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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. 3728

02/25/2026 Authored by Koegel, Sencer-Mura and Jones
The bill was read for the first time and referred to the Committee on Transportation Finance and Policy

A bill for an act

relating to transportation; establishing requirements on trunk highway system maintenance and expansion, including to limit trunk highway capacity expansion projects in certain circumstances and to require transportation asset management plans; making technical changes; amending Minnesota Statutes 2024, section 174.03, subdivision 12, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 161.

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

Section 1. **[161.1775] TRUNK HIGHWAY SYSTEM EXPANSION AND MAINTENANCE.**

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

(b) "Applicable entity" has the meaning given in section 161.178, subdivision 1.

(c) "Capacity expansion project" has the meaning given in section 161.178, subdivision 1.

(d) "Major highway project" has the meaning given in section 174.56, subdivision 1, paragraph (b).

Subd. 2. **Application.** The requirements in this section are effective for a project that first enters the appropriate state or metropolitan transportation improvement program for fiscal year 2031 or a subsequent year. This section does not apply to a project that was either included in the state transportation improvement program or has been submitted for approval of the geometric layout before July 1, 2030.

Subd. 3. **Limitations on expansion.** An applicable entity is prohibited from including a capacity expansion project in the state transportation improvement program, or in a metropolitan transportation improvement program, if the most recent analysis in conformance with the transportation asset management plan under section 174.03, subdivision 1f, identifies a performance gap in the pavements or bridges asset categories.

Subd. 4. **Major highway project maintenance plan.** The commissioner must establish a maintenance plan for each trunk highway segment included in a major highway project. The maintenance plan must:

(1) cover the greater of 60 years or the entire service life of the relevant infrastructure; and

(2) analyze the fiscal impacts to maintain the relevant infrastructure, including:

(i) preventive maintenance, preservation, and rehabilitation to maintain asset condition while minimizing life cycle costs;

(ii) operational costs; and

(iii) indirect costs.

Sec. 2. Minnesota Statutes 2024, section 174.03, is amended by adding a subdivision to read:

Subd. 1e. **Capital highway investment plan.** (a) The commissioner must annually prepare a ten-year capital highway investment plan that identifies trunk highway projects specified in the state transportation improvement program and relevant planned projects for the trunk highway system.

(b) At a minimum, the ten-year capital highway investment plan in each district of the department must:

(1) be based on expected funding during the plan period and, to the extent feasible, maximize long-term benefits;

(2) estimate the funding necessary to make optimal life cycle investments based on a period of not less than 60 years;

(3) identify investments within each of the asset categories specified in the transportation asset management plan under subdivision 1f, paragraph (b), clause (2), that are funded through the trunk highway capital program; and

(4) identify specific trunk highway segments that would need to be removed from the trunk highway system to provide for the resources necessary to deliver annual progress toward achieving the state transportation goals established in section 174.01.

Sec. 3. Minnesota Statutes 2024, section 174.03, is amended by adding a subdivision to read:

Subd. 1f. **Transportation asset management plan.** (a) The commissioner must maintain a risk-based transportation asset management plan that provides guidance for the preservation, improvement, and effective management of transportation system investments and assets under the jurisdiction of the Department of Transportation.

(b) At a minimum, the transportation asset management plan must:

(1) meet the requirements under Code of Federal Regulations, title 23, part 515, or successor requirements;

(2) provide an inventory across asset categories, including but not limited to pavements, bridges, culverts, department buildings, intelligent transportation system facilities, traffic signals and lighting, pedestrian infrastructure, and transit infrastructure;

(3) identify local governmental units responsible for pavement and bridge assets on the national highway system;

(4) incorporate the performance measures and targets established in the statewide multimodal transportation plan; and

(5) for each performance measure, calculate and provide an explanation of performance gaps between targets and projected performance status for the next ten years.

Sec. 4. Minnesota Statutes 2024, section 174.03, subdivision 12, is amended to read:

Subd. 12. **Trunk highway performance, resiliency, and sustainability; report.** (a) The commissioner must implement performance measures and annual targets for the trunk highway system in order to construct resilient infrastructure, enhance the project selection for all transportation modes, improve economic security, and achieve the state transportation goals established in section 174.01.

(b) At a minimum, the transportation planning process must include:

(1) ~~an inventory of~~ transportation ~~assets, including but not limited to bridge, pavement, geotechnical, pedestrian, bicycle, and transit asset categories~~ asset planning as provided under subdivision 1f;

(2) establishment of statewide performance measures and annual targets, reporting of performance measure results, and where possible, performance forecasts that are:

(i) statewide and, where data allow, district-specific;

(ii) for assets in each asset category specified in subdivision 1f, paragraph (b), clause ~~(1)~~ (2); and

(iii) identified in collaboration with the public; and

~~(3) gap identification and an explanation of the difference between performance targets and current status; and~~

~~(4)~~ (3) life cycle assessment and corridor risk assessment as part of asset management programs in each district of the department.

~~(c) At a minimum, the ten-year capital highway investment plan in each district of the department must:~~

~~(1) be based on expected funding during the plan period and, to the extent feasible, maximize long-term benefits;~~

~~(2) estimate the funding necessary to make optimal life cycle investments;~~

~~(3) identify investments within each of the asset categories specified in paragraph (b), clause (1), that are funded through the trunk highway capital program;~~

~~(4) identify specific trunk highway segments programmed to be removed from the trunk highway system; and~~

~~(5) deliver annual progress toward achieving the state transportation goals established in section 174.01.~~

~~(d)~~ (c) Annually by December 15, the commissioner must report trunk highway performance measures and targets and identify gaps, including information detailing the department's progress on achieving the state transportation goals established in section 174.01, to the chairs and ranking minority members of the legislative committees having jurisdiction over transportation policy and finance. To be finalized, the report must be certified and signed by the ~~commissioner~~ relevant licensed professional engineers.

Sec. 5. Minnesota Statutes 2024, section 174.03, is amended by adding a subdivision to read:

Subd. 13. **Fiscal transparency dashboard.** By January 1, 2027, the commissioner must provide a fiscal transparency dashboard on the department's website that summarizes fiscal

information for the current fiscal year and each year in the state transportation improvement program. At a minimum, the dashboard must include:

(1) a summary of total expenditure amounts (i) by funding source, (ii) for projects, and (iii) for pavement and bridge asset management;

(2) identification of total expenditures associated with each objective in the statewide multimodal transportation plan under subdivision 1a and resulting impacts on associated performance targets;

(3) an overview of expenditures by investment priority area established in the Minnesota state highway investment plan under subdivision 1c; and

(4) identification of any performance gaps between targets and projected performance status.