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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. 325

01/22/2015 Authored by Erhardt, Bly and Schultz

The bill was read for the first time and referred to the Committee on Transportation Policy and Finance

1.1 A bill for an act
1.2 relating to transportation finance; providing for implementation planning related
1.3 to mileage-based user fee; requiring a legislative report; appropriating money.

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

1.5 Section 1. **APPROPRIATION; MILEAGE-BASED USER FEE.**

1.6 Subdivision 1. **Appropriation.** \$..... is appropriated in fiscal year 2016 from the
1.7 general fund to the commissioner of transportation for development and implementation
1.8 of a mileage-based user fee system as provided in this section. Notwithstanding Minnesota
1.9 Statutes, section 16A.28, this appropriation is available for three years after the year of
1.10 appropriation.

1.11 Subd. 2. **Implementation plan.** (a) The commissioner of transportation shall
1.12 develop a plan to implement a mileage-based user fee system in Minnesota. At a
1.13 minimum, the plan must:

1.14 (1) identify a project implementation timeline, which may include pilot programs,
1.15 limited initial deployment, multiple fee structure options for road users, and phased
1.16 implementation;

1.17 (2) identify a fee structure, which must include distance traveled and may include
1.18 additional factors such as vehicle weight, vehicle impact on roadways, fuel type, and
1.19 vehicle type;

1.20 (3) include a fiscal analysis that identifies costs, revenue projections, and any
1.21 associated tax rate changes;

1.22 (4) establish a technological and operational architecture for the system;

2.1 (5) address program and system administration, including but not limited to data
2.2 privacy, data integrity, and accuracy of information; and

2.3 (6) include specific recommendations for legislative authorization and changes.

2.4 (b) As part of the development of the implementation plan, the commissioner shall
2.5 provide for stakeholder input from road system users and interested organizations.

2.6 Subd. 3. **Principles.** In analysis, design, and development of the implementation
2.7 plan, the commissioner shall identify and utilize surface transportation finance principles,
2.8 which must include:

2.9 (1) efficiency, including impacts on road system use and land use;

2.10 (2) equity across road system users and vehicles, including (i) user payment relative
2.11 to user costs imposed, and (ii) ability to pay;

2.12 (3) revenue adequacy and long-term suitability of funding after complete
2.13 implementation;

2.14 (4) environmental impacts and sustainability;

2.15 (5) administrative and technical feasibility, including data privacy and protection;

2.16 (6) transparency; and

2.17 (7) accountability.

2.18 Subd. 4. **Legislative report.** By February 1, 2016, the commissioner shall submit a
2.19 mileage-based user fee status report to the chairs and ranking minority members of the
2.20 legislative committees having jurisdiction over transportation policy and finance. At a
2.21 minimum, the report must contain a review of the implementation plan under subdivision
2.22 2 and a discussion of the finance principles under subdivision 3.