risks and potential speed of death from carbon monoxide poisoning, and (3) specific suggestions regarding vehicle idling practices.

Subd. 2. **Rulemaking.** The rules adopted by the commissioner under ~~paragraph (b)~~ this section are exempt from the rulemaking provisions of chapter 14. The rules are subject to section 14.386, except that notwithstanding paragraph (b) of section 14.386, the rules continue in effect until repealed or superseded by other law or rule.

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

Sec. 9. **[171.075] ANATOMICAL GIFTS.**

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

Subd. 2. **Anatomical gift education grants.** (a) The commissioner shall make grants to (1) a Minnesota organ procurement organization that is certified by the federal Centers for Medicare and Medicaid Services; or (2) to an entity that is a charitable entity under section 501(c)(3) of the Internal Revenue Code, as defined in section 289A.02, subdivision 7, and is dedicated to advocacy for organ, tissue, and eye donation.

(b) From a grant under this section, the recipient shall provide resources and implement programs designed to increase the number of Minnesotans who register to be organ, tissue, and eye donors.

EFFECTIVE DATE. This section is effective January 1, 2012.

Sec. 10. Minnesota Statutes 2010, section 171.13, subdivision 1, is amended to read:

Subdivision 1. **Examination subjects and locations; provisions for color blindness, disabled veterans.** (a) Except as otherwise provided in this section, the commissioner shall examine each applicant for a driver's license by such agency as the commissioner directs. This examination must include:

(1) a test of the applicant's eyesight;

(2) a test of the applicant's ability to read and understand highway signs regulating, warning, and directing traffic;

(3) a test of the applicant's knowledge of (i) traffic laws; ~~knowledge of~~ (ii) the effects of alcohol and drugs on a driver's ability to operate a motor vehicle safely and legally,

and of the legal penalties and financial consequences resulting from violations of laws prohibiting the operation of a motor vehicle while under the influence of alcohol or drugs; ~~knowledge of~~ (iii) railroad grade crossing safety; ~~knowledge of~~ (iv) slow-moving vehicle safety; ~~knowledge of~~ (v) laws relating to pupil transportation safety, including the significance of school bus lights, signals, stop arm, and passing a school bus; ~~knowledge of~~ (vi) traffic laws related to bicycles; and (vii) the circumstances and dangers of carbon monoxide poisoning;

(4) an actual demonstration of ability to exercise ordinary and reasonable control in the operation of a motor vehicle; and

(5) other physical and mental examinations as the commissioner finds necessary to determine the applicant's fitness to operate a motor vehicle safely upon the highways~~, provided, further however,~~.

(b) Notwithstanding paragraph (a), no driver's license ~~shall~~ may be denied an applicant on the exclusive grounds that the applicant's eyesight is deficient in color perception. ~~Provided, however, that~~ War veterans operating motor vehicles especially equipped for disabled persons, ~~shall,~~ if otherwise entitled to a license, must be granted such license.

(c) The commissioner shall make provision for giving ~~these~~ the examinations under this subdivision either in the county where the applicant resides or at a place adjacent thereto reasonably convenient to the applicant.

EFFECTIVE DATE. This section is effective January 1, 2012.

Sec. 11. Minnesota Statutes 2010, section 171.13, is amended by adding a subdivision to read:

Subd. 1l. **Driver's manual; carbon monoxide.** The commissioner shall include in each edition of the driver's manual published by the department after August 1, 2011, a section that includes up-to-date lifesaving information on carbon monoxide poisoning.

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

Sec. 12. Minnesota Statutes 2010, section 174.93, is amended to read:

174.93 GUIDEWAY INVESTMENT.

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

(1) "commissioner" means the commissioner of transportation; ~~and~~

(2) "guideway" means a form of transportation service provided to the public on a regular and ongoing basis, that operates on exclusive or controlled rights-of-way or rails in whole or in part, and includes each line for intercity passenger rail, commuter rail, light rail transit, streetcars, and bus rapid transit; and

(3) "local unit of government" means a county, statutory or home rule charter city, town, or other political subdivision, including but not limited to a regional railroad authority or joint powers board.

(b) For purposes of this section, "sources of funds" includes, but is not limited to, money from federal aid, state appropriations, the Metropolitan Council, special taxing districts, local units of government, fare box recovery, and nonpublic sources.

(c) For purposes of this section, "budget activity" includes, but is not limited to, environmental analysis, land acquisition, easements, design, preliminary and final engineering, acquisition of vehicles and rolling stock, track improvement and rehabilitation, and construction.

Subd. 1a. **Capital project requests to legislature.** A state agency or local unit of government that submits a request to the legislature to obtain state funds for a guideway project shall, as part of the request, provide a summary financial plan for the project that presents the following information as reflected by the data and level of detail available in the latest phase of project development:

(1) capital expenditures and funding sources for the project, including expenditures to date and total projected or estimated expenditures, with a breakdown by committed and proposed sources of funds; and

(2) estimated annual operations and maintenance expenditures for the project, with a breakdown by committed and proposed sources of funds.

Subd. 2. **Legislative report.** (a) By November 15 in every odd-numbered year, the commissioner shall prepare, in collaboration with the Metropolitan Council, and submit a report electronically to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over transportation policy and finance concerning the status of guideway projects (1) currently in study, planning, development, or construction; (2) identified in the transportation policy plan under section 473.146; or (3) identified in the comprehensive statewide freight and passenger rail plan under section 174.03, subdivision 1b.

(b) At a minimum, the report must include, for each guideway project:

(1) a brief description of the project, including projected ridership;

(2) a summary of the overall status and current phase of the project;

(3) a timeline that includes (i) project phases or milestones; (ii) expected and known dates of commencement of each phase or milestone; and (iii) expected and known dates of completion of each phase or milestone;

(4) a brief progress update on specific project phases or milestones completed since the last previous submission of a report under this subdivision; and

(5) a summary financial plan that identifies, as reflected by the data and level of detail available in the latest phase of project development and to the extent available:

(i) capital expenditures, including expenditures to date and total projected expenditures, with a breakdown by committed and proposed sources of funds for the project; ~~and~~

(ii) estimated annual operations and maintenance expenditures ~~reflecting the level of detail available in the current phase of the project development~~, with a breakdown by committed and proposed sources of funds for the ~~projects in the Metropolitan Council's transportation policy plan.~~ project; and

(iii) if feasible, project expenditures by budget activity.

(c) The report must also include a systemwide capacity analysis for investment in guideway expansion and maintenance that:

(1) provides a funding projection, annually over the ensuing 20 years, and with a breakdown by committed and proposed sources of funds, of:

(i) total capital expenditures for guideways;

(ii) total operations and maintenance expenditures for guideways;

(iii) total funding available for guideways, including from projected or estimated farebox recovery; and

(iv) total funding available for transit service in the metropolitan area; and

(2) evaluates the availability of funds and distribution of sources of funds for guideway investments.

(d) The projection under paragraph (c), clause (1), must be for all guideway lines for which state funds are reasonably expected to be expended in planning, development, construction, or revenue operation during the ensuing 20 years.

(e) Local units of government shall provide assistance and information in a timely manner as requested by the commissioner or council for completion of the report.

Sec. 13. **REPORT ON ANATOMICAL GIFT ACCOUNT.**

The commissioner of public safety shall report to the chairs of the legislative committees having jurisdiction over transportation policy and finance on the receipts and expenditures under Minnesota Statutes, section 171.075. The commissioner shall submit the report by February 1, 2013.

Sec. 14. **REVISOR'S INSTRUCTION.**

The revisor of statutes shall recodify Minnesota Statutes, section 171.13, subdivisions 1b, 1c, 1d, 1e, 1f, 1g, 1h, 1i, 1j, 1k, and 1l, as Minnesota Statutes, section 171.0705. The revisor shall correct any cross-references made necessary by this recodification.

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

APPENDIX
Article locations in H1140-3