

This conference committee report
was drafted and approved by the
Revisor's Office

Date _____

1.1 CONFERENCE COMMITTEE REPORT ON H. F. No. 1309

1.2 A bill for an act

1.3 relating to transportation finance; appropriating money for transportation,
1.4 Metropolitan Council, and public safety activities and programs; providing for
1.5 fund transfers and tort claims; authorizing an account and certain contingent
1.6 appropriations; modifying previous appropriations provisions; modifying various
1.7 provisions related to transportation finance and policy; modifying provisions
1.8 related to speed limits, fracture-critical bridges, transit, passenger rail, motor
1.9 vehicle lease sales tax revenue allocations, transit services, and the Buffalo
1.10 Ridge Regional Rail Authority; requiring reports; amending Minnesota Statutes
1.11 2008, sections 16A.152, subdivision 2; 161.081, by adding a subdivision;
1.12 161.36, subdivision 7, as added; 162.12, subdivision 2; 169.14, by adding a
1.13 subdivision; 174.24, subdivision 1a, by adding a subdivision; 174.50, by adding
1.14 a subdivision; 297A.815, subdivision 3; 473.408, by adding a subdivision; Laws
1.15 2007, chapter 143, article 1, section 3, subdivision 2, as amended; Laws 2008,
1.16 chapter 152, article 1, section 5; proposing coding for new law in Minnesota
1.17 Statutes, chapters 161; 174.

1.18 May 3, 2009

1.19 The Honorable Margaret Anderson Kelliher
1.20 Speaker of the House of Representatives

1.21 The Honorable James P. Metzen
1.22 President of the Senate

1.23 We, the undersigned conferees for H. F. No. 1309 report that we have agreed upon
1.24 the items in dispute and recommend as follows:

1.25 That the Senate recede from its amendments and that H. F. No. 1309 be further
1.26 amended as follows:

1.27 Delete everything after the enacting clause and insert:

1.28 "ARTICLE 1
1.29 TRANSPORTATION APPROPRIATIONS

1.30 Section 1. SUMMARY OF APPROPRIATIONS.

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

2.1		<u>2010</u>		<u>2011</u>		<u>Total</u>
2.2	<u>General</u>	\$ 98,385,000	\$	95,885,000	\$	194,270,000
2.3	<u>Airports</u>	21,909,000		19,659,000		41,568,000
2.4	<u>C.S.A.H.</u>	496,786,000		524,478,000		1,021,264,000
2.5	<u>M.S.A.S.</u>	134,003,000		141,400,000		275,403,000
2.6	<u>Special Revenue</u>	49,038,000		49,038,000		98,076,000
2.7	<u>H.U.T.D.</u>	9,538,000		9,838,000		19,376,000
2.8	<u>Trunk Highway</u>	1,264,921,000		1,372,687,000		2,637,608,000
2.9	<u>Total</u>	\$ 2,074,580,000	\$	2,212,985,000	\$	4,287,565,000

2.10 **Sec. 2. TRANSPORTATION APPROPRIATIONS.**

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

2.19	<u>APPROPRIATIONS</u>
2.20	<u>Available for the Year</u>
2.21	<u>Ending June 30</u>
2.22	<u>2010</u> <u>2011</u>

2.23 **Sec. 3. DEPARTMENT OF**
 2.24 **TRANSPORTATION**

2.25 Subdivision 1. Total Appropriation \$ 1,848,892,000 \$ 1,987,197,000

2.26 Appropriations by Fund

2.27		<u>2010</u>	<u>2011</u>
2.28	<u>General</u>	18,191,000	15,691,000
2.29	<u>Airports</u>	21,859,000	19,609,000
2.30	<u>C.S.A.H.</u>	496,786,000	524,478,000

3.1	<u>M.S.A.S.</u>	<u>134,003,000</u>	<u>141,400,000</u>
3.2	<u>Trunk Highway</u>	<u>1,178,053,000</u>	<u>1,286,019,000</u>

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

3.6 Subd. 2. **Multimodal Systems**

3.7 (a) **Aeronautics**

3.8	<u>(1) Airport Development and Assistance</u>	<u>16,548,000</u>	<u>14,298,000</u>
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3.9 This appropriation is from the state
3.10 airports fund and must be spent according
3.11 to Minnesota Statutes, section 360.305,
3.12 subdivision 4.

3.13 Notwithstanding Minnesota Statutes, section
3.14 360.305, subdivision 4, paragraph (c),
3.15 of the appropriation in fiscal year 2010,
3.16 the commissioner may provide a local
3.17 contribution for aeronautics project elements
3.18 if:

3.19 (1) federal funds are made available for the
3.20 project in federal fiscal year 2009 by the
3.21 United States Department of Transportation,
3.22 Federal Aviation Administration from the
3.23 airport improvement program under United
3.24 States Code, title 49, section 47101, et seq.;

3.25 (2) the project requires a five percent match
3.26 from nonfederal sources; and

3.27 (3) the airport is not classified as a key
3.28 system airport, as provided in Minnesota
3.29 Statutes, section 360.305, subdivision 3.

3.30 Notwithstanding Minnesota Statutes, section
3.31 16A.28, subdivision 6, this appropriation is

4.1 available for five years after appropriation.
 4.2 If the appropriation for either year is
 4.3 insufficient, the appropriation for the other
 4.4 year is available for it.

4.5 If the appropriation for either year does not
 4.6 exhaust the balance in the state airports fund,
 4.7 the commissioner of finance, upon request
 4.8 of the commissioner of transportation,
 4.9 shall notify the chairs and ranking minority
 4.10 members of the senate and house of
 4.11 representatives committees with jurisdiction
 4.12 over transportation finance of the amount
 4.13 of the remainder and shall then add that
 4.14 amount to the appropriation. The amount
 4.15 added is appropriated for the purpose of
 4.16 airport development and assistance and must
 4.17 be spent according to Minnesota Statutes,
 4.18 section 360.305, subdivision 4.

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

4.20 Appropriations by Fund

4.21 <u>Airports</u>	<u>5,286,000</u>	<u>5,286,000</u>
4.22 <u>Trunk Highway</u>	<u>837,000</u>	<u>837,000</u>

4.23 \$65,000 the first year and \$65,000 the second
 4.24 year from the state airports fund are for the
 4.25 Civil Air Patrol.

4.26 **(b) Transit** 18,036,000 15,536,000

4.27 Appropriations by Fund

4.28 <u>General</u>	<u>17,261,000</u>	<u>14,761,000</u>
4.29 <u>Trunk Highway</u>	<u>775,000</u>	<u>775,000</u>

5.1 The base appropriation from the general fund
 5.2 for fiscal years 2012 and 2013 is \$17,261,000
 5.3 for each year.

5.4 Of these appropriations from the general
 5.5 fund, \$19,300 in each year is for the
 5.6 administrative expenses of the Minnesota
 5.7 Council on Transportation Access, and for
 5.8 other costs relating to the preparation of
 5.9 required reports, including the costs of hiring
 5.10 a consultant, if the council is created.

5.11 **(c) Commuter and Passenger Rail** 500,000 500,000

5.12 This appropriation is from the general fund
 5.13 for (1) development of the comprehensive
 5.14 statewide freight and passenger rail plan
 5.15 under Minnesota Statutes, section 174.03,
 5.16 subdivision 1b, and (2) passenger rail
 5.17 system planning, alternatives analysis,
 5.18 environmental analysis, design, preliminary
 5.19 engineering, and land acquisition under
 5.20 Minnesota Statutes, sections 174.632 to
 5.21 174.636.

5.22 **(d) Freight** 5,262,000 5,262,000

5.23	<u>Appropriations by Fund</u>		
5.24	<u>General</u>	<u>365,000</u>	<u>365,000</u>
5.25	<u>Trunk Highway</u>	<u>4,897,000</u>	<u>4,897,000</u>

5.26 The commissioner of transportation shall
 5.27 enter into an agreement to either forgive
 5.28 any money due (approximately \$2,851,118)
 5.29 on loan agreements 65572 and 67106 or
 5.30 convert the loans to grants. The loans were
 5.31 made to the Buffalo Ridge Regional Railroad
 5.32 Authority, which was established by Rock

6.1 and Nobles Counties, to enable the counties
 6.2 to purchase and rehabilitate 41.4 miles of rail
 6.3 line providing transportation service to the
 6.4 counties. The agreement must ensure that all
 6.5 terms, provisions, and conditions of the loan
 6.6 agreements are deemed to be fully satisfied
 6.7 and performed on the part of the railroad
 6.8 authority and counties. If the railroad
 6.9 authority sells all or any part of the rail line
 6.10 that has been rehabilitated with either of the
 6.11 loans, the railroad authority must pay the
 6.12 net proceeds to the commissioner, up to the
 6.13 amount loaned.

6.14 **Subd. 3. State Roads**

6.15	<u>(a) Infrastructure Operations and Maintenance</u>	<u>251,643,000</u>	<u>245,892,000</u>
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6.16 The base appropriation for fiscal years 2012
 6.17 and 2013 is \$257,395,000 for each year.

6.18 **(b) Infrastructure Investment and Planning**

6.19	<u>(1) Infrastructure Investment Support</u>	<u>201,461,000</u>	<u>196,935,000</u>
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6.20 The base appropriation for fiscal years 2012
 6.21 and 2013 is \$205,988,000 for each year.

6.22 \$266,000 the first year and \$266,000 the
 6.23 second year are available for grants to
 6.24 metropolitan planning organizations outside
 6.25 the seven-county metropolitan area.

6.26 \$75,000 the first year and \$75,000 the
 6.27 second year are for a transportation research
 6.28 contingent account to finance research
 6.29 projects that are reimbursable from the
 6.30 federal government or from other sources.

6.31 If the appropriation for either year is

7.1 insufficient, the appropriation for the other
 7.2 year is available for it.

7.3 \$600,000 the first year and \$600,000
 7.4 the second year are available for grants
 7.5 for transportation studies outside the
 7.6 metropolitan area to identify critical
 7.7 concerns, problems, and issues. These
 7.8 grants are available (1) to regional
 7.9 development commissions; (2) in regions
 7.10 where no regional development commission
 7.11 is functioning, to joint powers boards
 7.12 established under agreement of two or
 7.13 more political subdivisions in the region to
 7.14 exercise the planning functions of a regional
 7.15 development commission; and (3) in regions
 7.16 where no regional development commission
 7.17 or joint powers board is functioning, to the
 7.18 department's district office for that region.

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

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

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

<u>Appropriations by Fund</u>		
<u>Federal Highway</u>		
<u>Aid</u>	<u>301,100,000</u>	<u>388,500,000</u>
<u>Highway User Taxes</u>	<u>250,200,000</u>	<u>210,200,000</u>

7.28 The commissioner of transportation shall
 7.29 notify the chairs and ranking minority
 7.30 members of the senate and house of
 7.31 representatives committees with jurisdiction
 7.32 over transportation finance of any significant

8.1 events that should cause these estimates to
8.2 change.

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

8.12 The commissioner shall expend up to
8.13 one-half of one percent of the federal
8.14 appropriations under this paragraph as grants
8.15 to opportunity industrialization centers and
8.16 other nonprofit job training centers for
8.17 job training programs related to highway
8.18 construction.

8.19 The commissioner may transfer up to
8.20 \$15,000,000 each year to the transportation
8.21 revolving loan fund.

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

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

8.28 \$86,517,000 the first year and \$157,304,000
8.29 the second year are for transfer to the state
8.30 bond fund. If this appropriation is insufficient
8.31 to make all transfers required in the year for
8.32 which it is made, the commissioner of finance
8.33 shall notify the Committee on Finance of
8.34 the senate and the Committee on Ways and

9.1 Means of the house of representatives of
 9.2 the amount of the deficiency and shall then
 9.3 transfer that amount under the statutory open
 9.4 appropriation. Any excess appropriation
 9.5 cancels to the trunk highway fund.

9.6 **(c) Electronic Communications** 5,177,000 5,177,000

9.7	<u>Appropriations by Fund</u>		
9.8	<u>General</u>	<u>9,000</u>	<u>9,000</u>
9.9	<u>Trunk Highway</u>	<u>5,168,000</u>	<u>5,168,000</u>

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

9.13 **Subd. 4. Local Roads**

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

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

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

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

9.22 **(c) State Aid Appropriation Adjustments**

9.23 If an appropriation for either county state
 9.24 aids or municipal state aids does not exhaust
 9.25 the balance in the fund from which it is
 9.26 made in the year for which it is made, the
 9.27 commissioner of finance, upon request of
 9.28 the commissioner of transportation, shall
 9.29 notify the chairs and ranking minority
 9.30 members of the senate and house of

10.1 representatives committees with jurisdiction
 10.2 over transportation finance of the amount of
 10.3 the remainder and shall then add that amount
 10.4 to the appropriation. The amount added is
 10.5 appropriated for the purposes of county state
 10.6 aids or municipal state aids, as appropriate.

10.7 If the appropriation for either county
 10.8 state aids or municipal state aids does
 10.9 exhaust the balance in the fund from
 10.10 which it is made in the year for which
 10.11 it is made, the commissioner of finance
 10.12 shall notify the chairs and ranking minority
 10.13 members of the senate and house of
 10.14 representatives committees with jurisdiction
 10.15 over transportation finance of the amount by
 10.16 which the appropriation exceeds the balance
 10.17 and shall then reduce that amount from the
 10.18 appropriation.

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

10.20 **(a) Department Support** 43,440,000 42,449,000

10.21 Appropriations by Fund

10.22 Airports 25,000 25,000

10.23 Trunk Highway 43,415,000 42,424,000

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

10.27 **(b) Buildings** 17,443,000 17,047,000

10.28 Appropriations by Fund

10.29 General 56,000 56,000

10.30 Trunk Highway 17,387,000 16,991,000

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

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

11.7 **Subd. 6. Transfers**

11.8 (a) With the approval of the commissioner of
11.9 finance, the commissioner of transportation
11.10 may transfer unencumbered balances
11.11 among the appropriations from the trunk
11.12 highway fund and the state airports fund
11.13 made in this section. No transfer may be
11.14 made from the appropriation for state road
11.15 construction. No transfer may be made
11.16 from the appropriations for debt service to
11.17 any other appropriation. Transfers under
11.18 this paragraph may not be made between
11.19 funds. Transfers between programs must
11.20 be reported immediately to the chairs and
11.21 ranking minority members of the senate and
11.22 house of representatives committees with
11.23 jurisdiction over transportation finance.

11.24 (b) The commissioner of finance shall
11.25 transfer from the flexible account in the
11.26 county state-aid highway fund \$8,440,000
11.27 the first year and \$1,550,000 the second
11.28 year to the municipal turnback account in
11.29 the municipal state-aid street fund; and the
11.30 remainder in each year to the county turnback
11.31 account in the county state-aid highway fund.

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

12.1 Any money appropriated to the commissioner
12.2 of transportation for state road construction
12.3 for any fiscal year before fiscal year
12.4 2010 is available to the commissioner
12.5 during the biennium to the extent that the
12.6 commissioner spends the money on the
12.7 state road construction project for which the
12.8 money was originally encumbered during the
12.9 fiscal year for which it was appropriated. The
12.10 commissioner of transportation shall report
12.11 to the commissioner of finance by August
12.12 1, 2009, and August 1, 2010, on a form
12.13 the commissioner of finance provides, on
12.14 expenditures made during the previous fiscal
12.15 year that are authorized by this subdivision.

12.16 The commissioner must allocate money
12.17 appropriated in this section so as to maximize
12.18 the use of all available federal money from
12.19 the American Recovery and Reinvestment
12.20 Act of 2009, Public Law 111-5, and to the
12.21 extent possible, any other federal funding.

12.22 **Subd. 8. Contingent Appropriation**

12.23 The commissioner of transportation, with
12.24 the approval of the governor and the written
12.25 approval of at least five members of a
12.26 group consisting of: (1) the members of the
12.27 Legislative Advisory Commission under
12.28 Minnesota Statutes, section 3.30; and (2) the
12.29 ranking minority members of the house of
12.30 representatives and senate committees with
12.31 jurisdiction over transportation finance, may
12.32 transfer all or part of the unappropriated
12.33 balance in the trunk highway fund to an
12.34 appropriation (1) for trunk highway design,
12.35 construction, or inspection in order to

13.1 take advantage of an unanticipated receipt
13.2 of income to the trunk highway fund or
13.3 to take advantage of federal advanced
13.4 construction funding, (2) for trunk highway
13.5 maintenance in order to meet an emergency,
13.6 or (3) to pay tort or environmental claims.
13.7 Nothing in this subdivision authorizes the
13.8 commissioner to increase the use of federal
13.9 advanced construction funding beyond
13.10 amounts specifically authorized. Any
13.11 transfer as a result of the use of federal
13.12 advanced construction funding must include
13.13 an analysis of the effects on the long-term
13.14 trunk highway fund balance. The amount
13.15 transferred is appropriated for the purpose of
13.16 the account to which it is transferred.

13.17 **Subd. 9. Appropriations Carryforward**

13.18 Notwithstanding Minnesota Statutes, section
13.19 16A.28, or any other law to the contrary, the
13.20 commissioner may carry forward to fiscal
13.21 years 2010 and 2011 any unexpended and
13.22 unencumbered operating balances from trunk
13.23 highway appropriations for fiscal year 2009.

13.24 **Subd. 10. Use of Trunk Highway Fund**

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

13.29 **Subd. 11. Disadvantaged Business Enterprise**
13.30 **Program**

13.31 The commissioner shall, in utilizing these
13.32 appropriations, comply in all respects
13.33 with Minnesota Statutes, section 174.03,
13.34 subdivision 11.

15.1	<u>H.U.T.D.</u>	<u>9,413,000</u>	<u>9,713,000</u>
15.2	<u>Trunk Highway</u>	<u>86,068,000</u>	<u>85,868,000</u>

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

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

15.7	<u>(a) Office of Communications</u>	<u>434,000</u>	<u>434,000</u>
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15.8 Appropriations by Fund

15.9	<u>General</u>	<u>41,000</u>	<u>41,000</u>
15.10	<u>Trunk Highway</u>	<u>393,000</u>	<u>393,000</u>

15.11	<u>(b) Public Safety Support</u>	<u>8,168,000</u>	<u>8,168,000</u>
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15.12 Appropriations by Fund

15.13	<u>General</u>	<u>3,296,000</u>	<u>3,296,000</u>
15.14	<u>H.U.T.D.</u>	<u>1,366,000</u>	<u>1,366,000</u>
15.15	<u>Trunk Highway</u>	<u>3,506,000</u>	<u>3,506,000</u>

15.16 \$380,000 the first year and \$380,000 the
 15.17 second year are appropriated from the general
 15.18 fund for payment of public safety officer
 15.19 survivor benefits under Minnesota Statutes,
 15.20 section 299A.44. If the appropriation for
 15.21 either year is insufficient, the appropriation
 15.22 for the other year is available for it.

15.23 \$1,367,000 the first year and \$1,367,000
 15.24 the second year are appropriated from the
 15.25 general fund to be deposited in the public
 15.26 safety officer's benefit account. This money
 15.27 is available for reimbursements under
 15.28 Minnesota Statutes, section 299A.465.

16.1 \$508,000 the first year and \$508,000 the
16.2 second year are appropriated from the general
16.3 fund for soft body armor reimbursements
16.4 under Minnesota Statutes, section 299A.38.

16.5 \$792,000 the first year and \$792,000
16.6 the second year are appropriated from the
16.7 general fund for transfer by the commissioner
16.8 of finance to the trunk highway fund on
16.9 December 31, 2009, and December 31, 2010,
16.10 respectively, in order to reimburse the trunk
16.11 highway fund for expenses not related to the
16.12 fund. These represent amounts appropriated
16.13 out of the trunk highway fund for general
16.14 fund purposes in the administration and
16.15 related services program.

16.16 \$610,000 the first year and \$610,000 the
16.17 second year are appropriated from the
16.18 highway user tax distribution fund for
16.19 transfer by the commissioner of finance to
16.20 the trunk highway fund on December 31,
16.21 2009, and December 31, 2010, respectively,
16.22 in order to reimburse the trunk highway
16.23 fund for expenses not related to the fund.
16.24 These represent amounts appropriated out
16.25 of the trunk highway fund for highway
16.26 user tax distribution fund purposes in the
16.27 administration and related services program.

16.28 \$716,000 the first year and \$716,000 the
16.29 second year are appropriated from the
16.30 highway user tax distribution fund for
16.31 transfer by the commissioner of finance to
16.32 the general fund on December 31, 2009, and
16.33 December 31, 2010, respectively, in order to
16.34 reimburse the general fund for expenses not
16.35 related to the fund. These represent amounts

17.1 appropriated out of the general fund for
 17.2 operation of the criminal justice data network
 17.3 related to driver and motor vehicle licensing.

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

17.5 Appropriations by Fund

17.6 General 1,472,000 1,472,000

17.7 H.U.T.D. 19,000 19,000

17.8 Trunk Highway 2,344,000 2,344,000

17.9 **Subd. 3. State Patrol**

17.10 **(a) Patrolling Highways** 71,522,000 71,522,000

17.11 Appropriations by Fund

17.12 General 37,000 37,000

17.13 H.U.T.D. 92,000 92,000

17.14 Trunk Highway 71,393,000 71,393,000

17.15 **(b) Commercial Vehicle Enforcement** 7,996,000 7,796,000

17.16 This appropriation is from the trunk highway
 17.17 fund.

17.18 \$800,000 the first year and \$600,000 the
 17.19 second year are for the Office of Pupil
 17.20 Transportation Safety.

17.21 **(c) Capitol Security** 3,113,000 3,113,000

17.22 This appropriation is from the general fund.

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

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

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

18.8	<u>(a) Vehicle Services</u>	<u>26,909,000</u>	<u>27,209,000</u>
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18.9 Appropriations by Fund

18.10	<u>Special Revenue</u>	<u>18,973,000</u>	<u>18,973,000</u>
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18.11	<u>H.U.T.D.</u>	<u>7,936,000</u>	<u>8,236,000</u>
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18.12 The special revenue fund appropriation is
 18.13 from the vehicle services operating account.

18.14	<u>(b) Driver Services</u>	<u>28,712,000</u>	<u>28,712,000</u>
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18.15 Appropriations by Fund

18.16	<u>Special Revenue</u>	<u>28,711,000</u>	<u>28,711,000</u>
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18.17	<u>Trunk Highway</u>	<u>1,000</u>	<u>1,000</u>
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18.18 The special revenue fund appropriation is
 18.19 from the driver services operating account.

18.20	<u>Subd. 5. Traffic Safety</u>	<u>435,000</u>	<u>435,000</u>
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18.21 The commissioner of public safety shall
 18.22 spend 50 percent of the money available
 18.23 to the state under Public Law 105-206,
 18.24 section 164, and the remaining 50 percent
 18.25 must be transferred to the commissioner
 18.26 of transportation for hazard elimination
 18.27 activities under United States Code, title 23,
 18.28 section 152.

18.29	<u>Subd. 6. Pipeline Safety</u>	<u>1,354,000</u>	<u>1,354,000</u>
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19.1 This appropriation is from the pipeline safety
 19.2 account in the special revenue fund.

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

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

19.8 **Sec. 6. GENERAL CONTINGENT**

19.9 **ACCOUNTS** **\$ 375,000 \$ 375,000**

19.10	<u>Appropriations by Fund</u>		
19.11	<u>Trunk Highway</u>	<u>200,000</u>	<u>200,000</u>
19.12	<u>H.U.T.D.</u>	<u>125,000</u>	<u>125,000</u>
19.13	<u>Airports</u>	<u>50,000</u>	<u>50,000</u>

19.14 The appropriations in this section may
 19.15 only be spent with the approval of the
 19.16 governor and the written approval of at least
 19.17 five members of a group consisting of (1)
 19.18 the members of the Legislative Advisory
 19.19 Commission under Minnesota Statutes,
 19.20 section 3.30, and (2) the ranking minority
 19.21 members of the house of representatives and
 19.22 senate committees with jurisdiction over
 19.23 transportation finance.

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

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

19.28 This appropriation is to the commissioner of
 19.29 finance.

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

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

20.6 Subd. 2. **Multimodal Systems**

20.7 (a) **Aeronautics**

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

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

20.13 \$6,000,000 the first year is a onetime
20.14 appropriation and does not add to the
20.15 base appropriations. The base for this
20.16 appropriation for fiscal year 2010 is
20.17 \$14,298,000.

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

20.27 Notwithstanding Minnesota Statutes, section
20.28 16A.28, subdivision 6, this appropriation is
20.29 available for five years after appropriation.

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

21.1 **(2) Aviation Support and Services**

21.2 Appropriations by Fund

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

21.5 \$65,000 the first year and \$65,000 the second
 21.6 year from the state airports fund are for the
 21.7 Civil Air Patrol.

21.8 **(b) Transit**

21.9 Appropriations by Fund

21.10			18,816,000
21.11	General	18,813,000	<u>21,316,000</u>
21.12	Trunk Highway	740,000	761,000

21.13 Of the appropriation in fiscal year 2009,
 21.14 \$2,500,000 may be expended for financial
 21.15 assistance under Minnesota Statutes, section
 21.16 174.24, notwithstanding the payment
 21.17 schedule under Minnesota Statutes, section
 21.18 174.24, subdivision 5.

21.19 Notwithstanding Minnesota Statutes, section
 21.20 16A.28, subdivision 6, this appropriation is
 21.21 available for fiscal years 2010 and 2011.

21.22 **(c) Freight**

21.23 Appropriations by Fund

21.24	General	357,000	367,000
21.25	Trunk Highway	5,028,000	5,158,000

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

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

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

22.1 \$55,000,000 in fiscal year 2008 and ~~\$77,000,000~~ \$33,000,000 in fiscal year 2009
22.2 are appropriated to the commissioner of transportation from the trunk highway fund for
22.3 the purposes specified in the federal grants and aids related to the I-35W bridge collapse
22.4 on marked Interstate Highway I-35W in Minneapolis. The appropriation in fiscal year
22.5 2009 is available for other trunk highway construction projects. This appropriation is in
22.6 addition to appropriations under Laws 2007, chapter 143, article 1, section 3, and Laws
22.7 2007, First Special Session chapter 2, article 2, section 2.

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

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

22.10 Notwithstanding Minnesota Statutes, sections 473.25 to 473.255, or any other law,
22.11 the Metropolitan Council may transfer to its transit operating budget in 2009, 2010, and
22.12 2011 money that is not committed to grant or loan awards made by the council as follows:

22.13 (1) up to 50 percent of the revenues and amounts credited, transferred, or distributed
22.14 to the tax base revitalization account in 2009, 2010, and 2011, pursuant to Minnesota
22.15 Statutes, section 473.252;

22.16 (2) up to 50 percent of the revenues and amounts credited, transferred, or distributed
22.17 to the metropolitan livable communities demonstration account in 2009, 2010, and 2011
22.18 pursuant to Minnesota Statutes, section 473.253; and

22.19 (3) balances in the metropolitan livable communities fund accounts in 2009, 2010,
22.20 and 2011.

22.21 The council shall use the amounts transferred to cover operating deficits for the
22.22 transit, paratransit, and light rail and commuter rail services provided or assisted by the
22.23 council under Minnesota Statutes, sections 473.371 to 473.449. If the council transfers
22.24 funds pursuant to this section, the council shall amend the annual distribution plan
22.25 described in Minnesota Statutes, section 473.25, paragraph (d), and include information
22.26 about the transfer in the annual report required under Minnesota Statutes, section 473.25,
22.27 paragraph (e).

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

22.29 Notwithstanding Minnesota Statutes, section 473.167, or any other law, the
22.30 Metropolitan Council may transfer to its transit operating budget in 2009, 2010, and
22.31 2011 up to 75 percent of the amounts levied and collected in 2009, 2010, and 2011
22.32 under Minnesota Statutes, section 473.167, subdivision 3. The council shall use the
22.33 amounts transferred to cover operating deficits for the transit, paratransit, and light rail

23.1 and commuter rail services provided or assisted by the council under Minnesota Statutes,
23.2 sections 473.371 to 473.449.

23.3 **ARTICLE 2**

23.4 **TRUNK HIGHWAY BONDS**

23.5 Section 1. **HIGHWAY APPROPRIATION AND BOND SALE.**

23.6 Subdivision 1. **Appropriation.** \$40,000,000 is appropriated from the bond
23.7 proceeds account in the trunk highway fund to the commissioner of transportation for
23.8 (1) construction of interchanges involving a trunk highway, where the interchange will
23.9 promote economic development, increase employment, relieve growing traffic congestion,
23.10 and promote traffic safety; and (2) local match for any federal grants made available to the
23.11 state. The amount under this paragraph must be allocated 50 percent to the department's
23.12 metropolitan district, and 50 percent to districts in greater Minnesota. At least \$20,000,000
23.13 of this appropriation must be expended as provided under clause (1). This amount is in
23.14 addition to existing appropriations for this purpose.

23.15 Subd. 2. **Bond sale.** To provide the money appropriated in subdivision 1 from the
23.16 bond proceeds account in the trunk highway fund, the commissioner of finance shall sell
23.17 and issue bonds of the state in an amount up to \$40,000,000 in the manner, upon the terms,
23.18 and with the effect prescribed by Minnesota Statutes, sections 167.50 to 167.52, and
23.19 by the Minnesota Constitution, article XIV, section 11, at the times and in the amounts
23.20 requested by the commissioner of transportation. The proceeds of the bonds, except
23.21 accrued interest and any premium received from the sale of the bonds, must be deposited
23.22 in the bond proceeds account in the trunk highway fund.

23.23 Sec. 2. **EFFECTIVE DATE.**

23.24 This article is effective the day following final enactment.

23.25 **ARTICLE 3**

23.26 **TRANSPORTATION FINANCE AND POLICY**

23.27 Section 1. Minnesota Statutes 2008, section 16A.152, subdivision 2, is amended to
23.28 read:

23.29 Subd. 2. **Additional revenues; priority.** (a) If on the basis of a forecast of general
23.30 fund revenues and expenditures, the commissioner of finance determines that there will be
23.31 a positive unrestricted budgetary general fund balance at the close of the biennium, the
23.32 commissioner of finance must allocate money to the following accounts and purposes in
23.33 priority order:

24.1 (1) the cash flow account established in subdivision 1 until that account reaches
24.2 \$350,000,000;

24.3 (2) the budget reserve account established in subdivision 1a until that account
24.4 reaches \$653,000,000;

24.5 (3) the amount necessary to increase the aid payment schedule for school district
24.6 aids and credits payments in section 127A.45 to not more than 90 percent rounded to the
24.7 nearest tenth of a percent without exceeding the amount available and with any remaining
24.8 funds deposited in the budget reserve; ~~and~~

24.9 (4) the amount necessary to restore all or a portion of the net aid reductions under
24.10 section 127A.441 and to reduce the property tax revenue recognition shift under section
24.11 123B.75, subdivision 5, paragraph (b), and Laws 2003, First Special Session chapter 9,
24.12 article 5, section 34, as amended by Laws 2003, First Special Session chapter 23, section
24.13 20, by the same amount; and

24.14 (5) to the state airports fund, the amount necessary to restore the amount transferred
24.15 from the state airports fund under Laws 2008, chapter 363, article 11, section 3,
24.16 subdivision 5.

24.17 (b) The amounts necessary to meet the requirements of this section are appropriated
24.18 from the general fund within two weeks after the forecast is released or, in the case of
24.19 transfers under paragraph (a), clauses (3) and (4), as necessary to meet the appropriations
24.20 schedules otherwise established in statute.

24.21 (c) To the extent that a positive unrestricted budgetary general fund balance is
24.22 projected, appropriations under this section must be made before section 16A.1522 takes
24.23 effect.

24.24 (d) The commissioner of finance shall certify the total dollar amount of the
24.25 reductions under paragraph (a), clauses (3) and (4), to the commissioner of education. The
24.26 commissioner of education shall increase the aid payment percentage and reduce the
24.27 property tax shift percentage by these amounts and apply those reductions to the current
24.28 fiscal year and thereafter.

24.29 Sec. 2. [160.165] MITIGATION OF TRANSPORTATION CONSTRUCTION
24.30 IMPACTS ON BUSINESS.

24.31 Subdivision 1. Definitions. For the purposes of this section, the following terms
24.32 have the meanings given:

24.33 (1) "project" means construction work to maintain, construct, reconstruct, or
24.34 improve a street or highway;

25.1 (2) "substantial business impacts" means impairment of road access, parking, or
25.2 visibility for one or more business establishments as a result of a project, for a minimum
25.3 period of one month; and

25.4 (3) "transportation authority" means the commissioner, as to trunk highways; the
25.5 county board, as to county state-aid highways and county highways; the town board, as to
25.6 town roads; and statutory or home rule charter cities, as to city streets.

25.7 Subd. 2. **Business liaison.** (a) Before beginning construction work on a project,
25.8 a transportation authority shall identify whether the project is anticipated to include
25.9 substantial business impacts. For such projects, the transportation authority shall designate
25.10 an individual to serve as business liaison between the transportation authority and affected
25.11 businesses.

25.12 (b) The business liaison shall consult with affected businesses before and
25.13 during construction to investigate means of mitigating project impacts to businesses.
25.14 The mitigation considered must include signage. The business liaison shall provide
25.15 information to the identified businesses before and during construction, concerning project
25.16 duration and timetables, lane and road closures, detours, access impacts, customer parking
25.17 impacts, visibility, noise, dust, vibration, and public participation opportunities.

25.18 Sec. 3. Minnesota Statutes 2008, section 161.20, subdivision 3, is amended to read:

25.19 Subd. 3. **Trunk highway fund appropriations.** The commissioner may expend
25.20 trunk highway funds only for trunk highway purposes. Payment of expenses related
25.21 to Bureau of Criminal Apprehension laboratory, Explore Minnesota Tourism kiosks,
25.22 Minnesota Safety Council, tort claims, driver education programs, Emergency Medical
25.23 Services Board, and Mississippi River Parkway Commission, and personnel costs incurred
25.24 on behalf of the Governor's Office do not further a highway purpose and do not aid in the
25.25 construction, improvement, or maintenance of the highway system.

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

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

25.31 Sec. 5. [165.15] STILLWATER LIFT BRIDGE ENDOWMENT ACCOUNT.

25.32 Subdivision 1. **Account established.** The Stillwater lift bridge endowment account
25.33 is established in the state treasury. The account may consist of appropriations made by the

26.1 state of Minnesota or Wisconsin and may include federal funds. The account may also
26.2 receive private contributions, gifts, or grants under section 16A.013. Any interest or profit
26.3 accruing from investment of these sums is credited to the account.

26.4 Subd. 2. **Use of funds.** (a) Income derived from the investment of principal in the
26.5 account may be used by the commissioner of transportation for operations and routine
26.6 maintenance of the Stillwater lift bridge. No money from this account may be used for
26.7 any purposes except those described in this section, and no money from this account
26.8 may be transferred to any other account in the state treasury without specific legislative
26.9 authorization. Any money transferred from the trunk highway fund may only be used for
26.10 trunk highway purposes. For the purposes of this section:

26.11 (1) "Income" is the amount of interest on debt securities and dividends on equity
26.12 securities. Any gains or losses from the sale of securities must be added to the principal
26.13 of the account.

26.14 (2) "Routine maintenance" means activities that are predictable and repetitive, but
26.15 not activities that would constitute major repairs or rehabilitation.

26.16 (b) Investment management fees incurred by the State Board of Investment are
26.17 eligible expenses for reimbursement from the account.

26.18 (c) The commissioner of transportation has authority to approve or deny expenditures
26.19 of funds in the account.

26.20 Subd. 3. **Appropriation.** Income derived from the investment of principal in the
26.21 account is appropriated annually to the commissioner of transportation for the purposes
26.22 described in this section.

26.23 Subd. 4. **Financial compliance.** The commissioner of transportation shall ensure
26.24 that the account complies with the regulations in OMB circulars A87, Cost Principles for
26.25 State, Local and Indian Tribal Governments, and A122, Cost Principles for Non-Profit
26.26 Organizations, of the United States Office of Management and Budget (OMB).

26.27 Subd. 5. **Investment.** The State Board of Investment, in consultation with the
26.28 commissioner of transportation, shall invest money in the account under section 11A.24.

26.29 Subd. 6. **Demolition.** If the commissioner determines, in consultation with the
26.30 State Historic Preservation Office, that it is necessary to demolish the Stillwater lift
26.31 bridge, the principal in the account may be spent to pay for demolition of the bridge, and
26.32 is appropriated to the commissioner of transportation only for that purpose, except that
26.33 only funds originally contributed by the state or federal government can be used to pay
26.34 for demolition. Any money remaining in the account after demolition must be used to

27.1 pay for the preservation of other historic bridges in consultation with the State Historic
27.2 Preservation Office.

27.3 Subd. 7. **Audits.** The account is subject to audit by the legislative auditor.

27.4 Subd. 8. **Reports required.** The commissioner of transportation shall report
27.5 annually to the chair and ranking minority member of each legislative committee with
27.6 jurisdiction over transportation on the endowment account. At a minimum, the report
27.7 must include detailed revenue and expenditure information.

27.8 Sec. 6. Minnesota Statutes 2008, section 168.017, subdivision 5, is amended to read:

27.9 Subd. 5. **Registration period extension for leased vehicle.** (a) Notwithstanding
27.10 subdivisions 3 and 4, a person leasing for at least one year a vehicle registered under
27.11 this section may obtain an extension of the motor vehicle's registration period for the
27.12 unexpired portion of the lease period, for a period not to exceed 11 months beyond the
27.13 expiration of the registration period.

27.14 (b) In order to obtain an extension under this subdivision a lessee must

27.15 (1) apply to the registrar on a form the registrar prescribes;

27.16 (2) submit to the registrar a copy of the lease;

27.17 (3) pay an administrative fee of \$5; and

27.18 (4) pay a tax of 1/12 of the tax for the registration period being extended for each
27.19 month of the extension.

27.20 (c) On an applicant's compliance with paragraph (b) the registrar shall issue the
27.21 applicant a license plate tab or sticker designating the new month of expiration of the
27.22 registration. The extended registration expires on the tenth day of the month following
27.23 the month designated on the tab or sticker.

27.24 (d) All fees collected under paragraph (b), clause (3), must be deposited in the vehicle
27.25 services operating account under section 299A.705, subdivision 1. Taxes collected under
27.26 paragraph (b), clause (4), must be deposited in the highway user tax distribution fund.

27.27 **EFFECTIVE DATE.** This section is effective retroactively from August 1, 2005,
27.28 for fees collected on or after that date.

27.29 Sec. 7. Minnesota Statutes 2008, section 168.021, subdivision 4, is amended to read:

27.30 Subd. 4. **Fees; disposition.** All fees collected from the sale of disability plates
27.31 under this section must be deposited in the state treasury to the credit of the ~~highway~~
27.32 ~~user tax distribution fund~~ vehicle services operating account under section 299A.705,
27.33 subdivision 1.

28.1 **EFFECTIVE DATE.** This section is effective retroactively from August 1, 2005,
28.2 for fees collected on or after that date.

28.3 Sec. 8. Minnesota Statutes 2008, section 168.10, subdivision 1i, is amended to read:

28.4 Subd. 1i. **Collector plate transfer.** Notwithstanding section 168.12, subdivision 1,
28.5 on payment of a transfer fee of \$5, plates issued under this section may be transferred to
28.6 another vehicle owned or jointly owned by the person to whom the special plates were
28.7 issued or the plate may be assigned to another owner. In addition to the transfer fee a new
28.8 owner must pay the \$25 tax and any fee required by section 168.12, subdivision 2a. The
28.9 \$5 fee must be paid into the state treasury and credited to the ~~highway user tax distribution~~
28.10 ~~fund~~ vehicle services operating account under section 299A.705, subdivision 1. License
28.11 plates issued under this section may not be transferred to a vehicle not eligible for the
28.12 collector's vehicle license plates.

28.13 **EFFECTIVE DATE.** This section is effective retroactively from August 1, 2005,
28.14 for fees collected on or after that date.

28.15 Sec. 9. Minnesota Statutes 2008, section 168.29, is amended to read:

28.16 **168.29 REPLACEMENT PLATES.**

28.17 (a) In the event of the defacement, loss or destruction of any number plates or
28.18 validation stickers, the registrar, upon receiving and filing a sworn statement of the vehicle
28.19 owner, setting forth the circumstances of the defacement, loss, destruction or theft of
28.20 the number plates or validation stickers, together with any defaced plates or stickers
28.21 and the payment of a fee calculated to cover the cost of replacement, shall issue a new
28.22 set of plates or stickers.

28.23 (b) The registrar shall then note on the registrar's records the issue of new number
28.24 plates and shall proceed in such manner as the registrar may deem advisable to cancel and
28.25 call in the original plates so as to insure against their use on another motor vehicle.

28.26 (c) Duplicate registration certificates plainly marked as duplicates may be issued
28.27 in like cases upon the payment of a \$1 fee. Fees collected under this section must be
28.28 paid into the state treasury and credited to the ~~highway user tax distribution fund~~ vehicle
28.29 services operating account under section 299A.705, subdivision 1.

28.30 **EFFECTIVE DATE.** This section is effective retroactively from August 1, 2005,
28.31 for fees collected on or after that date.

28.32 Sec. 10. Minnesota Statutes 2008, section 168.62, subdivision 3, is amended to read:

29.1 Subd. 3. **Special plates or certificate; fee; proceeds to highway user fund.** At the
29.2 same time that an owner or operator of intercity buses registers them in Minnesota and
29.3 obtains number plates therefor, the owner or operator shall apply for special identification
29.4 plates or certificates for the remainder of that fleet of intercity buses. The registrar of
29.5 motor vehicles shall design an appropriate plate or identification certificate for this
29.6 purpose which shall be issued upon the payment of a fee of \$10 covering each intercity
29.7 bus so identified. The proceeds of such fees shall be deposited to the credit of the ~~highway~~
29.8 ~~user tax distribution fund~~ vehicle services operating account under section 299A.705,
29.9 subdivision 1. No intercity bus shall at any time be operated in the state of Minnesota
29.10 without either Minnesota number plates or special identification plates or certificates
29.11 issued as herein provided.

29.12 **EFFECTIVE DATE.** This section is effective retroactively from August 1, 2005,
29.13 for fees collected on or after that date.

29.14 Sec. 11. **[171.163] COMMERCIAL DRIVER'S LICENSE RECORD KEEPING.**

29.15 An agency, court, or public official in Minnesota shall not mask, defer imposition of
29.16 judgment, or allow an individual to enter into a diversion program that would prevent a
29.17 conviction for a violation of a state or local traffic control law, except a parking violation,
29.18 from appearing on the driving record of a holder of a commercial driver's license, when
29.19 the violation is committed in any type of motor vehicle, or on the driving record of an
29.20 individual who committed the violation in a commercial motor vehicle.

29.21 Sec. 12. Minnesota Statutes 2008, section 174.24, subdivision 1a, is amended to read:

29.22 Subd. 1a. **Transit service needs implementation plan.** The commissioner shall
29.23 develop a transit service needs implementation plan that contains a goal of meeting at
29.24 least 80 percent of unmet transit service needs in greater Minnesota by July 1, 2015, and
29.25 meeting at least 90 percent of unmet transit service needs in greater Minnesota by July 1,
29.26 2025. The plan must include, but is not limited to, the following: an analysis of ridership
29.27 and transit service needs throughout greater Minnesota; a calculation of unmet needs; an
29.28 assessment of the level and type of service required to meet unmet needs; an analysis of
29.29 costs and revenue options; and, a plan to reduce unmet transit service needs as specified
29.30 in this subdivision. The plan must specifically address special transportation service
29.31 ridership and needs. The plan must also provide that recipients of operating assistance
29.32 under this section provide fixed route public transit service without charge for disabled
29.33 veterans in accordance with subdivision 7. The commissioner may amend the plan as

30.1 necessary, and may use all or part of the 2001 greater Minnesota public transportation plan
30.2 created by the Minnesota Department of Transportation.

30.3 Sec. 13. Minnesota Statutes 2008, section 174.24, subdivision 5, is amended to read:

30.4 Subd. 5. **Method of payment, operating assistance.** Payments for operating
30.5 assistance under this section must be made in the following manner:

30.6 (a) For payments made from the general fund:

30.7 (1) 50 percent of the total contract amount in or before the first month of operation;

30.8 (2) 40 percent of the total contract amount in or before the seventh month of
30.9 operation;

30.10 (3) 9 percent of the total contract amount in or before the 12th month of operation;

30.11 and

30.12 (4) 1 percent of the total contract amount after the final audit.

30.13 (b) For payments made from the greater Minnesota transit account:

30.14 (1) 50 percent of the total contract amount in or before the seventh month of
30.15 operation; and

30.16 (2) 50 percent of the total contract amount in or before the 11th month of operation.

30.17 Sec. 14. Minnesota Statutes 2008, section 174.24, is amended by adding a subdivision
30.18 to read:

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

30.26 Sec. 15. Minnesota Statutes 2008, section 174.50, is amended by adding a subdivision
30.27 to read:

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

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

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

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

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

31.4 Sec. 16. **[174.632] PASSENGER RAIL; COMMISSIONER'S DUTIES.**

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

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

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

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

31.17 Sec. 17. **[174.634] PASSENGER RAIL; FUNDING.**

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

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

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

31.23 Sec. 18. **[174.636] PASSENGER RAIL; EXERCISE OF POWER.**

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

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

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

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

31.32 (b) The commissioner shall consult with metropolitan planning organizations and
31.33 regional rail authorities in areas where passenger rail corridors are under consideration

32.1 to ensure that passenger rail services are integrated with existing rail and transit services
32.2 and other transportation facilities to provide as nearly as possible connected, efficient,
32.3 and integrated services.

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

32.5 Sec. 19. Minnesota Statutes 2008, section 297B.09, subdivision 1, is amended to read:

32.6 Subdivision 1. **Deposit of revenues.** (a) Money collected and received under this
32.7 chapter must be deposited as provided in this subdivision.

32.8 (b) From July 1, 2007, through June 30, 2008, 38.25 percent of the money collected
32.9 and received must be deposited in the highway user tax distribution fund, 24 percent must
32.10 be deposited in the metropolitan area transit account under section 16A.88, and 1.5 percent
32.11 must be deposited in the greater Minnesota transit account under section 16A.88. The
32.12 remaining money must be deposited in the general fund.

32.13 (c) From July 1, 2008, through June 30, 2009, 44.25 percent of the money collected
32.14 and received must be deposited in the highway user tax distribution fund, 27.75 percent
32.15 must be deposited in the metropolitan area transit account under section 16A.88, 1.75
32.16 percent must be deposited in the greater Minnesota transit account under section 16A.88,
32.17 and the remaining money must be deposited in the general fund.

32.18 ~~(d) From July 1, 2009, through June 30, 2010, 50.25 percent of the money collected~~
32.19 ~~and received must be deposited in the highway user tax distribution fund, 30 percent must~~
32.20 ~~be deposited in the metropolitan area transit account under section 16A.88, 3.5 percent~~
32.21 ~~must be deposited in the greater Minnesota transit account under section 16A.88, and the~~
32.22 ~~remaining money must be deposited in the general fund.~~

32.23 (d) From July 1, 2009, through June 30, 2010, 47.5 percent of the money collected
32.24 and received must be deposited in the highway user tax distribution fund, 30 percent
32.25 must be deposited in the metropolitan area transit account under section 16A.88, 3.5
32.26 percent must be deposited in the greater Minnesota transit account under section 16A.88,
32.27 and 16.25 percent must be deposited in the general fund. The remaining amount must
32.28 be deposited as follows:

32.29 (1) 1.5 percent in the metropolitan area transit account, except that any amount in
32.30 excess of \$6,000,000 must be deposited in the highway user tax distribution fund; and

32.31 (2) 1.25 percent in the greater Minnesota transit account, except that any amount in
32.32 excess of \$5,000,000 must be deposited in the highway user tax distribution fund.

32.33 ~~(e) From July 1, 2010, through June 30, 2011, 56.25 percent of the money collected~~
32.34 ~~and received must be deposited in the highway user tax distribution fund, 33.75 percent~~
32.35 ~~must be deposited in the metropolitan area transit account under section 16A.88, 3.75~~

33.1 ~~percent must be deposited in the greater Minnesota transit account under section 16A.88,~~
33.2 ~~and the remaining money must be deposited in the general fund.~~

33.3 (e) From July 1, 2010, through June 30, 2011, 54.5 percent of the money collected
33.4 and received must be deposited in the highway user tax distribution fund, 33.75 percent
33.5 must be deposited in the metropolitan area transit account under section 16A.88, 3.75
33.6 percent must be deposited in the greater Minnesota transit account under section 16A.88,
33.7 and 6.25 percent must be deposited in the general fund. The remaining amount must
33.8 be deposited as follows:

33.9 (1) 1.5 percent in the metropolitan area transit account, except that any amount in
33.10 excess of \$6,750,000 must be deposited in the highway user tax distribution fund; and

33.11 (2) 0.25 percent in the greater Minnesota transit account, except that any amount in
33.12 excess of \$1,250,000 must be deposited in the highway user tax distribution fund.

33.13 (f) On and after July 1, 2011, 60 percent of the money collected and received must
33.14 be deposited in the highway user tax distribution fund, 36 percent must be deposited in
33.15 the metropolitan area transit account under section 16A.88, and four percent must be
33.16 deposited in the greater Minnesota transit account under section 16A.88.

33.17 (g) It is the intent of the legislature that the allocations under paragraph (f) remain
33.18 unchanged for fiscal year 2012 and all subsequent fiscal years.

33.19 Sec. 20. Minnesota Statutes 2008, section 473.408, is amended by adding a subdivision
33.20 to read:

33.21 Subd. 10. **Transit service for disabled veterans.** (a) On and after the effective
33.22 date of this section, the council shall provide regular route transit, as defined in section
33.23 473.385, subdivision 1, free of charge for veterans, as defined in section 197.447, certified
33.24 as disabled. For purposes of this section, "certified as disabled" means certified in writing
33.25 by the United States Department of Veterans Affairs or the state commissioner of veterans
33.26 affairs as having a permanent service-connected disability.

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

33.30 Sec. 21. Laws 2008, chapter 152, article 1, section 3, subdivision 2, is amended to read:

33.31 **Subd. 2. Multimodal Systems**

33.32 **(a) Transit** 0 1,700,000

34.1 This appropriation is from the general fund.

34.2 This is a onetime appropriation.

34.3 **(b) Rail** 0 250,000

34.4 This appropriation is from the general
 34.5 fund for a grant to the Northstar Corridor
 34.6 Development Authority to fund advanced
 34.7 preliminary engineering, updated
 34.8 environmental documentation, property
 34.9 appraisals, park-and-ride lot construction,
 34.10 and negotiations with the railroad to extend
 34.11 commuter rail service on the Burlington
 34.12 Northern Santa Fe rail line between Big Lake
 34.13 and Rice. This is a onetime appropriation
 34.14 and is available until spent.

34.15 **(c) Port Development Assistance** 0 500,000

34.16 This appropriation is from the general fund
 34.17 for grants under Minnesota Statutes, chapter
 34.18 457A. Any improvements made with the
 34.19 proceeds of these grants must be publicly
 34.20 owned. This is a onetime appropriation.

34.21 **Sec. 22. LAND USE AND PLANNING RESOURCES REPORT.**

34.22 (a) By January 15, 2011, the Metropolitan Council shall submit a report to the chairs
 34.23 and ranking minority members of the house of representatives and senate committees with
 34.24 jurisdiction over transportation policy and finance. The report must identify and assess
 34.25 the effectiveness of local level and regional level land use and transportation planning
 34.26 strategies and processes for:

34.27 (1) reducing air pollution;

34.28 (2) mitigating congestion; and

34.29 (3) reducing costs for operation, maintenance, or improvement of infrastructure.

34.30 (b) The report must emphasize approaches that reduce or manage travel demand
 34.31 through land use and access to transportation options.

34.32 (c) The Metropolitan Council shall (1) identify and adapt existing information and
 34.33 resources that are found to be applicable to Minnesota, taking into account travel and

35.1 demographic trends specific to the Twin Cities metropolitan area; and (2) collaborate
35.2 with local units of government and other stakeholders interested in development and
35.3 refinement of the resources.

35.4 (d) The Metropolitan Council shall submit progress reports on development and
35.5 application of the land use and planning resources report to the chairs and ranking
35.6 minority members of the house of representatives and senate committees with jurisdiction
35.7 over transportation policy and finance by October 15, 2009; April 15, 2010; and October
35.8 15, 2010.

35.9 (e) The Metropolitan Council may enter into a contract for up to \$375,000 with the
35.10 Board of Regents of the University of Minnesota for the Center for Transportation Studies
35.11 to assist in creation of the report required under this section.

35.12 **Sec. 23. PASSENGER RAIL REPORT.**

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

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

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

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

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

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

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

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

35.28 **Sec. 24. BUS PURCHASES.**

35.29 The Metropolitan Council, in preparing bid specifications for bus purchases, shall
35.30 ensure that the specifications conform, to the greatest extent practicable, with products
35.31 that are manufactured in this state.

35.32 **Sec. 25. ST. CLOUD BRIDGE SITE.**

35.33 The commissioner of transportation shall ensure that the economic impact on
35.34 existing area communities is evaluated and considered in analyzing potential alternative

36.1 sites and selecting potential and preferred sites for a Mississippi River crossing near St.
36.2 Cloud metropolitan area.

36.3 **Sec. 26. CONVEYANCE OF LAND AND BUILDINGS.**

36.4 Notwithstanding Minnesota Statutes, section 16A.695, subdivision 3, or any other
36.5 law to the contrary, the Metropolitan Council shall convey the Apple Valley Transit
36.6 Station and the real property on which it is situated, located in Dakota County, to the
36.7 Minnesota Valley Transit Authority for nominal consideration, in order to carry out the
36.8 governmental program and public purpose for which the Apple Valley Transit Station was
36.9 constructed. Any subsequent conveyance of this property by the Minnesota Valley Transit
36.10 Authority is subject to Minnesota Statutes, section 16A.695, subdivision 3.

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

36.12 **Sec. 27. DISCOUNT TRANSIT PASSES PILOT PROGRAM.**

36.13 (a) The Metropolitan Council shall establish a pilot program and policies to sell
36.14 transit fare media at a 50 percent discount to eligible charitable organizations for use by
36.15 homeless individuals. For the purposes of this section, "eligible charitable organization"
36.16 means a charitable organization described in section 501(c)(3) of the Internal Revenue
36.17 Code that provides services for homeless individuals, and "homeless individuals" means
36.18 homeless individuals or persons as defined in Minnesota Statutes, section 116L.361,
36.19 subdivision 5. The pilot program must include: (1) an organization located in Minneapolis
36.20 that provides a homeless shelter, a homeless street outreach program, and sober housing to
36.21 American Indian women recovering from chemical dependency; and (2) an organization
36.22 located in Minneapolis that provides transitional apartments for homeless families as well
36.23 as walk-in services for single adults, including meals and a food shelf. The pilot program
36.24 shall terminate March 15, 2011.

36.25 (b) By January 15, 2011, the chair of the Metropolitan Council shall prepare and
36.26 submit a report to the chairs and ranking minority members of the senate and house of
36.27 representatives committees having jurisdiction over transportation. The chair shall prepare
36.28 and submit the report with existing agency staff and resources. The report must be made
36.29 electronically and available in print only upon request. The report on the pilot program
36.30 must include a list of sales made under this subdivision, including organization name and
36.31 the volume of fare media purchased, and costs of providing the discounted service and
36.32 revenue impacts in the council's transit system. The report must be prepared in consultation
36.33 with representatives from the charitable organizations participating in the pilot program.

37.1 (c) Paragraphs (a) and (b) apply in the counties of Anoka, Carver, Dakota, Hennepin,
37.2 Ramsey, Scott, and Washington.

37.3 **EFFECTIVE DATE.** This section is effective September 1, 2009.

37.4 Sec. 28. **DESIGN-BUILD PROJECT SELECTION COUNCIL.**

37.5 Subdivision 1. **Establishment of council.** A Design-Build Project Selection
37.6 Council is established to select, evaluate, and support county and municipal transportation
37.7 projects on the state-aid system that are conducive to use of the design-build method of
37.8 contracting and to report to the legislature.

37.9 Subd. 2. **Duties of council.** In order to accomplish these purposes, the council shall:

37.10 (1) review applications for participation received by the commissioner from counties
37.11 and cities;

37.12 (2) select for participation in the pilot program a maximum of 15 projects on the
37.13 state-aid system, no more than ten of which may be on the county state-aid highway
37.14 system, and no more than ten of which may be on the municipal state-aid street system;

37.15 (3) determine that the use of design-build in the selected projects would serve the
37.16 public interest, after considering, at a minimum:

37.17 (i) the extent to which the municipality can adequately define the project
37.18 requirements in a proposed scope of the design and construction desired;

37.19 (ii) the time constraints for delivery of the project;

37.20 (iii) the capability of potential contractors with the design-build method of project
37.21 delivery;

37.22 (iv) the suitability of the project for use of the design-build method of project
37.23 delivery with respect to time, schedule, costs, and quality factors;

37.24 (v) the capability of the municipality to manage the project, including the
37.25 employment of experienced personnel or outside consultants; and

37.26 (vi) the original character of the product or the services;

37.27 (4) periodically review and evaluate the use of design-build in the selected projects;
37.28 and

37.29 (5) assist the commissioner in preparing a report to the legislature at the conclusion
37.30 of the pilot program.

37.31 Subd. 3. **Membership.** (a) The council is composed of the following members:

37.32 (1) two contractors, at least one of whom represents a small contracting firm,
37.33 selected by the Associated General Contractors, Minnesota chapter;

38.1 (2) two project designers selected by the American Council of Engineering
38.2 Companies, Minnesota chapter;

38.3 (3) one representative of a metropolitan area county selected by the Association
38.4 of Minnesota Counties;

38.5 (4) one representative of a greater Minnesota county selected by the Association
38.6 of Minnesota Counties;

38.7 (5) one representative of a metropolitan area city selected by the League of
38.8 Minnesota Cities;

38.9 (6) one representative of a greater Minnesota city selected by the League of
38.10 Minnesota Cities; and

38.11 (7) the commissioner of transportation or a designee from the Minnesota Department
38.12 of Transportation Division of State Aid for Local Transportation.

38.13 (b) All appointments required by paragraph (a) must be completed by August
38.14 1, 2009.

38.15 (c) The commissioner or the commissioner's designee shall convene the first meeting
38.16 of the council within two weeks after the members have been appointed to the council and
38.17 shall serve as chair of the council.

38.18 Subd. 4. **Report to legislature.** Annually, by January 15, the council shall submit
38.19 a report to the chairs and ranking minority members of the legislative committees with
38.20 jurisdiction over transportation budget and policy, and to the legislature as provided under
38.21 Minnesota Statutes, section 15.059. The report must summarize the design-build pilot
38.22 program selection process, including the number of applications considered; the proposal
38.23 process for each project that was selected; the contracting process for each project that was
38.24 completed; and project costs. The report must evaluate the process and results applying
38.25 the performance-based measures with which the commissioner evaluates trunk highway
38.26 design-build projects. The report must include any recommendations for future legislation.

38.27 **EFFECTIVE DATE.** This section is effective the day following final enactment
38.28 and expires on October 1, 2012, or upon completion of nine design-build projects under
38.29 this pilot program, whichever occurs first.

38.30 **Sec. 29. DESIGN-BUILD CONTRACTING PILOT PROGRAM.**

38.31 Subdivision 1. **Definitions.** The following terms have the meanings given:

38.32 (1) "commissioner" means the commissioner of transportation;

38.33 (2) "municipality" means a county or statutory or home rule charter city;

38.34 (3) "design-build contract" means a single contract between a municipality and a
38.35 design-build company or firm to furnish the architectural or engineering and related design

39.1 services as well as the labor, material, supplies, equipment, and construction services for
39.2 the transportation project;

39.3 (4) "design-build firm" means a proprietorship, partnership, limited liability
39.4 partnership, joint venture, corporation, any type of limited liability company, professional
39.5 corporation, or any legal entity;

39.6 (5) "design professional" means a person who holds a license under Minnesota
39.7 Statutes, chapter 326B, that is required to be registered under Minnesota law;

39.8 (6) "design-build transportation project" means the procurement of both the design
39.9 and construction of a transportation project in a single contract with a company or
39.10 companies capable of providing the necessary engineering services and construction;

39.11 (7) "design-builder" means the design-build firm that proposes to design and build a
39.12 transportation project governed by the procedures of this section;

39.13 (8) "request for proposals" or "RFP" means the document by which the municipality
39.14 solicits proposals from qualified design-build firms to design and construct the
39.15 transportation project;

39.16 (9) "request for qualifications" or "RFQ" means a document to qualify potential
39.17 design-build firms; and

39.18 (10) "responsive proposal" means a technical proposal of which no major component
39.19 (i) contradicts the goals of the project, (ii) materially violates an RFP requirement so as
39.20 to give the proposer a competitive advantage, or (iii) places conditions on a proposal
39.21 inconsistent with the requirements of the RFP.

39.22 Subd. 2. **Establishment of pilot program.** (a) The commissioner of transportation
39.23 shall conduct a design-build contracting pilot program to select local transportation
39.24 projects for participation in the program, to conduct information sessions for engineers
39.25 and contractors, to support and evaluate the use of the design-build method of contracting
39.26 by counties and statutory and home rule charter cities in constructing, improving, and
39.27 maintaining streets and highways on the state-aid system, and to report to the legislature.

39.28 (b) The selection of design-build projects under the pilot program must be as made
39.29 by the Design-Build Project Selection Council established in section 28.

39.30 Subd. 3. **Licensing requirements.** (a) Each design-builder shall employ, or have
39.31 as a partner, member, officer, coventurer, or subcontractor, a person duly licensed and
39.32 registered to provide the design services required to complete the project and do business
39.33 in the state, including the provision of sureties of sufficient amount to protect the interests
39.34 of the awarding municipality.

39.35 (b) A design-builder may enter into a contract to provide professional or construction
39.36 services for a project that the design-builder is not licensed, registered, or qualified to

40.1 perform, so long as the design-builder provides those services through subcontractors with
40.2 duly licensed, registered, or otherwise qualified individuals in accordance with Minnesota
40.3 Statutes, sections 161.3410 to 161.3428.

40.4 (c) Nothing in this section authorizing design-build contracts is intended to limit or
40.5 eliminate the responsibility or liability owed by a professional on a design-build project to
40.6 the state, municipality, or other third party under existing law.

40.7 (d) The design service portion of a design-build contract must be considered a
40.8 service and not a product.

40.9 Subd. 4. **Information session for municipal engineer.** After a project is selected
40.10 for participation in the design-build contracting pilot program, the commissioner or the
40.11 commissioner's designee with design-build experience shall conduct an information
40.12 session for the municipality's engineer for each selected project, in which issues unique
40.13 to design-build must be discussed, including, but not limited to, writing an RFP, project
40.14 oversight requirements, assessing risk, and communication with the design-build firm.
40.15 After participation in the information session, the municipality's engineer is qualified to
40.16 post the selected project, along with any future design-build project RFP in the pilot
40.17 program.

40.18 Subd. 5. **Technical Review Committee.** During the phase one RFQ and before
40.19 solicitation, the municipality shall appoint a Technical Review Committee of at least
40.20 five individuals. The Technical Review Committee must include an individual whose
40.21 name and qualifications are submitted to the municipality by the Minnesota chapter of
40.22 the Associated General Contractors, after consultation with other commercial contractor
40.23 associations in the state. Members of the Technical Review Committee who are not state
40.24 employees are subject to the Minnesota Government Data Practices Act and Minnesota
40.25 Statutes, section 16C.06, to the same extent that state agencies are subject to those
40.26 provisions. A Technical Review Committee member may not participate in the review or
40.27 discussion of responses to the RFQ or RFP when a design-build firm in which the member
40.28 has a financial interest has responded to the RFQ or RFP. "Financial interest" includes,
40.29 but is not limited to, being or serving as an owner, employee, partner, limited liability
40.30 partner, shareholder, joint venturer, family member, officer, or director of a design-build
40.31 firm responding to an RFQ or RFP for a specific project, or having any other economic
40.32 interest in that design-build firm. The members of the Technical Review Committee must
40.33 be treated as municipal employees in the event of litigation resulting from any action
40.34 arising out of their service on the committee.

41.1 Subd. 6. **Phase one; design-build RFQ.** The municipality shall prepare an RFQ,
41.2 which must include the following:

41.3 (1) the minimum qualifications of design-builders necessary to meet the requirements
41.4 for acceptance;

41.5 (2) a scope of work statement and schedule;

41.6 (3) documents defining the project requirements;

41.7 (4) the form of contract to be awarded;

41.8 (5) the weighted selection criteria for compiling a short list and the number of firms
41.9 to be included in the short list, which must be at least two but not more than five;

41.10 (6) a description of the request for proposals (RFP) requirements;

41.11 (7) the maximum time allowed for design and construction;

41.12 (8) the municipality's estimated cost of design and construction;

41.13 (9) requirements for construction experience, design experience, financial, personnel,
41.14 and equipment resources available from potential design-builders for the project and
41.15 experience in other design-build transportation projects or similar projects, provided that
41.16 these requirements may not unduly restrict competition; and

41.17 (10) a statement that "past performance" or "experience" or other criteria used in the
41.18 RFQ evaluation process does not include the exercise or assertion of a person's legal rights.

41.19 Subd. 7. **Information session for prospective design-build firms.** After a
41.20 design-build project is advertised, any prospective design-build firm shall attend a
41.21 design-build information session conducted by the commissioner or the commissioner's
41.22 designee with design-build experience. The information must include information about
41.23 design-build contracts, including, but not limited to, communication with partner firms,
41.24 project oversight requirements, assessing risk, and communication with the municipality's
41.25 engineer. After participation in the information session, the design-build firm is eligible to
41.26 bid on the design-build project and any future design-build pilot program projects.

41.27 Subd. 8. **Evaluation.** The selection team shall evaluate the design-build
41.28 qualifications of responding firms and shall compile a short list of no more than five
41.29 most highly qualified firms in accordance with qualifications criteria described in the
41.30 RFQ. If only one design-build firm responds to the RFQ or remains on the short list, the
41.31 municipality may readvertise or cancel the project as the municipality deems necessary.

41.32 Subd. 9. **Phase two; design-build RFP.** The municipality shall prepare an RFP,
41.33 which must include:

41.34 (1) the scope of work, including (i) performance and technical requirements, (ii)
41.35 conceptual design, (iii) specifications consistent with state standards and specifications,

42.1 and (iv) functional and operational elements for the delivery of the completed project, all
42.2 of which must be prepared by a registered or licensed professional engineer;

42.3 (2) copies of the contract documents that the successful proposer will be expected to
42.4 sign;

42.5 (3) the maximum time allowable for design and construction;

42.6 (4) the road authority's estimated cost of design and construction;

42.7 (5) the requirement that a submitted proposal be segmented into two parts, a
42.8 technical proposal and a price proposal;

42.9 (6) the requirement that each proposal be in a separately sealed, clearly identified
42.10 package and include the date and time of the submittal deadline;

42.11 (7) the requirement that the technical proposal include a critical path method,
42.12 bar schedule of the work to be performed, or similar schematic; preliminary design
42.13 plans and specifications; technical reports; calculations; permit requirements; applicable
42.14 development fees; and other data requested in the RFP;

42.15 (8) the requirement that the price proposal contain all design, construction,
42.16 engineering, inspection, and construction costs of the proposed project;

42.17 (9) the requirement that surety be submitted equal to the total amount of the proposal;

42.18 (10) a description of the qualifications required of the design-builder and the
42.19 selection criteria, including the weight of each criterion and subcriterion;

42.20 (11) the date, time, and location of the public opening of the sealed price proposals;

42.21 (12) the amount of, and eligibility for, a stipulated fee;

42.22 (13) other information relevant to the project; and

42.23 (14) a statement that "past performance," "experience," or other criteria used in the
42.24 RFP evaluation process does not include the exercise or assertion of a person's legal rights.

42.25 Subd. 10. **Design-build award; computation; announcement.** A design-build
42.26 contract shall be awarded as follows:

42.27 (a) The Technical Review Committee shall score the technical proposals of the
42.28 proposers selected under subdivision 8 using the selection criteria in the RFP. The
42.29 Technical Review Committee shall then submit a technical proposal score for each
42.30 design-builder to the municipality. The Technical Review Committee shall reject any
42.31 nonresponsive proposal, including those unable to provide sufficient surety to guarantee
42.32 project completion. The municipality shall review the technical proposal scores.

42.33 (b) The commissioner or the commissioner's designee shall review the technical
42.34 proposal scores. The commissioner shall submit the final technical proposal scores to the
42.35 municipality.

43.1 (c) The municipality shall announce the technical proposal score for each
43.2 design-builder and shall publicly open the sealed price proposals and shall divide each
43.3 design-builder's price by the technical score that the commissioner has given to it to obtain
43.4 an adjusted score. The design-builder selected must be that responsive and responsible
43.5 design-builder whose adjusted score is the lowest.

43.6 (d) If a time factor is included with the selection criteria in the RFP package, the
43.7 municipality may use a value of the time factor established by the municipality as a
43.8 criterion in the RFP.

43.9 (e) Unless all proposals are rejected, the municipality shall award the contract
43.10 to the responsive and responsible design-builder with the lowest adjusted score. The
43.11 municipality shall reserve the right to reject all proposals.

43.12 (f) The municipality shall award a stipulated fee not less than two-tenths of one
43.13 percent of the municipality's estimated cost of design and construction to each short-listed,
43.14 responsible proposer who provides a responsive but unsuccessful proposal. If the
43.15 municipality does not award a contract, all short-listed proposers must receive the
43.16 stipulated fee. If the municipality cancels the contract before reviewing the technical
43.17 proposals, the municipality shall award each design-builder on the short list a stipulated
43.18 fee of not less than two-tenths of one percent of the municipality's estimated cost of
43.19 design and construction. The municipality shall pay the stipulated fee to each proposer
43.20 within 90 days after the award of the contract or the decision not to award a contract.
43.21 In consideration for paying the stipulated fee, the municipality may use any ideas or
43.22 information contained in the proposals in connection with any contract awarded for the
43.23 project or in connection with a subsequent procurement, without any obligation to pay
43.24 any additional compensation to the unsuccessful proposers. Notwithstanding the other
43.25 provisions of this subdivision, an unsuccessful short-list proposer may elect to waive
43.26 the stipulated fee. If an unsuccessful short-list proposer elects to waive the stipulated
43.27 fee, the municipality may not use ideas and information contained in that proposer's
43.28 proposal. Upon the request of the municipality, a proposer who waived a stipulated fee
43.29 may withdraw the waiver, in which case the municipality shall pay the stipulated fee to the
43.30 proposer and thereafter may use ideas and information in the proposer's proposal.

43.31 (g) The municipality shall not limit the ability of design-builders that have submitted
43.32 proposals to protest a contemplated or actual award by the commissioner by, among
43.33 other things, unreasonably restricting the time to protest; restricting the right to seek
43.34 judicial review of the commissioner's actions; attempting to change the judicial standard
43.35 of review; or requiring the protestor to pay attorney fees for an unsuccessful, nonfrivolous
43.36 protest. Unless all design-builders that have submitted proposals agree to execution of

44.1 a contract for the project without a waiting period beforehand, the municipality shall
44.2 wait at least seven days after both the award of the project and public disclosure of the
44.3 Technical Review Committee's scoring data and the successful proposal before executing
44.4 a contract for the project.

44.5 Subd. 11. **Low-bid design-build process.** (a) The municipality may also use
44.6 low-bid, design-build procedures to award a design-build contract where the scope of
44.7 the work can be clearly defined.

44.8 (b) Low-bid design-build projects may require an RFQ and short-listing, and must
44.9 require an RFP.

44.10 (c) Submitted proposals under this subdivision must include separately a technical
44.11 proposal and a price proposal. The low-bid, design-build procedures must follow a
44.12 two-step process for review of the responses to the RFP as follows:

44.13 (1) the first step is the review of the technical proposal by the Technical Review
44.14 Committee as provided in subdivision 5. The Technical Review Committee must open
44.15 the technical proposal first and must determine if it complies with the requirements of the
44.16 RFP and is responsive. The Technical Review Committee may not perform any ranking
44.17 or scoring of the technical proposals; and

44.18 (2) the second step is the determination of the low bidder based on the price
44.19 proposal. The municipality may not open the price proposal until the review of the
44.20 technical proposal is complete.

44.21 (d) The contract award under low-bid, design-build procedures must be made to the
44.22 proposer whose sealed bid is responsive to the technical requirements as determined by
44.23 the Technical Review Committee and that is also the lowest bid.

44.24 (e) A stipulated fee may be paid for unsuccessful bids on low-bid, design-build
44.25 projects only when the municipality has required an RFQ and short-listed the most highly
44.26 qualified responsive bidders.

44.27 **EFFECTIVE DATE.** This section is effective the day following final enactment
44.28 and expires on October 1, 2012, or upon completion of nine design-build projects under
44.29 this pilot program, whichever occurs first."

44.30 Delete the title and insert:

44.31 "A bill for an act

44.32 relating to transportation; appropriating money for transportation, Metropolitan
44.33 Council, and public safety activities and programs; providing for fund transfers,
44.34 contingent appropriations, and tort claims; modifying previous appropriations;
44.35 authorizing sale of trunk highway bonds; modifying various provisions related
44.36 to transportation finance and policy; providing for and modifying disposition
44.37 of various fees, revenues, and accounts; clarifying appropriate uses of trunk
44.38 highway fund; providing for mitigation of transportation construction impacts on

45.1 business; increasing set-aside from municipal state-aid fund for administrative
45.2 costs; establishing Stillwater lift bridge endowment account; regulating records
45.3 of commercial drivers; modifying provisions related to transit services,
45.4 fracture-critical bridges, passenger rail, and motor vehicle sales tax revenue
45.5 allocations; establishing discount transit passes pilot program; authorizing
45.6 Metropolitan Council to convey certain real property including the Apple Valley
45.7 Transit Station; establishing Design-Build Project Selection Council and pilot
45.8 program; adding provisions relating to bus purchases and a Mississippi River
45.9 crossing near St. Cloud; requiring reports; amending Minnesota Statutes 2008,
45.10 sections 16A.152, subdivision 2; 161.20, subdivision 3; 162.12, subdivision 2;
45.11 168.017, subdivision 5; 168.021, subdivision 4; 168.10, subdivision 1i; 168.29;
45.12 168.62, subdivision 3; 174.24, subdivisions 1a, 5, by adding a subdivision;
45.13 174.50, by adding a subdivision; 297B.09, subdivision 1; 473.408, by adding
45.14 a subdivision; Laws 2007, chapter 143, article 1, section 3, subdivision 2,
45.15 as amended; Laws 2008, chapter 152, article 1, sections 3, subdivision 2; 5;
45.16 proposing coding for new law in Minnesota Statutes, chapters 160; 165; 171;
45.17 174."

46.1 We request the adoption of this report and repassage of the bill.

46.2 House Conferees: (Signed)

46.3
46.4 Bernard Lieder Frank Hornstein

46.5
46.6 Terry Morrow Melissa Hortman

46.7
46.8 Michael Beard

46.9 Senate Conferees: (Signed)

46.10
46.11 Steve Murphy Jim Carlson

46.12
46.13 Ann H. Rest Michael Jungbauer

46.14
46.15 Rick Olseen