SENATE
STATE OF MINNESOTA
NINETY-FOURTH SESSION

S.F. No. 4657

(SENATE AUTHORS: DIBBLE)

DATE	D-PG	OFFICIAL STATUS
03/23/2026	6899	Introduction and first reading Referred to Transportation
04/22/2026	8959	Comm report: To pass and re-referred to Finance Pursuant to Senate Concurrent Resolution No. 6, referred to Rules and Administration

A bill for an act

relating to transportation; requiring the Department of Transportation to modify the evaluation and planning process for certain transportation projects; amending Minnesota Statutes 2024, sections 174.02, subdivisions 2a, 3, by adding subdivisions; 174.03, by adding a subdivision; 174.75, subdivisions 2, 2a; proposing coding for new law in Minnesota Statutes, chapters 161; 174.

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

Section 1. **[161.1611] PURPOSE AND NEED STATEMENT CONTEXTUAL DEVELOPMENT REQUIREMENTS; SCOPING PROCESS REQUIRED.**

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

(b) "Planning worksheet scoping guide" means a checklist of considerations developed by the commissioner to consider with stakeholders for determining a project's scope in the scoping document.

(c) "Project" means the scoping, assessment, study, or other analysis activity designed to identify or provide for development of a trunk highway project.

(d) "Purpose and need" is a statement by the department to explain why a proposed action is being undertaken and its objectives by:

(1) identifying the need as a transportation problem or deficiency; and

(2) identifying the purpose as a broad statement of the intended transportation result and other related objectives to be achieved by a proposed transportation improvement.

(e) "Scoping document" means a document that identifies all potential options with the purpose of narrowing the number of alternatives to those that should be evaluated in the environmental impact statement as part of the project.

Subd. 2. **Application.** (a) The requirements in this section apply to a project that:

(1) involves construction, reconstruction, bridge replacement, increases or reductions in highway traffic capacity, alteration of access, or acquisitions of permanent rights-of-way; or

(2) requires an environmental impact statement under chapter 116D for the project.

(b) Except for a project under paragraph (a), clause (1), the requirements in this section do not apply to reconditioning, resurfacing, milling, overlays, preventive maintenance, other routine roadway maintenance activities or projects, and associated set-asides.

Subd. 3. **Purpose and need.** (a) To avoid premature determination of the investment approaches available for a project, a purpose and need statement developed for a project must not identify a specific improvement as the need. The commissioner must ensure that every purpose and need statement considers all possible approaches for a project and addresses the safety and access of all users of the transportation system.

(b) The commissioner must ensure that a purpose and need statement for a project can assess whether the need for a project is substantial enough to warrant investment inclusion in the state transportation improvement program, including relaxing expectations around the use of level-of-service metrics as the primary need for a project's development. Relaxing expectations around level-of-service metrics may include:

(1) giving equal or greater weight to other considerations when evaluating the need for or scope of a project, such as cost efficiency, community input, safety, and the requirements of sections 174.01, subdivisions 2 and 3, and 174.02;

(2) encouraging the use of alternative metrics where more appropriate for a given context;

(3) designating certain contexts where a low level of service is acceptable; and

(4) providing flexibility to accept lower levels of service on a case-by-case basis outside of those contexts.

(c) The commissioner must incorporate multidisciplinary review processes under section 174.742 into the development of a context-specific purpose and need statement.

Subd. 4. **Scope; required before inclusion.** (a) The commissioner must require the use of a context-specific scoping document to identify the needs for a project before the project's

inclusion in the state highway investment program. The scoping document must conform with any adopted guidance by the commissioner and must:

(1) include a checklist of interested stakeholders to engage in the planning, design, and development of projects;

(2) recognize the degrees of variability and complexity across different project types; and

(3) require a context and modal accommodation analysis to:

(i) determine what modes of transportation are appropriate for the project corridor;

(ii) structure and document discussions around tradeoffs during early project development;

(iii) establish a suggested baseline for which modes should be prioritized based on the roadway type and land use context; and

(iv) provide a series of factors and questions to consider that would raise or lower the priority of each mode.

(b) Before finalizing any scoping document or draft scoping document for a project, the commissioner must require a coordination field visit and walking audit of the project corridor. To implement the requirements of this paragraph, the commissioner must develop guidance on coordinated field visits to:

(1) begin the initial engagement process with stakeholders for projects;

(2) provide guidance on what staff should identify in observing current conditions for all modes of travel and the surrounding land use; and

(3) coordinate across different jurisdictions to ensure collaboration and field visits at similar times in the project timeline.

Subd. 5. **Process documentation.** Any alternative studied as part of a project under subdivisions 3 and 4 must remain part of the permanent project record and be included in any subsequent environmental review, investment scoring, or legislative reporting.

Subd. 6. **Implementation.** The commissioner must implement the requirements of this section in a manner that does not conflict with the requirements under chapter 116D and the National Environmental Policy Act under United States Code, title 42, chapter 55.

EFFECTIVE DATE. Subdivisions 1, 2, 3, 5, and 6 are effective March 1, 2028, for projects on or after that date. Subdivision 4 is effective July 1, 2027, for projects scoped on or after that date.

Sec. 2. Minnesota Statutes 2024, section 174.02, subdivision 2a, is amended to read:

Subd. 2a. **Transportation ombudsperson.** (a) The commissioner ~~shall~~ must appoint a person to the position of transportation ombudsperson. The transportation ombudsperson reports directly to the commissioner. The ombudsperson must be selected without regard to political affiliation and must be qualified to perform the duties specified in this subdivision.

(b) Powers and duties of the transportation ombudsperson include~~,~~ but are not limited to:

(1) providing a neutral, independent resource for dispute and issue resolution between the department and the general public where another mechanism or forum is not available;

(2) gathering information about decisions, acts, and other matters of the department;

(3) providing information to the general public;

(4) facilitating discussions or arranging mediation when appropriate; and

(5) maintaining and monitoring performance measures for the ombudsperson program.

(c) The ombudsperson must transmit to the department's internal auditor any report for which the department has failed to adhere to the statutory requirements of this section or section 161.1611, 174.03, 174.742, or 174.75.

~~(c)~~ (d) The transportation ombudsperson may not hold another formal position within the department. The transportation ombudsperson may not impose a complaint fee.

EFFECTIVE DATE. This section is effective March 1, 2028.

Sec. 3. Minnesota Statutes 2024, section 174.02, is amended by adding a subdivision to read:

Subd. 2b. **Internal compliance audit.** (a) The department's internal auditor must conduct a targeted audit of the department's compliance with any requirement of this section or section 161.1611, 174.03, 174.742, or 174.75 if the auditor receives reports or otherwise determines that the department has failed to comply with any requirement on multiple occasions. Upon completion, the results of the audit must be presented to the commissioner and to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance.

(b) Upon receiving the results of an audit under paragraph (a), the commissioner must implement changes to internal processes to ensure compliance with statutory requirements.

EFFECTIVE DATE. This section is effective March 1, 2028.

Sec. 4. Minnesota Statutes 2024, section 174.02, subdivision 3, is amended to read:

Subd. 3. **Departmental organization; affirmative action.** (a) The commissioner ~~shall~~ must organize the department in a manner recognizing the administrative and staffing needs of all modes of transportation within the commissioner's jurisdiction~~,~~ and ~~shall~~ must employ personnel as the commissioner deems necessary to discharge the functions of the department.

(b) Notwithstanding paragraph (a), the commissioner must appoint a chief financial officer of the department. The chief financial officer must have the authority to enforce financial controls, cost estimation standards, and compliance with budgetary assumptions for all districts and divisions.

~~(b)~~ (c) The commissioner ~~shall~~ must adopt an affirmative action plan for the department in order to ~~insure~~ ensure that department hiring encourages the selection of members of groups of persons who because of unfair or unlawful discriminatory practices have in the past been denied equal employment opportunity. This plan need not be promulgated as a rule, but it ~~shall~~ must be approved by the commissioner of management and budget. The plan ~~shall~~ must provide that the affected groups of persons ~~shall~~ must constitute at least the same proportional number of employees in the department as they constitute in the total employment in state government; provided that this limitation ~~shall expire in~~ expires with respect to an affected group when the commissioner of management and budget certifies that members of that affected group are employed in the department in the same proportion as they constitute in the total employment in state government.

Sec. 5. Minnesota Statutes 2024, section 174.02, is amended by adding a subdivision to read:

Subd. 3a. **Standards-based reviews.** (a) The commissioner must ensure that performance reviews of supervisors and lead project managers in the department include an evaluation of the employee's implementation of the requirements of this section and sections 161.1611, 174.03, 174.742, and 174.75.

(b) For purposes of this subdivision, "supervisor" includes any position at the transportation district engineer level or above or the equivalent level within a division.

EFFECTIVE DATE. This section is effective March 1, 2028.

Sec. 6. Minnesota Statutes 2024, section 174.03, is amended by adding a subdivision to read:

Subd. 1e. **Outcome analysis of plan required.** (a) Upon subsequent revisions of the 20-year Minnesota state highway investment plan, the commissioner must analyze all trunk highway projects included in the statewide multimodal transportation plan based on:

(1) the year a project was added to the statewide multimodal transportation plan;

(2) an explanation of the project purpose and need and development documentation requirements under section 161.1611;

(3) a timeline that provides any key milestones of the project;

(4) project purposes relative to objectives in the statewide multimodal transportation plan and investment priority areas established in the Minnesota state highway investment plan;

(5) identified links between project implementation processes, including environmental impact studies, programming, funding, and construction and the priorities identified in the statewide multimodal transportation plan;

(6) identification of the scoping process for the project's inclusion in the statewide multimodal transportation plan to determine whether the project was prioritized based on the current condition or output of the roadway rather than expected outcomes or other practical-based selection criteria; and

(7) an explanation of the multidisciplinary project development efforts required by section 174.742.

(b) Upon completing a project that is included in the statewide multimodal transportation plan, the commissioner must report how the project met projected safety, emissions, access, and cost outcomes and explain material deviations. The commissioner must report to the department's internal auditor any finding that a completed project deviated from the statutory requirements of this section or section 161.1611, 174.02, 174.742, or 174.75.

Sec. 7. **[174.742] MULTIDISCIPLINARY PROJECT DEVELOPMENT REQUIRED.**

Subdivision 1. **Definition.** For purposes of this section, "eligible project" has the meaning given for a capacity expansion project in section 161.178, subdivision 1.

Subd. 2. **Project requirements.** The commissioner must require the use of interdisciplinary planning and decision-making methods and staff for eligible projects. Staff must form a core project team for eligible projects with diverse and multimodal expertise

across social science disciplines to oversee a project from planning to final construction. The core project team must:

(1) integrate field visits and walking audits into training, design, development, and review of eligible projects;

(2) include a planner who has experience and familiarity with the project's area or corridor to bring context in all phases of project delivery;

(3) serve as co-reviewers, where applicable, in project purpose and need contextual development requirements under section 161.1611, planning, design, and budgeting decisions;

(4) assess project decisions against statewide multimodal transportation plan priorities; and

(5) analyze projects and project decisions based on alternative transportation metrics with available data to determine community mobility and accessibility needs for all users, including but not limited to:

(i) economic development and equity outcomes;

(ii) transportation insecurity performance metrics;

(iii) access to essential services and jobs;

(iv) transportation affordability;

(v) access for historically underserved communities;

(vi) environmental justice concerns; and

(vii) public health impacts.

Subd. 3. **Professional requirements.** Any scoping, assessment, study, or other analysis prepared under this section must be based on best available data, transparent assumptions, and methodologies consistent with state and federal guidance. The commissioner must prohibit manipulation of assumptions, selective data exclusion, or modeling practices designed to predetermine an outcome inconsistent with sections 174.01 and 174.02.

EFFECTIVE DATE. This section is effective March 1, 2028.

Sec. 8. Minnesota Statutes 2024, section 174.75, subdivision 2, is amended to read:

Subd. 2. **Implementation.** (a) The commissioner must implement a revised complete streets policy after consultation with stakeholders, state and regional agencies, local

governments, and road authorities. The commissioner, after such consultation, must address relevant protocols, guidance, standards, requirements, and training.

(b) The complete streets policy must include but is not limited to:

(1) integration of related principles of context-sensitive solutions;

(2) integration throughout the project development process;

(3) integration of multidisciplinary project development resources under section 174.742;

(4) integration of purpose and need context development strategies under section 161.1611;

~~(3)~~ (5) methods to evaluate inclusion of active transportation facilities in a project, which may include but are not limited to sidewalks, crosswalk markings, pedestrian accessibility, and bikeways; and

~~(4)~~ (6) consideration of consultation with other road authorities regarding existing and planned active transportation network connections.

EFFECTIVE DATE. This section is effective March 1, 2028.

Sec. 9. Minnesota Statutes 2024, section 174.75, subdivision 2a, is amended to read:

Subd. 2a. **Implementation guidance.** The commissioner must maintain guidance that accompanies the complete streets policy under this section. The guidance must include sections on:

(1) an analysis framework that provides for:

(i) identification of characteristics of a project and the required purpose and need context development strategies;

(ii) highway system categorization based on context, including population density, land use, density and scale of surrounding development, volume of highway use, and the nature and extent of active transportation; and

(iii) relative emphasis for different road system users in each of the categories under item (ii) in a manner that supports safety and mobility of vulnerable road users, motorcyclists or other operators of two- or three-wheeled vehicles, and public transit users; and

(2) an analysis of speed limit reductions and associated roadway design modifications to support safety and mobility in active transportation.

EFFECTIVE DATE. This section is effective March 1, 2028.