

1.1 CONFERENCE COMMITTEE REPORT ON H. F. No. 861

1.2 A bill for an act

1.3 relating to transportation finance; establishing the budget for transportation
 1.4 activities; modifying various provisions governing transportation finance and
 1.5 policy; establishing a fund; requiring reports; appropriating money; authorizing
 1.6 the sale and issuance of state bonds; amending Minnesota Statutes 2016, sections
 1.7 16A.88, subdivision 2; 53C.01, subdivision 2; 115A.908, subdivision 2; 117.189;
 1.8 160.18, by adding a subdivision; 161.081, subdivision 3; 161.088, subdivisions 4,
 1.9 5, 7; 161.115, subdivision 190; 161.14, by adding subdivisions; 161.321,
 1.10 subdivision 6; 161.38, by adding a subdivision; 161.44, subdivisions 5, 6a, by
 1.11 adding a subdivision; 162.145, subdivision 2; 168.021, subdivisions 1, 2, 2a;
 1.12 168.27, by adding a subdivision; 168.33, subdivision 2; 168A.09, subdivision 1;
 1.13 169.011, subdivision 34; 169.18, subdivisions 5, 7; 169.345, subdivisions 1, 3;
 1.14 169.442, subdivision 5; 169.443, subdivision 2; 169.444, subdivision 2; 169.449,
 1.15 subdivision 1; 169.4501, subdivisions 1, 2; 169.4503, subdivisions 4, 7, 14, 23,
 1.16 30; 169.64, subdivision 8; 169.865, subdivision 3; 171.02, subdivision 2b; 171.06,
 1.17 subdivision 2a; 171.061, subdivision 3; 171.12, subdivision 6; 173.02, subdivisions
 1.18 18, 23, by adding subdivisions; 173.06, subdivision 1; 173.07, subdivision 1;
 1.19 173.08, by adding subdivisions; 173.13, subdivision 11; 173.16, by adding
 1.20 subdivisions; 174.03, subdivisions 1a, 1c, by adding a subdivision; 174.50,
 1.21 subdivisions 5, 6b, 6c, 7; 174.56, subdivisions 1, 2, by adding a subdivision; 174.93;
 1.22 219.166; 219.20, subdivision 1; 221.031, by adding a subdivision; 222.49; 222.50,
 1.23 subdivision 6, by adding a subdivision; 299D.03, subdivision 6; 473.13, subdivision
 1.24 1; 473.146, subdivision 3; 473.388, subdivision 4; 473.39, by adding a subdivision;
 1.25 473.3994, by adding subdivisions; 473.4051, subdivision 3; Laws 2015, chapter
 1.26 75, article 1, section 3, subdivision 3; proposing coding for new law in Minnesota
 1.27 Statutes, chapters 168; 169; 173; 174; 219; 398A; 471; 473; repealing Minnesota
 1.28 Statutes 2016, sections 161.115, subdivision 32; 169.4502, subdivision 5; 473.4051,
 1.29 subdivision 2; Minnesota Rules, parts 8810.0800, subpart 3; 8810.1300, subpart
 1.30 4.

1.31 May 9, 2017

1.32 The Honorable Kurt L. Daudt
 1.33 Speaker of the House of Representatives
 1.34 The Honorable Michelle L. Fischbach
 1.35 President of the Senate

1.36 We, the undersigned conferees for H. F. No. 861 report that we have agreed upon the
 1.37 items in dispute and recommend as follows:

2.1 That the Senate recede from its amendment and that H. F. No. 861 be further amended
 2.2 as follows:

2.3 Delete everything after the enacting clause and insert:

2.4 **"ARTICLE 1**

2.5 **TRANSPORTATION APPROPRIATIONS**

2.6 Section 1. **TRANSPORTATION APPROPRIATIONS**

2.7 The sums shown in the columns marked "Appropriations" are appropriated to the agencies
 2.8 and for the purposes specified in this article. The appropriations are from the trunk highway
 2.9 fund, or another named fund, and are available for the fiscal years indicated for each purpose.
 2.10 Amounts for "Total Appropriation" and sums shown in the corresponding columns marked
 2.11 "Appropriations by Fund" are summary only and do not have legal effect. Unless specified
 2.12 otherwise, the amounts in the second year under "Appropriations by Fund" show the base
 2.13 within the meaning of Minnesota Statutes, section 16A.11, subdivision 3, by fund. The
 2.14 figures "2018" and "2019" used in this article mean that the appropriations listed under them
 2.15 are available for the fiscal year ending June 30, 2018, or June 30, 2019, respectively. "The
 2.16 first year" is fiscal year 2018. "The second year" is fiscal year 2019. "The biennium" is
 2.17 fiscal years 2018 and 2019.

2.18 **APPROPRIATIONS**
 2.19 **Available for the Year**
 2.20 **Ending June 30**
 2.21 **2018 2019**

2.22 **Sec. 2. DEPARTMENT OF**
 2.23 **TRANSPORTATION**

2.24 **Subdivision 1. Total Appropriation \$ 2,990,529,000 \$ 2,912,541,000**

2.25 **Appropriations by Fund**

2.26		<u>2018</u>	<u>2019</u>
2.27	<u>General</u>	<u>23,458,000</u>	<u>38,358,000</u>
2.28	<u>Airports</u>	<u>34,812,000</u>	<u>21,909,000</u>
2.29	<u>C.S.A.H.</u>	<u>775,251,000</u>	<u>802,819,000</u>
2.30	<u>M.S.A.S.</u>	<u>194,122,000</u>	<u>201,020,000</u>
2.31	<u>Special Revenue</u>	<u>2,500,000</u>	<u>0</u>
2.32	<u>Trunk Highway</u>	<u>1,960,386,000</u>	<u>1,848,435,000</u>

2.33 The appropriations in this section are to the
 2.34 commissioner of transportation. The amounts

3.1 that may be spent for each purpose are
3.2 specified in the following subdivisions.

3.3 Subd. 2. **Multimodal Systems**

3.4 (a) **Aeronautics**

3.5 (1) **Airport Development and Assistance** 26,001,000 16,598,000

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

3.10 Notwithstanding Minnesota Statutes, section
3.11 16A.28, subdivision 6, this appropriation is
3.12 available for five years after the year of the
3.13 appropriation. If the appropriation for either
3.14 year is insufficient, the appropriation for the
3.15 other year is available for it.

3.16 \$6,619,000 in the first year is for a grant to
3.17 the Duluth Airport Authority to provide the
3.18 federal match to design and construct runway
3.19 infrastructure at the Duluth International
3.20 Airport or the Sky Harbor Airport in
3.21 accordance with Minnesota Statutes, section
3.22 360.017. For the purposes of this
3.23 appropriation, the commissioner may waive
3.24 the requirements of Minnesota Statutes,
3.25 section 360.305, subdivision 4, paragraph (b).

3.26 This is a onetime appropriation.

3.27 \$2,334,000 in the first year is for a grant to
3.28 the city of Rochester to design, rehabilitate,
3.29 demolish, and expand portions of the existing
3.30 passenger terminal building at the Rochester
3.31 International Airport, provided that this
3.32 amount also includes money to remodel,
3.33 construct, furnish, and equip the existing
3.34 passenger terminal building and associated

4.1 appurtenances to meet the United States
4.2 Customs and Border Protection and
4.3 Transportation Security Administration
4.4 standards for safety, security, and processing
4.5 time to accommodate domestic and
4.6 international flights. The capital improvements
4.7 paid for with this appropriation may be used
4.8 as the local contribution required by
4.9 Minnesota Statutes, section 360.305,
4.10 subdivision 4. This appropriation may be used
4.11 to reimburse the city for costs incurred after
4.12 May 1, 2016. This appropriation is not
4.13 available until the commissioner of
4.14 management and budget has determined that
4.15 at least an equal amount has been committed
4.16 to the project from nonstate sources. Work
4.17 that may be completed with this appropriation
4.18 includes but is not limited to (i) site
4.19 preparation, including utilities, site civil work,
4.20 testing, and construction administration
4.21 services, (ii) the relocation, modification, and
4.22 addition of airline ticket counters, baggage
4.23 claim devices, public spaces, offices,
4.24 restrooms, support space, break rooms,
4.25 lockers, equipment storage, communications,
4.26 hallways, building signage, medical visitor
4.27 rooms, special needs accommodations, hold
4.28 rooms, secure storage, equipment maintenance
4.29 area, and building engineering and technology
4.30 systems, (iii) improvements needed outside
4.31 the terminal to remove, restore, and tie into
4.32 adjacent utilities, sidewalks, driveways,
4.33 parking lots, and aircraft aprons, and (iv) the
4.34 construction of covered exterior equipment
4.35 storage. This is a onetime appropriation.

5.1 Notwithstanding Minnesota Statutes, section
5.2 360.017, \$250,000 in the first year is for a
5.3 grant to the city of St. Cloud for an air
5.4 transport optimization planning study for the
5.5 St. Cloud Regional Airport. The study must
5.6 be comprehensive and market-based, using
5.7 economic development and air service
5.8 expertise to research, analyze, and develop
5.9 models and strategies that maximize the return
5.10 on investments made to enhance the use and
5.11 impact of the St. Cloud Regional Airport. By
5.12 January 5, 2018, the city of St. Cloud shall
5.13 submit a report to the governor and the
5.14 members and staff of the legislative
5.15 committees with jurisdiction over capital
5.16 investment, transportation, and economic
5.17 development with recommendations based on
5.18 the findings of the study. This is a onetime
5.19 appropriation.

5.20 If the commissioner of transportation
5.21 determines that a balance remains in the state
5.22 airports fund following the appropriations
5.23 made in this article and that the appropriations
5.24 made are insufficient for advancing airport
5.25 development and assistance projects, an
5.26 amount necessary to advance the projects, not
5.27 to exceed the balance in the state airports fund,
5.28 is appropriated in each year to the
5.29 commissioner and must be spent according to
5.30 Minnesota Statutes, section 360.305,
5.31 subdivision 4. Within two weeks of a
5.32 determination under this contingent
5.33 appropriation, the commissioner of
5.34 transportation must notify the commissioner
5.35 of management and budget and the chairs,
5.36 ranking minority members, and staff of the

6.1 legislative committees with jurisdiction over
 6.2 transportation finance concerning the funds
 6.3 appropriated. Funds appropriated under this
 6.4 contingent appropriation do not adjust the base
 6.5 for fiscal years 2020 and 2021.

6.6 The base is \$15,298,000 in each of fiscal years
 6.7 2020 and 2021.

6.8 **(2) Aviation Support and Services** 6,710,000 6,854,000

6.9	<u>Appropriations by Fund</u>	
6.10	<u>2018</u>	<u>2019</u>
6.11	<u>Airports</u> <u>5,231,000</u>	<u>5,231,000</u>
6.12	<u>Trunk Highway</u> <u>1,479,000</u>	<u>1,623,000</u>

6.13 **(3) Civil Air Patrol** 3,580,000 80,000

6.14 This appropriation is from the state airports
 6.15 fund for the Civil Air Patrol.

6.16 \$3,500,000 in the first year is for a grant to
 6.17 renovate a portion of and construct an addition
 6.18 to the training and maintenance facility located
 6.19 at the South St. Paul airport, and to furnish
 6.20 and equip the facility, including
 6.21 communications equipment. Notwithstanding
 6.22 Minnesota Statutes, section 16A.28,
 6.23 subdivision 6, this appropriation is available
 6.24 for five years after the year of the
 6.25 appropriation. This is a onetime appropriation.

6.26 **(b) Transit** 1,241,000 18,268,000

6.27	<u>Appropriations by Fund</u>	
6.28	<u>2018</u>	<u>2019</u>
6.29	<u>General</u> <u>395,000</u>	<u>17,395,000</u>
6.30	<u>Trunk Highway</u> <u>846,000</u>	<u>873,000</u>

6.31 \$150,000 in each year is from the general fund
 6.32 for grants to transportation management
 6.33 organizations that provide services exclusively
 6.34 or primarily in the city located along the

7.1 marked Interstate Highway 494 corridor
 7.2 having the highest population as of the
 7.3 effective date of this section. The
 7.4 commissioner must not retain any portion of
 7.5 the funds appropriated under this section.
 7.6 From the appropriation in each fiscal year, the
 7.7 commissioner must make grant payments in
 7.8 full by July 31. Permissible uses of funds
 7.9 under this grant include administrative
 7.10 expenses and programming and service
 7.11 expansion, including but not limited to
 7.12 staffing, communications, outreach and
 7.13 education program development, and
 7.14 operations management. This is a onetime
 7.15 appropriation.

7.16 The base from the general fund is \$17,245,000
 7.17 in each year for fiscal years 2020 and 2021.

7.18 **(c) Safe Routes to School** 1,500,000 500,000

7.19 This appropriation is from the general fund
 7.20 for the safe routes to school program under
 7.21 Minnesota Statutes, section 174.40.

7.22 **(d) Freight**

7.23 **(1) Freight and Commercial Vehicle Operations** 9,356,000 5,928,000

<u>Appropriations by Fund</u>		
	<u>2018</u>	<u>2019</u>
7.25 <u>General</u>	<u>1,506,000</u>	<u>406,000</u>
7.26 <u>Special Revenue</u>	<u>2,500,000</u>	<u>0</u>
7.27 <u>Trunk Highway</u>	<u>5,350,000</u>	<u>5,522,000</u>

7.29 \$1,100,000 in the first year is from the general
 7.30 fund for port development assistance grants
 7.31 under Minnesota Statutes, chapter 457A, to
 7.32 the city of Red Wing and to the Port Authority
 7.33 of Winona. Any improvements made with the
 7.34 proceeds of the grants must be publicly owned.

8.1 This is a onetime appropriation and is
8.2 available in the second year.

8.3 \$150,000 in each year is from the general fund
8.4 for additional rail safety and rail service
8.5 activities.

8.6 \$1,000,000 in the first year is from the rail
8.7 service improvement account in the special
8.8 revenue fund for a grant to the city of Grand
8.9 Rapids to fund rail planning studies, design,
8.10 and preliminary engineering relating to the
8.11 construction of a freight rail line located in the
8.12 counties of Itasca, St. Louis, and Lake to serve
8.13 local producers and shippers. The city of
8.14 Grand Rapids shall collaborate with the Itasca
8.15 Economic Development Corporation and the
8.16 Itasca County Regional Railroad Authority in
8.17 the activities funded with the proceeds of this
8.18 grant. This is a onetime appropriation and is
8.19 available until June 30, 2019.

8.20 \$1,500,000 in the first year is from the rail
8.21 service improvement account in the special
8.22 revenue fund for a grant to a railroad company
8.23 classified by federal law as a Class III railroad
8.24 or Class III carrier, to repair or rehabilitate a
8.25 line of railroad track that serves at least one
8.26 industrial park located in the metropolitan
8.27 area, as defined in Minnesota Statutes, section
8.28 473.121, subdivision 2. This is a onetime
8.29 appropriation and is available until June 30,
8.30 2019.

8.31 **(2) Hazardous Materials Rail Safety** 3,000,000 3,000,000

8.32 This appropriation is from the general fund
8.33 for the hazardous materials rail safety program
8.34 and grants under Minnesota Statutes, section
8.35 219.016. This is a onetime appropriation.

9.1 Subd. 3. State Roads

9.2	<u>(a) Operations and Maintenance</u>	<u>344,325,000</u>	<u>332,313,000</u>
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9.3 The base is \$324,256,000 in fiscal year 20209.4 and \$322,674,000 in fiscal year 2021.9.5 (b) Program Planning and Delivery

9.6	<u>(1) Planning and Research</u>	<u>34,588,000</u>	<u>32,643,000</u>
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9.7 If a balance remains of this appropriation, the9.8 commissioner may transfer up to that amount9.9 for program delivery under clause (2).9.10 Up to \$160,000 in the first year is for the9.11 highway construction costs and cost inflation9.12 study under article 3, section 137. This is a9.13 onetime appropriation.9.14 \$130,000 in each year is available for9.15 administrative costs of the targeted group9.16 business program.9.17 \$266,000 in each year is available for grants9.18 to metropolitan planning organizations outside9.19 the seven-county metropolitan area.9.20 \$900,000 in each year is available for grants9.21 for transportation studies outside the9.22 metropolitan area to identify critical concerns,9.23 problems, and issues. These grants are9.24 available:9.25 (1) to regional development commissions;9.26 (2) in regions where no regional development9.27 commission is functioning, to joint powers9.28 boards established under agreement of two or9.29 more political subdivisions in the region to9.30 exercise the planning functions of a regional9.31 development commission; and9.32 (3) in regions where no regional development9.33 commission or joint powers board is

10.1 functioning, to the Department of
 10.2 Transportation district office for that region.

10.3 The base is \$31,972,000 in fiscal year 2020
 10.4 and \$31,840,000 in fiscal year 2021.

10.5 **(2) Program Delivery** 231,855,000 224,764,000

10.6 This appropriation includes use of consultants
 10.7 to support development and management of
 10.8 projects.

10.9 Up to \$140,000 in the first year is for
 10.10 development, implementation, and reporting
 10.11 on project selection policy under article 3,
 10.12 section 128. This is a onetime appropriation.

10.13 \$1,000,000 in each year is available for
 10.14 management of contaminated and regulated
 10.15 material on property owned by the Department
 10.16 of Transportation, including mitigation of
 10.17 property conveyances, facility acquisition or
 10.18 expansion, chemical release at maintenance
 10.19 facilities, and spills on the trunk highway
 10.20 system where there is no known responsible
 10.21 party. If the appropriation for either year is
 10.22 insufficient, the appropriation for the other
 10.23 year is available for it.

10.24 The base is \$219,393,000 in fiscal year 2020
 10.25 and \$218,338,000 in fiscal year 2021.

10.26 **(c) State Road Construction** 1,012,315,000 891,055,000

10.27 This appropriation is for the actual
 10.28 construction, reconstruction, and improvement
 10.29 of trunk highways, including design-build
 10.30 contracts, internal department costs associated
 10.31 with delivering the construction program,
 10.32 consultant usage to support these activities,
 10.33 and the cost of actual payments to landowners
 10.34 for lands acquired for highway rights-of-way,

11.1 payment to lessees, interest subsidies, and
11.2 relocation expenses.

11.3 This appropriation includes federal highway
11.4 aid.

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

11.11 The commissioner may transfer up to
11.12 \$15,000,000 each year to the transportation
11.13 revolving loan fund.

11.14 The commissioner may receive money
11.15 covering other shares of the cost of partnership
11.16 projects. These receipts are appropriated to
11.17 the commissioner for these projects.

11.18 The base is \$871,586,000 in fiscal year 2020
11.19 and \$867,763,000 in fiscal year 2021.

11.20 **(d) Corridors of Commerce** 25,000,000 25,000,000

11.21 This appropriation is for the corridors of
11.22 commerce program under Minnesota Statutes,
11.23 section 161.088.

11.24 The commissioner may use up to 17 percent
11.25 of the amount each year for program delivery.

11.26 **(e) Highway Debt Service** 225,536,000 253,625,000

11.27 \$216,036,000 in fiscal year 2018 and
11.28 \$244,125,000 in fiscal year 2019 are for
11.29 transfer to the state bond fund. If this
11.30 appropriation is insufficient to make all
11.31 transfers required in the year for which it is
11.32 made, the commissioner of management and
11.33 budget must transfer the deficiency amount

12.1 under the statutory open appropriation and
 12.2 notify the chairs, ranking minority members,
 12.3 and staff of the legislative committees with
 12.4 jurisdiction over transportation finance and
 12.5 the chairs of the senate Finance Committee
 12.6 and the house of representatives Ways and
 12.7 Means Committee of the amount of the
 12.8 deficiency. Any excess appropriation cancels
 12.9 to the trunk highway fund.

12.10 **(f) Statewide Radio Communications** 5,648,000 5,829,000

12.11	<u>Appropriations by Fund</u>	
12.12	<u>2018</u>	<u>2019</u>
12.13	<u>General</u> <u>3,000</u>	<u>3,000</u>
12.14	<u>Trunk Highway</u> <u>5,645,000</u>	<u>5,826,000</u>

12.15 \$3,000 in each year is from the general fund
 12.16 to equip and operate the Roosevelt signal
 12.17 tower for Lake of the Woods weather
 12.18 broadcasting.

12.19 **Subd. 4. Local Roads**

12.20 **(a) County State-Aid Roads** 782,251,000 809,819,000

12.21	<u>Appropriations by Fund</u>	
12.22	<u>2018</u>	<u>2019</u>
12.23	<u>C.S.A.H.</u> <u>775,251,000</u>	<u>802,819,000</u>
12.24	<u>General</u> <u>7,000,000</u>	<u>7,000,000</u>

12.25 The appropriation from the county state-aid
 12.26 highway fund is under Minnesota Statutes,
 12.27 sections 161.081 and 297A.815, subdivision
 12.28 3, and chapter 162, and is available until June
 12.29 30, 2027.

12.30 \$5,000,000 in each year is from the general
 12.31 fund for distribution to counties in the
 12.32 metropolitan area, as defined in Minnesota
 12.33 Statutes, section 473.121, subdivision 4, for
 12.34 construction, reconstruction, and maintenance

13.1 of county highways, including county state-aid
13.2 highways. The distribution must be calculated
13.3 so that each county receives from this amount
13.4 the percentage that its population, as defined
13.5 in Minnesota Statutes, section 477A.011,
13.6 subdivision 3, estimated or established by July
13.7 15 of the year prior to the current calendar
13.8 year, bears to the total population of the
13.9 counties receiving funds under this rider. For
13.10 purposes of this rider, the population of each
13.11 county containing a statutory or home rule
13.12 charter city of the first class is calculated at
13.13 0.25 multiplied by that county's population as
13.14 otherwise determined. All projects must be
13.15 located outside cities of the first class. This is
13.16 a onetime appropriation.

13.17 \$2,000,000 in each year is from the general
13.18 fund for town roads, to be distributed in the
13.19 manner provided under Minnesota Statutes,
13.20 section 162.081. This is a onetime
13.21 appropriation.

13.22 If the commissioner of transportation
13.23 determines that a balance remains in the
13.24 county state-aid highway fund following the
13.25 appropriations and transfers made in this
13.26 paragraph, and that the appropriations made
13.27 are insufficient for advancing county state-aid
13.28 highway projects, an amount necessary to
13.29 advance the projects, not to exceed the balance
13.30 in the county state-aid highway fund, is
13.31 appropriated in each year to the commissioner.
13.32 Within two weeks of a determination under
13.33 this contingent appropriation, the
13.34 commissioner of transportation shall notify
13.35 the commissioner of management and budget

14.1 and the chairs, ranking minority members, and
 14.2 staff of the legislative committees with
 14.3 jurisdiction over transportation finance
 14.4 concerning funds appropriated. The
 14.5 commissioner shall identify in the next budget
 14.6 submission to the legislature under Minnesota
 14.7 Statutes, section 16A.11, any amount that is
 14.8 appropriated under this paragraph.

14.9	<u>(b) Municipal State-Aid Roads</u>	<u>194,122,000</u>	<u>201,020,000</u>
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14.10 This appropriation is from the municipal
 14.11 state-aid street fund under Minnesota Statutes,
 14.12 chapter 162, and is available until June 30,
 14.13 2027.

14.14 If the commissioner of transportation
 14.15 determines that a balance remains in the
 14.16 municipal state-aid street fund following the
 14.17 appropriations and transfers made in this
 14.18 paragraph, and that the appropriations made
 14.19 are insufficient for advancing municipal
 14.20 state-aid street projects, an amount necessary
 14.21 to advance the projects, not to exceed the
 14.22 balance in the municipal state-aid street fund,
 14.23 is appropriated in each year to the
 14.24 commissioner. Within two weeks of a
 14.25 determination under this contingent
 14.26 appropriation, the commissioner of
 14.27 transportation shall notify the commissioner
 14.28 of management and budget and the chairs,
 14.29 ranking minority members, and staff of the
 14.30 legislative committees with jurisdiction over
 14.31 transportation finance concerning funds
 14.32 appropriated. The commissioner shall identify
 14.33 in the next budget submission to the legislature
 14.34 under Minnesota Statutes, section 16A.11, any

15.1 amount that is appropriated under this
 15.2 paragraph.

15.3 **(c) Small Cities Assistance** 10,000,000 10,000,000

15.4 This appropriation is from the general fund
 15.5 for the small cities assistance program under
 15.6 Minnesota Statutes, section 162.145. This is
 15.7 a onetime appropriation.

15.8 **Subd. 5. Agency Management**

15.9 **(a) Agency Services** 44,316,000 45,206,000

15.10 **(b) Buildings** 28,585,000 29,439,000

15.11 Appropriations by Fund

	<u>2018</u>	<u>2019</u>
15.12		
15.13 <u>General</u>	<u>54,000</u>	<u>54,000</u>
15.14 <u>Trunk Highway</u>	<u>28,531,000</u>	<u>29,385,000</u>

15.15 Any money appropriated to the commissioner
 15.16 of transportation for building construction for
 15.17 any fiscal year before the first year is available
 15.18 to the commissioner during the biennium to
 15.19 the extent that the commissioner spends the
 15.20 money on the building construction projects
 15.21 for which the money was originally
 15.22 encumbered during the fiscal year for which
 15.23 it was appropriated. If the appropriation for
 15.24 either year is insufficient, the appropriation
 15.25 for the other year is available for it.

15.26 **(c) Tort Claims** 600,000 600,000

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

15.30 **Subd. 6. Transfers**

15.31 (a) With the approval of the commissioner of
 15.32 management and budget, the commissioner
 15.33 of transportation may transfer unencumbered
 15.34 balances among the appropriations from the

16.1 trunk highway fund and the state airports fund
 16.2 made in this section. Transfers under this
 16.3 paragraph must not be made:
 16.4 (1) between funds;
 16.5 (2) from the appropriations for state road
 16.6 construction or debt service; or
 16.7 (3) from the appropriations for operations and
 16.8 maintenance or program delivery, except for
 16.9 a transfer to state road construction or debt
 16.10 service.

16.11 (b) The commissioner of transportation must
 16.12 immediately report transfers under paragraph
 16.13 (a) to the chairs, ranking minority members,
 16.14 and staff of the legislative committees with
 16.15 jurisdiction over transportation finance. The
 16.16 authority for the commissioner of
 16.17 transportation to make transfers under
 16.18 Minnesota Statutes, section 16A.285, is
 16.19 superseded by the authority and requirements
 16.20 under this paragraph.

16.21 (c) The commissioner of transportation must
 16.22 transfer from the flexible highway account in
 16.23 the county state-aid highway fund the entire
 16.24 amount in each year to the county turnback
 16.25 account in the county state-aid highway fund.
 16.26 The funds transferred are for highway
 16.27 turnback purposes under Minnesota Statutes,
 16.28 section 161.081, subdivision 3.

16.29 **Subd. 7. Previous State Road Construction**
 16.30 **Appropriations**

16.31 Any money appropriated to the commissioner
 16.32 of transportation for state road construction
 16.33 for any fiscal year before the first year is
 16.34 available to the commissioner during the

17.1 biennium to the extent that the commissioner
17.2 spends the money on the state road
17.3 construction project for which the money was
17.4 originally encumbered during the fiscal year
17.5 for which it was appropriated.

17.6 **Subd. 8. Contingent Appropriations**

17.7 The commissioner of transportation, with the
17.8 approval of the governor and the written
17.9 approval of at least five members of a group
17.10 consisting of the members of the Legislative
17.11 Advisory Commission under Minnesota
17.12 Statutes, section 3.30, and the ranking minority
17.13 members of the legislative committees with
17.14 jurisdiction over transportation finance, may
17.15 transfer all or part of the unappropriated
17.16 balance in the trunk highway fund to an
17.17 appropriation:

17.18 (1) for trunk highway design, construction, or
17.19 inspection that takes advantage of an
17.20 unanticipated receipt of income to the trunk
17.21 highway fund or federal advanced construction
17.22 funding;

17.23 (2) for emergency trunk highway maintenance;
17.24 or

17.25 (3) to pay tort or environmental claims.

17.26 Nothing in this subdivision authorizes the
17.27 commissioner to increase the use of federal
17.28 advanced construction funding beyond
17.29 amounts specifically authorized. Any transfer
17.30 as a result of the use of federal advanced
17.31 construction funding must include an analysis
17.32 of the effects on the long-term trunk highway
17.33 fund balance. The amount transferred is

18.1 appropriated for the purpose of the account to
18.2 which it is transferred.

18.3 **Subd. 9. Requirements for Certain Legal**
18.4 **Activities**

18.5 The commissioner of transportation is
18.6 prohibited from permitting legal counsel
18.7 employed by the Department of Transportation
18.8 to perform activities related to response to a
18.9 data practices request of the department under
18.10 Minnesota Statutes, chapter 13, and the
18.11 commissioner must enter into an agreement
18.12 with the attorney general for exclusive services
18.13 regarding these activities.

18.14 **Sec. 3. METROPOLITAN COUNCIL \$ 116,046,000 \$ 114,820,000**

18.15 This appropriation is from the general fund
18.16 for transit system operations under Minnesota
18.17 Statutes, sections 473.371 to 473.449.

18.18 \$1,000,000 in the first year is for financial
18.19 assistance to replacement service providers
18.20 under Minnesota Statutes, section 473.388,
18.21 for the purposes of the suburb-to-suburb transit
18.22 demonstration project authorized under Laws
18.23 2015, chapter 75, article 1, section 4. The
18.24 council must not retain any portion of the
18.25 funds under this appropriation. This is a
18.26 onetime appropriation.

18.27 Up to \$226,000 in the first year is for the
18.28 comprehensive transit finance report under
18.29 Minnesota Statutes, section 174.93. This is a
18.30 onetime appropriation and is available in the
18.31 second year.

18.32 The base is \$89,820,000 in fiscal year 2020
18.33 and \$89,820,000 in fiscal year 2021.

19.1 **Sec. 4. DEPARTMENT OF PUBLIC SAFETY**

19.2	<u>Subdivision 1. Total Appropriation</u>	\$	<u>199,838,000</u>	\$	<u>199,407,000</u>
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19.3 Appropriations by Fund

19.4		<u>2018</u>	<u>2019</u>
19.5	<u>General</u>	<u>19,971,000</u>	<u>14,381,000</u>
19.6	<u>Special Revenue</u>	<u>63,945,000</u>	<u>65,087,000</u>
19.7	<u>H.U.T.D.</u>	<u>10,474,000</u>	<u>10,486,000</u>
19.8	<u>Trunk Highway</u>	<u>105,448,000</u>	<u>109,453,000</u>

19.9 The appropriations in this section are to the
 19.10 commissioner of public safety. The amounts
 19.11 that may be spent for each purpose are
 19.12 specified in the following subdivisions.

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

19.14	<u>(a) Office of Communications</u>		<u>553,000</u>		<u>573,000</u>
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19.15 Appropriations by Fund

19.16		<u>2018</u>	<u>2019</u>
19.17	<u>General</u>	<u>127,000</u>	<u>130,000</u>
19.18	<u>Trunk Highway</u>	<u>426,000</u>	<u>443,000</u>

19.19	<u>(b) Public Safety Support</u>		<u>6,372,000</u>		<u>6,569,000</u>
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19.20 Appropriations by Fund

19.21		<u>2018</u>	<u>2019</u>
19.22	<u>General</u>	<u>1,225,000</u>	<u>1,235,000</u>
19.23	<u>H.U.T.D.</u>	<u>1,366,000</u>	<u>1,366,000</u>
19.24	<u>Trunk Highway</u>	<u>3,781,000</u>	<u>3,968,000</u>

19.25	<u>(c) Public Safety Officer Survivor Benefits</u>		<u>640,000</u>		<u>640,000</u>
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19.26 This appropriation is from the general fund
 19.27 for payment of public safety officer survivor
 19.28 benefits under Minnesota Statutes, section
 19.29 299A.44.

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

19.33	<u>(d) Public Safety Officer Reimbursements</u>		<u>1,367,000</u>		<u>1,367,000</u>
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20.1 This appropriation is from the general fund to
 20.2 be deposited in the public safety officer's
 20.3 benefit account. This money is available for
 20.4 reimbursements under Minnesota Statutes,
 20.5 section 299A.465.

20.6 **(e) Soft Body Armor Reimbursements** 700,000 700,000

20.7	<u>Appropriations by Fund</u>	
20.8	<u>2018</u>	<u>2019</u>
20.9	<u>General</u>	<u>600,000</u> <u>600,000</u>
20.10	<u>Trunk Highway</u>	<u>100,000</u> <u>100,000</u>

20.11 This appropriation is for soft body armor
 20.12 reimbursements under Minnesota Statutes,
 20.13 section 299A.38.

20.14 **(f) Technology and Support Service** 3,777,000 3,814,000

20.15	<u>Appropriations by Fund</u>	
20.16	<u>2018</u>	<u>2019</u>
20.17	<u>General</u>	<u>1,353,000</u> <u>1,365,000</u>
20.18	<u>H.U.T.D.</u>	<u>19,000</u> <u>19,000</u>
20.19	<u>Trunk Highway</u>	<u>2,405,000</u> <u>2,430,000</u>

20.20 **Subd. 3. State Patrol**

20.21 **(a) Patrolling Highways** 95,689,000 93,323,000

20.22	<u>Appropriations by Fund</u>	
20.23	<u>2018</u>	<u>2019</u>
20.24	<u>General</u>	<u>5,787,000</u> <u>37,000</u>
20.25	<u>H.U.T.D.</u>	<u>92,000</u> <u>92,000</u>
20.26	<u>Trunk Highway</u>	<u>89,810,000</u> <u>93,194,000</u>

20.27 \$5,750,000 from the general fund in the first
 20.28 year is to purchase a helicopter for the State
 20.29 Patrol. This is a onetime appropriation.

20.30 From this appropriation, State Patrol trainee
 20.31 salaries as provided under Minnesota Statutes,
 20.32 section 299D.03, subdivision 6, must be
 20.33 provided as follows: (1) for trainees in the Law
 20.34 Enforcement Training Opportunity program,

21.1	<u>80 percent of the basic salary for patrol</u>		
21.2	<u>officers; and (2) for all other trainees, 100</u>		
21.3	<u>percent of the basic salary.</u>		
21.4	<u>(b) Commercial Vehicle Enforcement</u>	<u>8,455,000</u>	<u>8,826,000</u>
21.5	<u>(c) Capitol Security</u>	<u>8,402,000</u>	<u>8,537,000</u>
21.6	<u>This appropriation is from the general fund.</u>		
21.7	<u>The commissioner must not:</u>		
21.8	<u>(1) spend any money from the trunk highway</u>		
21.9	<u>fund for capitol security; or</u>		
21.10	<u>(2) permanently transfer any state trooper from</u>		
21.11	<u>the patrolling highways activity to capitol</u>		
21.12	<u>security.</u>		
21.13	<u>The commissioner must not transfer any</u>		
21.14	<u>money appropriated to the commissioner under</u>		
21.15	<u>this section:</u>		
21.16	<u>(1) to capitol security; or</u>		
21.17	<u>(2) from capitol security.</u>		
21.18	<u>(d) Vehicle Crimes Unit</u>	<u>761,000</u>	<u>773,000</u>
21.19	<u>This appropriation is from the highway user</u>		
21.20	<u>tax distribution fund.</u>		
21.21	<u>This appropriation is to investigate:</u>		
21.22	<u>(1) registration tax and motor vehicle sales tax</u>		
21.23	<u>liabilities from individuals and businesses that</u>		
21.24	<u>currently do not pay all taxes owed; and</u>		
21.25	<u>(2) illegal or improper activity related to the</u>		
21.26	<u>sale, transfer, titling, and registration of motor</u>		
21.27	<u>vehicles.</u>		
21.28	<u>Subd. 4. Driver and Vehicle Services</u>		
21.29	<u>(a) Vehicle Services</u>	<u>30,745,000</u>	<u>31,159,000</u>
21.30	<u>Appropriations by Fund</u>		
21.31	<u>2018</u>	<u>2019</u>	

22.1	<u>Special Revenue</u>	<u>22,509,000</u>	<u>22,923,000</u>		
22.2	<u>H.U.T.D.</u>	<u>8,236,000</u>	<u>8,236,000</u>		
22.3	<u>The special revenue fund appropriation is from</u>				
22.4	<u>the vehicle services operating account.</u>				
22.5	<u>(b) Driver Services</u>			<u>32,014,000</u>	<u>32,725,000</u>
22.6	<u>This appropriation is from the driver services</u>				
22.7	<u>operating account in the special revenue fund.</u>				
22.8	<u>\$156,000 in each year is to maintain the</u>				
22.9	<u>automated knowledge test system.</u>				
22.10	<u>(c) Minnesota Licensing and Registration System</u>				
22.11	<u>(MNLARS)</u>			<u>8,000,000</u>	<u>8,000,000</u>
22.12	<u>This appropriation is for operations and</u>				
22.13	<u>maintenance of the driver and vehicle</u>				
22.14	<u>information system known as the Minnesota</u>				
22.15	<u>Licensing and Registration System.</u>				
22.16	<u>\$1,000,000 in the first year and \$5,265,000 in</u>				
22.17	<u>the second year are from the driver services</u>				
22.18	<u>operating account in the special revenue fund.</u>				
22.19	<u>This is a onetime appropriation.</u>				
22.20	<u>\$7,000,000 in the first year and \$2,735,000 in</u>				
22.21	<u>the second year are from the vehicle services</u>				
22.22	<u>operating account in the special revenue fund.</u>				
22.23	<u>This is a onetime appropriation.</u>				
22.24	<u>Subd. 5. Traffic Safety</u>			<u>941,000</u>	<u>962,000</u>
22.25	<u>Appropriations by Fund</u>				
22.26		<u>2018</u>	<u>2019</u>		
22.27	<u>General</u>	<u>470,000</u>	<u>470,000</u>		
22.28	<u>Trunk Highway</u>	<u>471,000</u>	<u>492,000</u>		
22.29	<u>The appropriation from the general fund in</u>				
22.30	<u>each year is for maintenance of the crash</u>				
22.31	<u>record system.</u>				
22.32	<u>Subd. 6. Pipeline Safety</u>			<u>1,422,000</u>	<u>1,439,000</u>

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

23.3 **Sec. 5. MINNESOTA RAIL SERVICE IMPROVEMENT ACCOUNT TRANSFER.**

23.4 \$3,500,000 in fiscal year 2018 is transferred from the general fund to the rail service
 23.5 improvement account in the special revenue fund. This is a onetime transfer.

23.6 **Sec. 6. APPROPRIATION CANCELLATION.**

23.7 \$1,100,000 of the appropriation for port development assistance under Laws 2015,
 23.8 chapter 75, article 1, section 3, subdivision 2, paragraph (e), is canceled to the general fund
 23.9 on June 30, 2017.

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

23.11 **Sec. 7. APPROPRIATIONS BUDGET.**

23.12 (a) In the budget submission to the legislature under Minnesota Statutes, section 16A.11,
 23.13 for fiscal years 2020 and 2021, the commissioner of transportation, and the commissioner
 23.14 of public safety with respect to the transportation portion of the public safety budget, must
 23.15 present budget narratives and proposed appropriations for each appropriation established
 23.16 in sections 2 and 4.

23.17 (b) In the budget submission to the legislature under Minnesota Statutes, section 16A.11,
 23.18 for fiscal years 2020 and 2021, the metropolitan council must present budget narratives and
 23.19 the proposed appropriations, if any, for each of the following categories: metro mobility,
 23.20 contracted bus service, regular route bus service, light rail transit, commuter rail,
 23.21 transportation planning, and allocation to the regional administration.

23.22 **ARTICLE 2**

23.23 **TRANSPORTATION BONDS**

23.24 **Section 1. BOND APPROPRIATIONS.**

23.25 The sums shown in the column under "Appropriations" are appropriated from the bond
 23.26 proceeds account in the trunk highway fund to the state agencies or officials indicated, to
 23.27 be spent for public purposes. Appropriations of bond proceeds must be spent as authorized
 23.28 by the Minnesota Constitution, articles XI and XIV. Unless otherwise specified, money
 23.29 appropriated in this article for a capital program or project may be used to pay state agency

24.1 staff costs that are attributed directly to the capital program or project in accordance with
 24.2 accounting policies adopted by the commissioner of management and budget.

24.3 **SUMMARY**

24.4	<u>Department of Transportation</u>	\$	<u>600,000,000</u>
24.5	<u>Department of Management and Budget</u>		<u>600,000</u>
24.6	<u>TOTAL</u>	\$	<u>600,600,000</u>

24.7 **APPROPRIATIONS**

24.8 **Sec. 2. DEPARTMENT OF**
 24.9 **TRANSPORTATION**

24.10 Subdivision 1. **Corridors of Commerce** **\$** **300,000,000**

24.11 This appropriation is to the commissioner of
 24.12 transportation for the corridors of commerce
 24.13 program under Minnesota Statutes, section
 24.14 161.088.

24.15 The commissioner may use up to 17 percent
 24.16 of the amount each year for program delivery.

24.17 Subd. 2. **State Road Construction** **\$** **300,000,000**

24.18 This appropriation is to the commissioner of
 24.19 transportation for construction, reconstruction,
 24.20 and improvement of trunk highways, including
 24.21 design-build contracts and use of consultants
 24.22 to support these activities. This includes the
 24.23 cost of actual payment to landowners for lands
 24.24 acquired for highway rights-of-way, payment
 24.25 to lessees, interest subsidies, and relocation
 24.26 expenses.

24.27 This appropriation is available in fiscal year
 24.28 2019.

24.29 Subd. 3. **Cancellations**

24.30 The appropriations in this section cancel as
 24.31 specified under Minnesota Statutes, section
 24.32 16A.642, except that the commissioner of
 24.33 management and budget shall count the start

25.1 of authorization for issuance of state bonds as
 25.2 the first day of the fiscal year during which
 25.3 the bonds are available to be issued as
 25.4 specified under subdivision 1 or 2, and not as
 25.5 the date of enactment of this section.

25.6 **Sec. 3. BOND SALE EXPENSES \$ 600,000**

25.7 This appropriation is to the commissioner of
 25.8 management and budget for bond sale
 25.9 expenses under Minnesota Statutes, sections
 25.10 16A.641, subdivision 8, and 167.50,
 25.11 subdivision 4, and is available in the amount
 25.12 of \$300,000 in each of fiscal years 2018 and
 25.13 2019.

25.14 **Sec. 4. BOND SALE AUTHORIZATION.**

25.15 To provide the money appropriated in this article from the bond proceeds account in the
 25.16 trunk highway fund, the commissioner of management and budget shall sell and issue bonds
 25.17 of the state in an amount up to \$600,600,000 in the manner, upon the terms, and with the
 25.18 effect prescribed by Minnesota Statutes, sections 167.50 to 167.52, and by the Minnesota
 25.19 Constitution, article XIV, section 11, at the times and in the amounts requested by the
 25.20 commissioner of transportation. The proceeds of the bonds, except accrued interest and any
 25.21 premium received from the sale of the bonds, must be deposited in the bond proceeds account
 25.22 in the trunk highway fund.

25.23 **Sec. 5. EFFECTIVE DATE.**

25.24 This article is effective July 1, 2017.

25.25 **ARTICLE 3**

25.26 **TRANSPORTATION POLICY AND FINANCE**

25.27 Section 1. Minnesota Statutes 2016, section 15A.0815, subdivision 3, is amended to read:

25.28 Subd. 3. **Group II salary limits.** The salary for a position listed in this subdivision shall
 25.29 not exceed 120 percent of the salary of the governor. This limit must be adjusted annually
 25.30 on January 1. The new limit must equal the limit for the prior year increased by the percentage
 25.31 increase, if any, in the Consumer Price Index for all urban consumers from October of the

26.1 second prior year to October of the immediately prior year. The commissioner of management
 26.2 and budget must publish the limit on the department's Web site. This subdivision applies
 26.3 to the following positions:

- 26.4 Executive director of Gambling Control Board;
- 26.5 Commissioner, Iron Range Resources and Rehabilitation Board;
- 26.6 Commissioner, Bureau of Mediation Services;
- 26.7 Ombudsman for Mental Health and Developmental Disabilities;
- 26.8 ~~Chair, Metropolitan Council;~~
- 26.9 School trust lands director;
- 26.10 Executive director of pari-mutuel racing; and
- 26.11 Commissioner, Public Utilities Commission.

26.12 **EFFECTIVE DATE.** This section is effective January 1, 2019, and applies in the
 26.13 counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

26.14 Sec. 2. Minnesota Statutes 2016, section 53C.01, subdivision 2, is amended to read:

26.15 Subd. 2. **Cash sale price.** "Cash sale price" means the price at which the seller would
 26.16 in good faith sell to the buyer, and the buyer would in good faith buy from the seller, the
 26.17 motor vehicle which is the subject matter of the retail installment contract, if such sale were
 26.18 a sale for cash, instead of a retail installment sale. The cash sale price may include any taxes,
 26.19 charges for delivery, servicing, repairing, or improving the motor vehicle, including
 26.20 accessories and their installation, and any other charges agreed upon between the parties.
 26.21 The cash price may ~~not~~ include a documentary fee or document administration fee ~~in excess~~
 26.22 ~~of \$75 for services actually rendered to, for, or on behalf of, the retail buyer in preparing,~~
 26.23 ~~handling, and processing documents relating to the motor vehicle and the closing of the~~
 26.24 ~~retail sale~~ authorized under section 168.27, subdivision 31. "Documentary fee" and "document
 26.25 administration fee" ~~do not include an optional electronic transfer fee as defined under~~
 26.26 ~~subdivision 14.~~

26.27 Sec. 3. Minnesota Statutes 2016, section 85.016, is amended to read:

26.28 **85.016 BICYCLE TRAIL PROGRAM.**

26.29 The commissioner of natural resources ~~shall~~ must establish a program for the development
 26.30 of bicycle trails utilizing the state trails authorized by section 85.015, other state parks and

27.1 recreation land, and state forests. "Bicycle trail," as used in this section, has the meaning
 27.2 given in section 169.011. The program ~~shall~~ must be coordinated with the local park trail
 27.3 grant program established by the commissioner pursuant to section 85.019, with the ~~bikeway~~
 27.4 ~~program~~ state bicycle routes established by the commissioner of transportation pursuant to
 27.5 section ~~160.265~~ 160.266, and with existing and proposed local bikeways. In the metropolitan
 27.6 area as defined in section 473.121, the program ~~shall~~ must be developed in accordance with
 27.7 plans and priorities established by the Metropolitan Council. The commissioner ~~shall~~ must
 27.8 provide technical assistance to local units of government in planning and developing bicycle
 27.9 trails in local parks. The bicycle trail program ~~shall~~ must, as a minimum, describe the
 27.10 location, design, construction, maintenance, and land acquisition needs of each component
 27.11 trail and ~~shall give due consideration to the model standards for the establishment of~~
 27.12 ~~recreational vehicle lanes promulgated by the commissioner of transportation pursuant to~~
 27.13 ~~section 160.262~~. The program ~~shall~~ must be developed after consultation with the state trail
 27.14 council and regional and local units of government and bicyclist organizations.

27.15 Sec. 4. Minnesota Statutes 2016, section 116.03, is amended by adding a subdivision to
 27.16 read:

27.17 Subd. 7. **Clean Air Act settlement money.** "Clean Air Act settlement money" means
 27.18 money required to be paid to the state as a result of litigation or settlements of alleged
 27.19 violations of the federal Clean Air Act, United States Code, title 42, section 7401, et seq.,
 27.20 or rules adopted thereunder, by an automobile manufacturer. The commissioner of
 27.21 management and budget must establish the Clean Air Act settlement account in the
 27.22 environmental fund. Notwithstanding sections 16A.013 to 16A.016, the commissioner of
 27.23 management and budget must deposit Clean Air Act settlement money into the Clean Air
 27.24 Act settlement account. Clean Air Act settlement money must not be spent until it is
 27.25 specifically appropriated by law. The commissioner of management and budget must
 27.26 eliminate the Clean Air Act settlement account in the environmental fund after all Clean
 27.27 Air Act settlement money has been expended.

27.28 Sec. 5. Minnesota Statutes 2016, section 117.189, is amended to read:

27.29 **117.189 PUBLIC SERVICE CORPORATION EXCEPTIONS.**

27.30 (a) Sections 117.031; 117.036; 117.055, subdivision 2, paragraph (b); 117.186; 117.187;
 27.31 117.188; and 117.52, subdivisions 1a and 4, do not apply to the use of eminent domain
 27.32 authority by public service corporations for any purpose other than construction or expansion
 27.33 of:

28.1 (1) a high-voltage transmission line of 100 kilovolts or more, or ancillary substations;
 28.2 ~~or~~

28.3 (2) a natural gas, petroleum, or petroleum products pipeline, or ancillary compressor
 28.4 stations or pumping stations; or

28.5 (3) a light rail transit or bus rapid transit line.

28.6 (b) For purposes of an award of appraisal fees under section 117.085, the fees awarded
 28.7 may not exceed \$1,500 for all types of property except for a public service corporation's
 28.8 use of eminent domain for:

28.9 (1) a high-voltage transmission line, where the award may not exceed \$3,000; and

28.10 (2) a light rail transit or bus rapid transit line, where the award shall be as provided in
 28.11 section 117.085.

28.12 (c) For purposes of this section, "pipeline" does not include a natural gas distribution
 28.13 line transporting gas to an end user.

28.14 **EFFECTIVE DATE.** This section is effective retroactively from January 1, 2017.

28.15 Sec. 6. Minnesota Statutes 2016, section 160.02, is amended by adding a subdivision to
 28.16 read:

28.17 Subd. 1a. **Bikeway.** "Bikeway" means a bicycle lane, bicycle path, shared use path,
 28.18 bicycle route, or similar bicycle facility, regardless of whether designed for the exclusive
 28.19 use of bicycles or for shared use with other transportation modes.

28.20 Sec. 7. Minnesota Statutes 2016, section 160.02, subdivision 27, is amended to read:

28.21 Subd. 27. **Roadway; bicycle lane; bicycle route; bicycle path; ~~bikeway.~~** The terms
 28.22 "roadway," "bicycle lane," "bicycle route," and "bicycle path;" ~~and "bikeway"~~ have the
 28.23 meanings given in section 169.011.

28.24 Sec. 8. Minnesota Statutes 2016, section 160.02, is amended by adding a subdivision to
 28.25 read:

28.26 Subd. 27a. **Shared use path.** "Shared use path" means a bicycle facility that is (1)
 28.27 physically separated from motorized vehicular traffic by an open space or barrier, (2) located
 28.28 within either the highway right-of-way or an independent right-of-way, and (3) available
 28.29 for use by other nonmotorized users.

29.1 Sec. 9. Minnesota Statutes 2016, section 160.18, is amended by adding a subdivision to
 29.2 read:

29.3 Subd. 4. **Trunk highway appeal process.** If the commissioner denies or revokes a trunk
 29.4 highway access permit, the property owner or occupant must be notified of the denial or
 29.5 revocation in writing within ten days of the denial or revocation. Within 30 days of receiving
 29.6 the notice of denial or revocation, the property owner or occupant may appeal the
 29.7 commissioner's action in a contested case proceeding under chapter 14. Notwithstanding
 29.8 section 14.61, the report or order of the administrative law judge constitutes the final decision.

29.9 Sec. 10. Minnesota Statutes 2016, section 160.262, subdivision 1, is amended to read:

29.10 Subdivision 1. ~~Model standards~~ **Bikeways; powers and duties; design guidelines.**

29.11 (a) The legislature determines that it is in the interests of the public health, safety and welfare,
 29.12 to provide for the addition of ~~bicycle and recreational vehicle lanes~~ bikeways to proposed
 29.13 and existing public highways. ~~The commissioner of transportation shall adopt, in the manner~~
 29.14 ~~provided in chapter 14, model standards for the establishment of recreational vehicle lanes~~
 29.15 ~~on and along proposed and existing public highways. The model standards shall include~~
 29.16 ~~but not be limited to the following: (a) criteria for desirability of a lane in any given location,~~
 29.17 ~~(b) provision for maintenance of the lanes, and (c) the placement of the lanes in relation to~~
 29.18 ~~roads. The model standards shall govern state trunk highways.~~ The commissioner of
 29.19 transportation is authorized to plan, design, establish, and maintain bikeways on the
 29.20 right-of-way of any trunk highway. The commissioner is responsible for the design and
 29.21 construction of all bikeway projects within the right-of-way of any trunk highway. The
 29.22 commissioner must consider the development of bikeways during the planning, design,
 29.23 construction, reconstruction, or improvement of any trunk highway, or allow the
 29.24 establishment of such bikeways within trunk highway right-of-way.

29.25 (b) The commissioner must maintain bikeway design guidelines consistent with the state
 29.26 transportation goals in section 174.01.

29.27 (c) The commissioner must compile and maintain a map of bikeways in the state and
 29.28 must publish and distribute the map's information at least once every two years in a form
 29.29 and manner suitable to assist persons wishing to use the bikeways.

29.30 (d) The commissioner must maintain bikeways within the limits of trunk highway
 29.31 right-of-way unless a written agreement or limited use permit provides otherwise.

30.1 Sec. 11. Minnesota Statutes 2016, section 160.262, subdivision 3, is amended to read:

30.2 Subd. 3. **Cooperation among agencies and governments.** The following departments
 30.3 and agencies ~~shall cooperate in providing on the nonmotorized transportation advisory~~
 30.4 committee identified in section 174.37 must provide information and advice for ~~amendments~~
 30.5 ~~to the model standards the bikeway design guidelines maintained~~ by the commissioner of
 30.6 transportation: ~~the Departments of Agriculture, Transportation, Natural Resources,~~
 30.7 ~~Commerece, and Employment and Economic Development, and the Board of Water and Soil~~
 30.8 ~~Resources.~~ The commissioner may cooperate with and enter into agreements with the United
 30.9 States government, any department of the state of Minnesota, any unit of local government
 30.10 ~~and, any tribal government, or any public or private corporation~~ in order to effect the purposes
 30.11 of this section.

30.12 Sec. 12. Minnesota Statutes 2016, section 160.262, subdivision 4, is amended to read:

30.13 Subd. 4. **Design-build bridges for nonmotorized vehicles.** For streets and highways,
 30.14 the commissioner ~~shall~~ must allow for the acceptance of performance-specification bids,
 30.15 made by the lowest responsible bidder, for constructing design-build bridges for ~~bicycle~~
 30.16 ~~paths, bicycle trails, bikeways~~ and pedestrian facilities that are:

30.17 (1) designed and used primarily for nonmotorized transportation, but may allow for
 30.18 motorized wheelchairs, golf carts, necessary maintenance vehicles and, when otherwise
 30.19 permitted by law, rule, or ordinance, snowmobiles; and

30.20 (2) located apart from any road or highway or protected by barriers, provided that a
 30.21 design-built bridge may cross over and above a road or highway.

30.22 Sec. 13. Minnesota Statutes 2016, section 160.266, is amended by adding a subdivision
 30.23 to read:

30.24 Subd. 1a. **State bicycle route; definition.** For the purposes of this section, "state bicycle
 30.25 route" means a linear series of one or more roads or bikeways that is designated for bicycle
 30.26 travel, regardless of whether for exclusive use by bicycles or shared use with other modes
 30.27 of transportation.

30.28 Sec. 14. Minnesota Statutes 2016, section 160.266, is amended by adding a subdivision
 30.29 to read:

30.30 Subd. 1b. **State bicycle routes.** The commissioner of transportation must identify state
 30.31 bicycle routes primarily on existing road right-of-way and trails. State bicycle routes must
 30.32 be identified in cooperation with road and trail authorities, including the commissioner of

31.1 natural resources, and with the advice of the advisory committee on nonmotorized
 31.2 transportation under section 174.37. In a metropolitan area, state bicycle routes must be
 31.3 identified in coordination with the plans and priorities established by metropolitan planning
 31.4 organizations, as defined in United States Code, title 23, section 134.

31.5 Sec. 15. Minnesota Statutes 2016, section 160.266, subdivision 3, is amended to read:

31.6 Subd. 3. **Connections with other bikeways.** (a) The commissioner, in cooperation with
 31.7 road and trail authorities including the commissioner of natural resources, ~~shall~~ must:

31.8 (1) identify existing bikeways of regional significance that are in reasonable proximity
 31.9 but not connected to the ~~bikeway~~ state bicycle routes established ~~in~~ under this section;
 31.10 ~~including but not limited to the Lake Wobegon Trail in the counties of Stearns and Todd;~~
 31.11 and

31.12 (2) support development of linkages between ~~bikeways identified under clause (1) and~~
 31.13 ~~the~~ bikeway state bicycle routes established ~~in~~ under this section.

31.14 (b) The requirements of this subdivision are a secondary priority for use of funds available
 31.15 under this section following establishment and enhancement of ~~the~~ bikeway state bicycle
 31.16 routes under ~~subdivision 1~~ this section.

31.17 Sec. 16. Minnesota Statutes 2016, section 160.266, subdivision 4, is amended to read:

31.18 Subd. 4. **Cooperation with other entities.** The commissioner may contract and enter
 31.19 into agreements with federal agencies, other state agencies, local governments, ~~and~~ tribal
 31.20 governments, or private entities to establish, develop, maintain, and operate ~~the~~ bikeway
 31.21 state bicycle routes and to interpret associated natural and cultural resources.

31.22 Sec. 17. Minnesota Statutes 2016, section 160.266, subdivision 5, is amended to read:

31.23 Subd. 5. **Funding.** ~~Bicycle~~ Shared use paths included within ~~the~~ bikeway state bicycle
 31.24 routes and not administered by the commissioner of natural resources are eligible for funding
 31.25 from the environment and natural resources trust fund under chapter 116P, from the parks
 31.26 and trails grant program under section 85.535, from the local recreation grants program
 31.27 under section 85.019, subdivision 4b, and from other sources.

32.1 Sec. 18. Minnesota Statutes 2016, section 160.266, is amended by adding a subdivision
32.2 to read:

32.3 Subd. 6. **Mississippi River Trail.** The Mississippi River Trail bikeway must originate
32.4 at Itasca State Park in Clearwater, Beltrami, and Hubbard Counties, then generally parallel
32.5 the Mississippi River through the cities of Bemidji in Beltrami County, Grand Rapids in
32.6 Itasca County, Brainerd in Crow Wing County, Little Falls in Morrison County, Sauk Rapids
32.7 in Benton County, St. Cloud in Stearns County, Minneapolis in Hennepin County, St. Paul
32.8 in Ramsey County, Hastings in Dakota County, Red Wing in Goodhue County, Wabasha
32.9 in Wabasha County, Winona in Winona County, and La Crescent in Houston County to
32.10 Minnesota's boundary with Iowa and there terminate. Where opportunities exist, the bikeway
32.11 may be designated on both sides of the Mississippi River.

32.12 Sec. 19. **[160.801] HIGHWAY SPONSORSHIP PROGRAM.**

32.13 Subdivision 1. **Sponsorship program.** (a) The commissioner is authorized to establish
32.14 a program designed to encourage businesses, civic groups, or individuals to voluntarily
32.15 assist with the improvement and maintenance of real property comprising the trunk highway
32.16 system, including bicycle and pedestrian trails, roadside monuments, and historic sites.

32.17 (b) All support provided by volunteers or vendors must be carried out in a manner
32.18 consistent with construction and maintenance plans approved by the commissioner after
32.19 consultation with the volunteers.

32.20 (c) The commissioner may provide assistance to (1) enhance volunteer safety, and (2)
32.21 facilitate the implementation and administration of the sponsorship program.

32.22 Subd. 2. **Agreements.** The commissioner may enter into volunteer agreements with
32.23 businesses, civic groups, or individuals to support, maintain, and make improvements to
32.24 real property included in the trunk highway system. Agreements under this section are not
32.25 subject to section 161.32.

32.26 Subd. 3. **Support activities.** (a) The volunteer support activities include but are not
32.27 limited to:

32.28 (1) work to create, protect, and enhance pollinator habitat along highway rights-of-way;

32.29 (2) work to pick up litter along roadsides;

32.30 (3) work to install enhancements, including landscaping materials, on trunk highway
32.31 property;

32.32 (4) financial support provided to the department for specific roadside improvements;

33.1 (5) financial support consisting of the sponsor hiring a professional landscape contractor
 33.2 to install vegetation, maintain landscape plantings, or pick up litter, or for other similar
 33.3 activities along a selected area of highway right-of-way; or

33.4 (6) installation of features that enhance the aesthetics of trunk highway property or the
 33.5 amenities available to highway users.

33.6 (b) All volunteer support activities must have prior commissioner approval.

33.7 Subd. 4. **Acknowledgment of sponsors.** The commissioner may erect signs to publicly
 33.8 recognize and express appreciation to businesses, civic groups, and individuals that provide
 33.9 volunteer funding or services under the sponsorship program.

33.10 Subd. 5. **Highway sponsorship program account; appropriation.** Funds received
 33.11 under this section must be deposited in the highway sponsorship program account, which
 33.12 is created in the special revenue fund. The account consists of funds as provided by law,
 33.13 and any other money donated, allotted, transferred, or otherwise provided to the account.
 33.14 Funds in the account are annually appropriated to the commissioner for the purpose specified
 33.15 in the volunteer agreement.

33.16 Subd. 6. **Prohibition.** The commissioner must not take action under this section that
 33.17 would result in the loss of federal highway funds or require payment of highway funds to
 33.18 the federal government.

33.19 Sec. 20. Minnesota Statutes 2016, section 161.04, subdivision 5, is amended to read:

33.20 Subd. 5. **Trunk highway emergency relief account.** (a) The trunk highway emergency
 33.21 relief account is created in the trunk highway fund. Money in the account is appropriated
 33.22 to the commissioner to be used to fund relief activities related to an emergency, as defined
 33.23 in section 161.32, subdivision 3, or under section 12A.16, subdivision 1.

33.24 (b) Reimbursements by the Federal Highway Administration for emergency relief
 33.25 payments made from the trunk highway emergency relief account must be credited to the
 33.26 account. Notwithstanding section 16A.28, money in the account is available until spent. If
 33.27 the balance of the account at the end of a fiscal year is greater than \$10,000,000, the amount
 33.28 above \$10,000,000 must be canceled to the trunk highway fund.

33.29 (c) ~~By September 1, 2012, and in every subsequent even-numbered year by September~~
 33.30 ~~1, the commissioner shall submit a report to the chairs and ranking minority members of~~
 33.31 ~~the senate and house of representatives committees having jurisdiction over transportation~~
 33.32 ~~policy and finance. The report must include the balance, as well as details of payments made~~
 33.33 ~~from and deposits made to the trunk highway emergency relief account since the last report.~~

34.1 Sec. 21. Minnesota Statutes 2016, section 161.081, subdivision 3, is amended to read:

34.2 Subd. 3. **Flexible highway account; turnback accounts.** (a) The flexible highway
34.3 account is created in the state treasury. Money in the account ~~shall be used~~ must be allocated
34.4 as follows:

34.5 (1) ~~in fiscal years 2009 and 2010, 100 percent of the excess sum, as calculated in~~
34.6 ~~paragraph (i), and in fiscal years 2011 and thereafter, 50~~ 16 percent of the excess sum, as
34.7 calculated in paragraph (i), amount available in the flexible highway account for counties
34.8 in the metropolitan area, as defined in section 473.121, subdivision 4, but for the purposes
34.9 of the calculation cities of the first class will be excluded in the metropolitan area distributed
34.10 proportionally based on the most recent estimate of county population excluding the
34.11 population of any city of the first class; and

34.12 (2) of the amount available in the flexible highway account less the amount under clause
34.13 (1), as determined by the commissioner under this section for:

34.14 (i) restoration of former trunk highways that have reverted to counties or to statutory or
34.15 home rule charter cities, or for trunk highways that will be restored and subsequently turned
34.16 back by agreement between the commissioner and the local road authority;

34.17 (ii) safety improvements on county highways, municipal highways, streets, or town
34.18 roads; and

34.19 (iii) routes of regional significance.

34.20 (b) For purposes of this subdivision, "restoration" means the level of effort required to
34.21 improve the route that will be turned back to an acceptable condition as determined by
34.22 agreement made between the commissioner and the county or city before the route is turned
34.23 back.

34.24 (c) The commissioner shall review the need for funds to restore highways that have been
34.25 or will be turned back. The commissioner shall determine, on a biennial basis, the percentage
34.26 of funds in the flexible highway account to be distributed to each district, and within each
34.27 district the percentage to be used for each of the purposes specified in paragraph (a). Money
34.28 in the account may be used for safety improvements and routes of regional significance
34.29 only after money is set aside to restore the identified turnbacks. The commissioner shall
34.30 make these determinations only after meeting and holding discussions with committees
34.31 selected by the statewide associations of both county commissioners and municipal officials.
34.32 The commissioner shall, to the extent feasible, annually allocate 50 percent of the funds in

35.1 the flexible highway account to the department's metropolitan district, and 50 percent to
35.2 districts in greater Minnesota.

35.3 (d) Money that will be used for the restoration of trunk highways that have reverted or
35.4 that will revert to cities must be deposited in the municipal turnback account, which is
35.5 created in the state treasury.

35.6 (e) Money that will be used for the restoration of trunk highways that have reverted or
35.7 that will revert to counties must be deposited in the county turnback account, which is
35.8 created in the state treasury.

35.9 (f) Money that will be used for safety improvements must be deposited in the highway
35.10 safety improvement account, which is created in the state treasury to be used as grants to
35.11 statutory or home rule charter cities, towns, and counties to assist in paying the costs of
35.12 constructing or reconstructing city streets, county highways, or town roads to reduce crashes,
35.13 deaths, injuries, and property damage.

35.14 (g) Money that will be used for routes of regional significance must be deposited in the
35.15 routes of regional significance account, which is created in the state treasury, and used as
35.16 grants to statutory or home rule charter cities, towns, and counties to assist in paying the
35.17 costs of constructing or reconstructing city streets, county highways, or town roads with
35.18 statewide or regional significance that have not been fully funded through other state, federal,
35.19 or local funding sources.

35.20 (h) As part of each biennial budget submission to the legislature, the commissioner shall
35.21 describe how the money in the flexible highway account will be apportioned among the
35.22 county turnback account, the municipal turnback account, the trunk highway fund for routes
35.23 turned back to local governments by agreement, the highway safety improvement account,
35.24 and the routes of regional significance account.

35.25 ~~(i) The excess sum is calculated as the sum of revenue within the flexible highway~~
35.26 ~~account:~~

35.27 ~~(1) attributed to that portion of the gasoline excise tax rate under section 296A.07,~~
35.28 ~~subdivision 3, in excess of 20 cents per gallon, and to that portion of the excise tax rates in~~
35.29 ~~excess of the energy equivalent of a gasoline excise tax rate of 20 cents per gallon for E85~~
35.30 ~~and M85 under section 296A.07, subdivision 3, and special fuel under section 296A.08,~~
35.31 ~~subdivision 2;~~

35.32 ~~(2) attributed to a change in the passenger vehicle registration tax under section 168.013,~~
35.33 ~~imposed on or after July 1, 2008, that exceeds (i) the amount collected in fiscal year 2008,~~

36.1 ~~multiplied by (ii) the annual average United States Consumer Price Index for the calendar~~
 36.2 ~~year previous to the current calendar year, divided by the annual average United States~~
 36.3 ~~Consumer Price Index for calendar year 2007; and~~

36.4 ~~(3) attributed to that portion of the motor vehicle sales tax revenue in excess of the~~
 36.5 ~~percentage allocated to the flexible highway account in fiscal year 2007.~~

36.6 ~~(j) For purposes of this subdivision, the United States Consumer Price Index identified~~
 36.7 ~~in paragraph (i), clause (2), is for all urban consumers, United States city average, as~~
 36.8 ~~determined by the United States Department of Labor.~~

36.9 Sec. 22. Minnesota Statutes 2016, section 161.088, subdivision 4, is amended to read:

36.10 Subd. 4. **Project eligibility.** (a) ~~The commissioner shall establish~~ eligibility requirements
 36.11 for projects that can be funded under the program. ~~Eligibility must include~~ are:

36.12 (1) consistency with the statewide multimodal transportation plan under section 174.03;

36.13 (2) location of the project on an interregional corridor, for a project located outside of
 36.14 the Department of Transportation metropolitan district;

36.15 (3) placement into at least one project classification under subdivision 3;

36.16 (4) ~~a maximum project construction work will commence within three years, or a longer~~
 36.17 ~~length of time, as determined by the commissioner, until commencement of construction~~
 36.18 ~~work on the project; and~~

36.19 (5) for each type of project classification under subdivision 3, a maximum allowable
 36.20 amount for the total project cost estimate, as determined by the commissioner with available
 36.21 data.

36.22 (b) A project whose construction is programmed in the state transportation improvement
 36.23 program is not eligible for funding under the program. This paragraph does not apply to a
 36.24 project that is programmed as result of selection under this section.

36.25 (c) A project may be, but is not required to be, identified in the 20-year state highway
 36.26 ~~capital~~ investment plan under section 174.03.

36.27 (d) For each project, the commissioner must consider all of the eligibility requirements
 36.28 under paragraph (a). The commissioner is prohibited from considering any eligibility
 36.29 requirement not specified under paragraph (a).

37.1 Sec. 23. Minnesota Statutes 2016, section 161.088, subdivision 5, is amended to read:

37.2 Subd. 5. **Project selection process; criteria.** (a) The commissioner ~~shall~~ must establish
 37.3 a process ~~for identification, evaluation, and selection of~~ to identify, evaluate, and select
 37.4 projects under the program. The process must be consistent with the requirements of this
 37.5 subdivision and must not include any additional evaluation criteria.

37.6 (b) As part of the project selection process, the commissioner ~~shall~~ must annually accept
 37.7 recommendations on candidate projects from area transportation partnerships and other
 37.8 interested stakeholders in each Department of Transportation district. The commissioner
 37.9 must determine the eligibility for each candidate project identified under this paragraph;
 37.10 ~~the commissioner shall determine eligibility, classify, and if appropriate, evaluate the project~~
 37.11 ~~for the program.~~ For each eligible project, the commissioner must classify and evaluate the
 37.12 project for the program, using all of the criteria established under paragraph (c).

37.13 (c) ~~Project evaluation and prioritization must be performed on the basis of objective~~
 37.14 ~~criteria, which must include~~ Projects must be evaluated using all of the following criteria:

37.15 (1) a return on investment measure that provides for comparison across eligible projects;

37.16 (2) measurable impacts on commerce and economic competitiveness;

37.17 (3) efficiency in the movement of freight, including but not limited to:

37.18 (i) measures of annual average daily traffic and commercial vehicle miles traveled, which
 37.19 may include data near the project location on that trunk highway or on connecting trunk
 37.20 and local highways; and

37.21 (ii) measures of congestion or travel time reliability, which may be within or near the
 37.22 project limits, or both;

37.23 (4) improvements to traffic safety;

37.24 (5) connections to regional trade centers, local highway systems, and other transportation
 37.25 modes;

37.26 (6) the extent to which the project addresses multiple transportation system policy
 37.27 objectives and principles; ~~and~~

37.28 (7) support and consensus for the project among members of the surrounding community;
 37.29 and

37.30 (8) regional balance throughout the state.

38.1 (d) The list of all projects evaluated must be made public and must include the score of
 38.2 each project.

38.3 (e) As part of the project selection process, the commissioner may divide funding to be
 38.4 separately available among projects within each classification under subdivision 3, and may
 38.5 apply separate or modified criteria among those projects falling within each classification.

38.6 Sec. 24. Minnesota Statutes 2016, section 161.088, subdivision 7, is amended to read:

38.7 Subd. 7. **Legislative report; evaluation.** (a) ~~Starting in 2014,~~ Annually by November
 38.8 1, the commissioner ~~shall~~ must electronically submit a report on the corridors of commerce
 38.9 program to the chairs and ranking minority members of the legislative committees with
 38.10 jurisdiction over transportation policy and finance. At a minimum, the report must include:

38.11 (1) a summary of the program, including a review of ~~the~~:

38.12 (i) project selection process details that address program design and implementation,
 38.13 decision-making procedures, and eligibility and criteria, evaluation;

38.14 (ii) criteria measurement methodologies and criteria weighting used in project selection;
 38.15 and

38.16 (iii) the policy that provides the weight given each criterion;

38.17 (2) a summary of program finance, including funds expended in the previous selection
 38.18 cycle, any future operating costs assigned under subdivision 6, and total funds expended
 38.19 since program inception;

38.20 ~~(2)~~ (3) a listing list of projects funded under the program in the previous selection cycle,
 38.21 including:

38.22 (i) project classification;

38.23 (ii) a breakdown of project costs and funding sources; and

38.24 (iii) ~~any future operating costs assigned under subdivision 6; and~~

38.25 ~~(iv)~~ a brief project description that is comprehensible to a lay audience;

38.26 ~~(3)~~ (4) a listing comprehensive list of evaluated projects and candidate project
 38.27 recommendations as required under subdivision 5, paragraph (b), including that identifies
 38.28 for each project: eligibility, classification, evaluation results for each criterion, score, and
 38.29 disposition in the selection process; and

38.30 ~~(4)~~ (5) any recommendations for changes to statutory requirements of the program.

39.1 (b) ~~Starting in 2016, and~~ In every even-numbered year thereafter, the commissioner
 39.2 ~~shall~~ must incorporate into the report the results of an independent evaluation of impacts
 39.3 and effectiveness of the program. The evaluation must be performed by agency staff or a
 39.4 consultant. The individual or individuals performing the evaluation must have experience
 39.5 in program evaluation, but must not be regularly involved in the program's implementation.

39.6 (c) Notwithstanding paragraph (a), a report is not required in a year in which:

39.7 (1) no project selection was completed during the preceding 12 months; and

39.8 (2) an evaluation under paragraph (b) is not due.

39.9 Sec. 25. Minnesota Statutes 2016, section 161.115, subdivision 190, is amended to read:

39.10 Subd. 190. **Route No. 259.** Beginning at a point on Statutory Route No. 100, at or near
 39.11 Henderson; thence extending in a general southeasterly direction to a point ~~on Statutory~~
 39.12 ~~Route No. 123~~, at or near Le Sueur.

39.13 **EFFECTIVE DATE.** This section is effective the day after the commissioner of
 39.14 transportation receives a copy of the agreement between the commissioner of transportation
 39.15 and the governing body of Le Sueur County to transfer jurisdiction of Legislative Route
 39.16 No. 123 and after the commissioner notifies the revisor of statutes under section 145,
 39.17 paragraph (b).

39.18 Sec. 26. Minnesota Statutes 2016, section 161.14, is amended by adding a subdivision to
 39.19 read:

39.20 Subd. 83. **Chip A. Imker Memorial Highway.** That segment of marked Trunk Highway
 39.21 65 from Isanti County State-Aid Highway 19, known as 305th Avenue NE, to the northerly
 39.22 limit of Cambridge Township is designated as "Chip A. Imker Memorial Highway." Subject
 39.23 to section 161.139, the commissioner shall adopt a suitable design to mark this highway
 39.24 and erect appropriate signs.

39.25 Sec. 27. Minnesota Statutes 2016, section 161.14, is amended by adding a subdivision to
 39.26 read:

39.27 Subd. 84. **Medal of Honor Recipient Kenneth L. Olson Highway.** That segment of
 39.28 marked Trunk Highway 23 within the city of Paynesville and the town of Paynesville is
 39.29 designated as "Medal of Honor Recipient Kenneth L. Olson Highway." Subject to section
 39.30 161.139, the commissioner shall adopt a suitable design to mark this highway and erect
 39.31 appropriate signs.

40.1 Sec. 28. Minnesota Statutes 2016, section 161.14, is amended by adding a subdivision to
40.2 read:

40.3 Subd. 85. **Corporal Benjamin S. Kopp Bridge.** The bridge on Dakota County State-Aid
40.4 Highway 46, known as Brandel Drive within the city of Coates, over marked U.S. Highway
40.5 52 is designated as "Corporal Benjamin S. Kopp Bridge." Subject to section 161.139, the
40.6 commissioner shall adopt a suitable design to mark this highway and erect appropriate signs.

40.7 Sec. 29. Minnesota Statutes 2016, section 161.14, is amended by adding a subdivision to
40.8 read:

40.9 Subd. 86. **Senator Jim Metzen Memorial Highway.** That segment of marked U.S.
40.10 Highway 52 located within Dakota County is designated as "Senator Jim Metzen Memorial
40.11 Highway." Notwithstanding section 161.139, the commissioner shall adopt a suitable design
40.12 to mark this highway and erect appropriate signs.

40.13 Sec. 30. Minnesota Statutes 2016, section 161.21, subdivision 1, is amended to read:

40.14 Subdivision 1. **Location and design of highways.** The commissioner may make or
40.15 cause to be made such studies and investigations as the commissioner deems necessary for
40.16 the purpose of determining the most advantageous location and design of trunk highways
40.17 from the standpoint of both present and future traffic needs, and in making such
40.18 determinations the commissioner may take into consideration the probable future
40.19 development of both urban and rural areas and the effect of such development on future
40.20 traffic needs as indicated by such studies and investigations and the location and design
40.21 with respect to ~~recreational vehicle lane~~ bikeway establishment.

40.22 Sec. 31. Minnesota Statutes 2016, section 161.321, subdivision 6, is amended to read:

40.23 Subd. 6. **Rules; eligibility.** ~~(a)~~ The rules adopted by the commissioner of administration
40.24 to define small businesses and to set time and other eligibility requirements for participation
40.25 in programs under sections 16C.16 to 16C.19 apply to this section. The commissioner may
40.26 promulgate other rules necessary to carry out this section.

40.27 ~~(b) In addition to other eligibility requirements, a small targeted group business or~~
40.28 ~~veteran-owned small business is eligible for the bid preferences under this section only for~~
40.29 ~~eight years following the latest of:~~

40.30 ~~(1) May 1, 2012;~~

41.1 ~~(2) for a targeted group business, the date of initial certification by the commissioner of~~
 41.2 ~~administration, as provided under section 16C.19;~~

41.3 ~~(3) for a veteran-owned small business, the date of initial certification by the United~~
 41.4 ~~States Department of Veterans Affairs, as provided under section 16C.19, paragraph (d);~~
 41.5 ~~or~~

41.6 ~~(4) for a veteran-owned small business, the release or discharge of any one of the owners~~
 41.7 ~~from military active service, as defined in section 190.05, subdivision 5, lasting for a period~~
 41.8 ~~of 179 days or longer.~~

41.9 Sec. 32. Minnesota Statutes 2016, section 161.38, is amended by adding a subdivision to
 41.10 read:

41.11 Subd. 8. **Spending on trunk highway system.** The commissioner must maintain
 41.12 information on expenditures by local road authorities from local funding sources for trunk
 41.13 highway system projects.

41.14 Sec. 33. Minnesota Statutes 2016, section 161.44, subdivision 5, is amended to read:

41.15 Subd. 5. **Conveyance to highest bidder in certain cases.** If the larger tract has been
 41.16 platted into lots or divided into smaller tracts and the commissioner elects to proceed under
 41.17 this subdivision, ~~or if~~ the lands constituted an entire tract and the person from whom the
 41.18 lands were acquired and the person's spouse are deceased, or ~~if~~ the offers as provided for
 41.19 are not accepted and the amount of money not tendered within the time prescribed, the lands
 41.20 may be sold and conveyed to the owner of the land abutting upon the lands in the same
 41.21 manner and under the same terms provided under subdivision 2, or the commissioner may
 41.22 sell the lands to the highest responsible bidder upon three weeks' published notice of such
 41.23 sale in a newspaper or other periodical of general circulation in the general area where the
 41.24 lands are located. All bids may be rejected and new bids received upon like advertisement.

41.25 Sec. 34. Minnesota Statutes 2016, section 161.44, subdivision 6a, is amended to read:

41.26 Subd. 6a. **Services of licensed real estate broker.** If the lands ~~remain unsold after being~~
 41.27 ~~offered for sale to the highest bidder~~ are withdrawn from sale under subdivision 6b, the
 41.28 commissioner may retain the services of a licensed real estate broker to find a buyer. The
 41.29 sale price may be negotiated by the broker, but must not be less than 90 percent of the
 41.30 appraised market value as determined by the commissioner. The broker's fee must be
 41.31 established by prior agreement between the commissioner and the broker, and must not

42.1 exceed ten percent of the sale price for sales of \$10,000 or more. The broker's fee must be
42.2 paid to the broker from the proceeds of the sale.

42.3 Sec. 35. Minnesota Statutes 2016, section 161.44, is amended by adding a subdivision to
42.4 read:

42.5 Subd. 6b. **Unsold lands.** If lands remain unsold after being offered for sale to the highest
42.6 bidder, the commissioner may offer the remaining lands to any person who agrees to pay
42.7 the minimum bid established for the public sale. The sale must continue until all eligible
42.8 lands have been sold or the commissioner withdraws the remaining lands from sale. The
42.9 lands to be sold must be listed on the department's Unsold Property Inventory list.

42.10 Sec. 36. Minnesota Statutes 2016, section 168.013, subdivision 1a, is amended to read:

42.11 Subd. 1a. **Passenger automobile; hearse.** (a) On passenger automobiles as defined in
42.12 section 168.002, subdivision 24, and hearses, except as otherwise provided, the tax ~~shall be~~
42.13 is \$10 plus an additional tax equal to 1.25 percent of the base value.

42.14 (b) Subject to the classification provisions herein, "base value" means the manufacturer's
42.15 suggested retail price of the vehicle including destination charge using list price information
42.16 published by the manufacturer or determined by the registrar if no suggested retail price
42.17 exists, and shall not include the cost of each accessory or item of optional equipment
42.18 separately added to the vehicle and the suggested retail price.

42.19 (c) If the manufacturer's list price information contains a single vehicle identification
42.20 number followed by various descriptions and suggested retail prices, the registrar shall
42.21 select from those listings only the lowest price for determining base value.

42.22 (d) If unable to determine the base value because the vehicle is specially constructed,
42.23 or for any other reason, the registrar may establish such value upon the cost price to the
42.24 purchaser or owner as evidenced by a certificate of cost but not including Minnesota sales
42.25 or use tax or any local sales or other local tax.

42.26 (e) The registrar shall classify every vehicle in its proper base value class as follows:

42.27	FROM	TO
42.28	\$ 0	\$ 199.99
42.29	\$ 200	\$ 399.99

42.30 and thereafter a series of classes successively set in brackets having a spread of \$200
42.31 consisting of such number of classes as will permit classification of all vehicles.

43.1 (f) The base value for purposes of this section shall be the middle point between the
43.2 extremes of its class.

43.3 (g) The registrar shall establish the base value, when new, of every passenger automobile
43.4 and hearse registered prior to the effective date of Extra Session Laws 1971, chapter 31,
43.5 using list price information published by the manufacturer or any nationally recognized
43.6 firm or association compiling such data for the automotive industry. If unable to ascertain
43.7 the base value of any registered vehicle in the foregoing manner, the registrar may use any
43.8 other available source or method. The registrar shall calculate tax using base value
43.9 information available to dealers and deputy registrars at the time the application for
43.10 registration is submitted. The tax on all previously registered vehicles shall be computed
43.11 upon the base value thus determined taking into account the depreciation provisions of
43.12 paragraph (h).

43.13 (h) The annual additional tax must be computed upon a percentage of the base value as
43.14 follows: during the first year of vehicle life, upon 100 percent of the base value; for the
43.15 second year, 90 percent of such value; for the third year, 80 percent of such value; for the
43.16 fourth year, 70 percent of such value; for the fifth year, 60 percent of such value; for the
43.17 sixth year, 50 percent of such value; for the seventh year, 40 percent of such value; for the
43.18 eighth year, 30 percent of such value; for the ninth year, 20 percent of such value; for the
43.19 tenth year, ten percent of such value; for the 11th and each succeeding year, the sum of \$25.

43.20 (i) In no event shall the annual additional tax be less than \$25.

43.21 (j) For any vehicle previously registered in Minnesota and regardless of prior ownership,
43.22 the annual additional tax total amount due under this subdivision and subdivision 1m must
43.23 not exceed the smallest total amount of annual additional tax previously paid or due on the
43.24 vehicle.

43.25 **EFFECTIVE DATE.** This section is effective the day following final enactment, and
43.26 applies to taxes payable for a registration period starting on or after January 1, 2018.

43.27 Sec. 37. Minnesota Statutes 2016, section 168.013, is amended by adding a subdivision
43.28 to read:

43.29 Subd. 1m. **Electric vehicle.** In addition to the tax under subdivision 1a, a surcharge of
43.30 \$75 is imposed for an all-electric vehicle, as defined in section 169.011, subdivision 1a.
43.31 Notwithstanding subdivision 8, revenue from the fee imposed under this subdivision must
43.32 be deposited in the highway user tax distribution fund.

44.1 **EFFECTIVE DATE.** This section is effective the day following final enactment, and
44.2 applies to a registration period starting on or after January 1, 2018.

44.3 Sec. 38. Minnesota Statutes 2016, section 168.021, subdivision 1, is amended to read:

44.4 Subdivision 1. **Disability plates; application.** (a) When a motor vehicle registered under
44.5 section 168.017, a motorcycle, a motorized bicycle, a one-ton pickup truck, or a self-propelled
44.6 recreational vehicle is owned or primarily operated by a permanently physically disabled
44.7 person or a custodial parent or guardian of a permanently physically disabled ~~minor~~ person,
44.8 the owner may apply for and secure from the commissioner (1) immediately, a temporary
44.9 permit valid for 30 days if the applicant is eligible for the disability plates issued under this
44.10 section and (2) two disability plates with attached emblems, one plate to be attached to the
44.11 front, and one to the rear of the motor vehicle, truck, or recreational vehicle, or, in the case
44.12 of a motorcycle or a motorized bicycle, one disability plate the same size as a regular
44.13 motorcycle plate.

44.14 (b) The commissioner shall not issue more than one plate to the owner of a motorcycle
44.15 or a motorized bicycle and not more than one set of plates to any owner of another vehicle
44.16 described in paragraph (a) at the same time unless the state Council on Disability approves
44.17 the issuance of a second plate or set of plates to an owner.

44.18 (c) When the owner first applies for the disability plate or plates, the owner must submit
44.19 a medical statement in a format approved by the commissioner under section 169.345, or
44.20 proof of physical disability provided for in that section.

44.21 (d) No medical statement or proof of disability is required when an owner applies for a
44.22 plate or plates for one or more vehicles listed in paragraph (a) that are specially modified
44.23 for and used exclusively by permanently physically disabled persons.

44.24 (e) The owner of a vehicle listed in paragraph (a) may apply for and secure (i)
44.25 immediately, a permit valid for 30 days, if the applicant is eligible to receive the disability
44.26 plate or plates issued under this section, and (ii) a disability plate or plates for the vehicle
44.27 if:

44.28 (1) the owner employs a permanently physically disabled person who would qualify for
44.29 the disability plate or plates under this section; and

44.30 (2) the owner furnishes the motor vehicle to the physically disabled person for the
44.31 exclusive use of that person in the course of employment.

44.32 **EFFECTIVE DATE.** This section is effective January 1, 2018.

45.1 Sec. 39. Minnesota Statutes 2016, section 168.021, subdivision 2, is amended to read:

45.2 Subd. 2. **Plate design; furnished by commissioner.** The commissioner shall design
 45.3 and furnish two disability plates, or one disability plate for a motorcycle or a motorized
 45.4 bicycle that is the same size as a regular motorcycle plate, with attached emblem or emblems
 45.5 to an eligible owner. The emblem must bear the internationally accepted wheelchair symbol,
 45.6 as designated in section 326B.106, subdivision 9, approximately three inches square. The
 45.7 emblem must be large enough to be visible plainly from a distance of 50 feet. An applicant
 45.8 eligible for a disability plate or plates shall pay the motor vehicle registration fee authorized
 45.9 by sections 168.013 and 168.09.

45.10 **EFFECTIVE DATE.** This section is effective January 1, 2018.

45.11 Sec. 40. Minnesota Statutes 2016, section 168.021, subdivision 2a, is amended to read:

45.12 Subd. 2a. **Plate transfer.** (a) When ownership of a vehicle described in subdivision 1,
 45.13 is transferred, the owner of the vehicle shall remove the disability plate or plates. The buyer
 45.14 of the motor vehicle is entitled to receive a regular plate or plates for the vehicle without
 45.15 further cost for the remainder of the registration period.

45.16 (b) Notwithstanding section 168.12, subdivision 1, the disability plate or plates may be
 45.17 transferred to a replacement vehicle on notification to the commissioner. However, the
 45.18 disability plate or plates may not be transferred unless the replacement vehicle (1) is listed
 45.19 under section 168.012, subdivision 1, and, in case of a single plate for a motorcycle or a
 45.20 motorized bicycle, the replacement vehicle is a motorcycle or a motorized bicycle, and (2)
 45.21 is owned or primarily operated by the permanently physically disabled person.

45.22 **EFFECTIVE DATE.** This section is effective January 1, 2018.

45.23 Sec. 41. **[168.1256] RETIRED LAW ENFORCEMENT SPECIAL PLATES.**

45.24 Subdivision 1. **Issuance of plates.** The commissioner shall issue retired law enforcement
 45.25 license special plates or a single motorcycle plate to an applicant who:

45.26 (1) is a registered owner of a passenger automobile, noncommercial one-ton pickup
 45.27 truck, motorcycle, or recreational vehicle;

45.28 (2) is a retired peace officer as defined in section 626.84, subdivision 1, paragraph (c)
 45.29 or (d);

45.30 (3) provides a letter from the chief law enforcement officer affirming that the applicant
 45.31 is a retired peace officer who served ten or more years and separated in good standing;

46.1 (4) pays a fee of \$10 for each set of plates, along with any other fees required by this
46.2 chapter;

46.3 (5) pays the registration tax as required under section 168.013; and

46.4 (6) complies with this chapter and rules governing registration of motor vehicles and
46.5 licensing of drivers.

46.6 Subd. 2. **Design.** The commissioner shall design an emblem and inscription for the
46.7 special plates, in consultation with interested law enforcement agencies and organizations.

46.8 Subd. 3. **Plates transfer.** On application to the commissioner and payment of a transfer
46.9 fee of \$5, special plates issued under this section may be transferred to another motor vehicle
46.10 if the subsequent vehicle is:

46.11 (1) qualified under subdivision 1, clause (1), to bear the special plates; and

46.12 (2) registered to the same individual to whom the special plates were originally issued.

46.13 Subd. 4. **Exemption.** Special plates issued under this section are not subject to section
46.14 168.1293, subdivision 2.

46.15 **EFFECTIVE DATE.** This section is effective January 1, 2018, for special retired law
46.16 enforcement plates issued on or after that date.

46.17 Sec. 42. **[168.1294] "START SEEING MOTORCYCLES" SPECIAL PLATES.**

46.18 Subdivision 1. **Issuance of plates.** The commissioner must issue "Start Seeing
46.19 Motorcycles" special license plates or a single motorcycle plate to an applicant who:

46.20 (1) is a registered owner of a passenger automobile, noncommercial one-ton pickup
46.21 truck, motorcycle, or recreational vehicle;

46.22 (2) pays a fee of \$10 for each set of plates;

46.23 (3) pays the registration tax as required under section 168.013, along with any other fees
46.24 required by this chapter;

46.25 (4) contributes a minimum of \$10 annually to the motorcycle safety fund, created under
46.26 section 171.06, subdivision 2a, paragraph (a), clause (1); and

46.27 (5) complies with this chapter and rules governing registration of motor vehicles and
46.28 licensing of drivers.

46.29 Subd. 2. **Design.** The representatives of American Bikers for Awareness, Training, and
46.30 Education of Minnesota must design the special plate to contain the inscription "Start Seeing

47.1 Motorcycles" between the bolt holes on the bottom of the plate with a design area on the
47.2 left side of the plate, subject to the approval of the commissioner.

47.3 Subd. 3. **Plates transfer.** On application to the commissioner and payment of a transfer
47.4 fee of \$5, special plates issued under this section may be transferred to another motor vehicle
47.5 if the subsequent vehicle is:

47.6 (1) qualified under subdivision 1, clause (1), to bear the special plates; and

47.7 (2) registered to the same individual to whom the special plates were originally issued.

47.8 Subd. 4. **Exemption.** Special plates issued under this section are not subject to section
47.9 168.1293, subdivision 2.

47.10 Subd. 5. **Fees.** Fees collected under subdivision 1, clause (2), and subdivision 3 are
47.11 credited to the vehicle services operating account in the special revenue fund.

47.12 Subd. 6. **No refund.** Contributions under this section must not be refunded.

47.13 **EFFECTIVE DATE.** This section is effective January 1, 2018, for special "Start Seeing
47.14 Motorcycles" plates issued on or after that date.

47.15 Sec. 43. Minnesota Statutes 2016, section 168.27, is amended by adding a subdivision to
47.16 read:

47.17 Subd. 31. **Documentary fee.** (a) A motor vehicle dealer may not charge a documentary
47.18 fee or document administration fee in excess of the amounts provided under paragraph (b)
47.19 for services actually rendered to, for, or on behalf of the retail buyer or lessee to prepare,
47.20 handle, and process documents for the closing of a motor vehicle retail sale or lease. The
47.21 fee must be separately stated on the sales agreement maintained under Minnesota Rules,
47.22 part 7400.5200, and may be excluded from the dealer's advertised price.

47.23 (b) For motor vehicle sales or leases made on or after July 1, 2017, through June 30,
47.24 2020, the maximum fee is \$100. For motor vehicle sales or leases made on or after July 1,
47.25 2020, the maximum fee is \$125.

47.26 (c) "Documentary fee" and "document administration fee" do not include an optional
47.27 electronic transfer fee as defined under section 53C.01, subdivision 14.

47.28 Sec. 44. Minnesota Statutes 2016, section 168.33, subdivision 2, is amended to read:

47.29 Subd. 2. **Deputy registrars.** (a) The commissioner may appoint, and for cause
47.30 discontinue, a deputy registrar for any statutory or home rule charter city as the public
47.31 interest and convenience may require, without regard to whether the county auditor of the

48.1 county in which the city is situated has been appointed as the deputy registrar for the county
48.2 or has been discontinued as the deputy registrar for the county, and without regard to whether
48.3 the county in which the city is situated has established a county license bureau that issues
48.4 motor vehicle licenses as provided in section 373.32.

48.5 (b) The commissioner may appoint, and for cause discontinue, a deputy registrar for any
48.6 statutory or home rule charter city as the public interest and convenience may require, if
48.7 the auditor for the county in which the city is situated chooses not to accept appointment
48.8 as the deputy registrar for the county or is discontinued as a deputy registrar, or if the county
48.9 in which the city is situated has not established a county license bureau that issues motor
48.10 vehicle licenses as provided in section 373.32.

48.11 (c) The commissioner may appoint, and for cause discontinue, the county auditor of
48.12 each county as a deputy registrar.

48.13 (d) Despite any other provision, a person other than a county auditor or a director of a
48.14 county license bureau, who was appointed by the registrar before August 1, 1976, as a
48.15 deputy registrar for any statutory or home rule charter city, may continue to serve as deputy
48.16 registrar and may be discontinued for cause only by the commissioner. The county auditor
48.17 who appointed the deputy registrars is responsible for the acts of deputy registrars appointed
48.18 by the auditor.

48.19 (e) Each deputy, before entering upon the discharge of duties, shall take and subscribe
48.20 an oath to faithfully discharge the duties and to uphold the laws of the state.

48.21 (f) If a deputy registrar appointed under this subdivision is not an officer or employee
48.22 of a county or statutory or home rule charter city, the deputy shall in addition give bond to
48.23 the state in the sum of \$10,000, or a larger sum as may be required by the commissioner,
48.24 conditioned upon the faithful discharge of duties as deputy registrar.

48.25 (g) A corporation governed by chapter 302A or 317A may be appointed a deputy registrar.
48.26 Upon application by an individual serving as a deputy registrar and the giving of the requisite
48.27 bond as provided in this subdivision, personally assured by the individual or another
48.28 individual approved by the commissioner, a corporation named in an application then
48.29 becomes the duly appointed and qualified successor to the deputy registrar.

48.30 (h) Each deputy registrar appointed under this subdivision shall keep and maintain office
48.31 locations approved by the commissioner for the registration of vehicles and the collection
48.32 of taxes and fees on vehicles.

49.1 (i) The deputy registrar shall keep records and make reports to the commissioner as the
 49.2 commissioner requires. The records must be maintained at the offices of the deputy registrar
 49.3 in a manner that complies with sections 13.05, subdivision 5, and 13.055. As an alternative
 49.4 to paper copy storage, a deputy registrar may retain records and documents in a secure
 49.5 electronic medium that complies with the security requirements under the United States
 49.6 Federal Bureau of Investigation, Criminal Justice Information Services Division, Policy 5.4
 49.7 or any successor policy, provided 60 days have elapsed since the transaction and subject to
 49.8 standards established by the commissioner. The deputy registrar is responsible for all costs
 49.9 associated with the conversion to electronic records and maintenance of the electronic
 49.10 storage medium, including the destruction of existing paper records after conversion to the
 49.11 electronic format. All queries and responses in the secure electronic medium, and all actions
 49.12 in which data are entered, updated, accessed, or shared or disseminated by the deputy
 49.13 registrar must be contained in a data audit trail. Data contained in the audit trail are public
 49.14 to the extent the data are not otherwise classified under this section. The records and offices
 49.15 of the deputy registrar must at all times be open to the inspection of the commissioner or
 49.16 the commissioner's agents. The deputy registrar shall report to the commissioner by the
 49.17 next working day following receipt all registrations made and taxes and fees collected by
 49.18 the deputy registrar.

49.19 (j) The filing fee imposed under subdivision 7 must be deposited in the treasury of the
 49.20 place for which appointed or, if not a public official, a deputy shall retain the filing fee, but
 49.21 the registration tax and any additional fees for delayed registration the deputy registrar has
 49.22 collected the deputy registrar shall deposit by the next working day following receipt in an
 49.23 approved state depository to the credit of the state through the commissioner of management
 49.24 and budget. The place for which the deputy registrar is appointed through its governing
 49.25 body must provide the deputy registrar with facilities and personnel to carry out the duties
 49.26 imposed by this subdivision if the deputy is a public official. In all other cases, the deputy
 49.27 shall maintain a suitable facility for serving the public.

49.28 Sec. 45. Minnesota Statutes 2016, section 168A.09, subdivision 1, is amended to read:

49.29 Subdivision 1. **Application, issuance, form, bond, and notice.** (a) In the event a
 49.30 certificate of title is lost, stolen, mutilated, ~~or~~ destroyed, or becomes illegible, the owner or
 49.31 legal representative of the owner named in the certificate may ~~make~~ submit an application
 49.32 to the department or a deputy registrar for a duplicate in a format prescribed by the
 49.33 department. The department ~~shall~~ or deputy registrar must issue a duplicate certificate of
 49.34 title if satisfied that the applicant is entitled ~~thereto~~ to the duplicate certificate of title. The
 49.35 duplicate certificate of title ~~shall~~ must be plainly marked as a duplicate and mailed or

50.1 delivered to the owner. The department ~~shall~~ or deputy registrar must indicate in ~~its~~ the
50.2 driver and vehicle information system records that a duplicate certificate of title has been
50.3 issued. As a condition to issuing a duplicate certificate of title, the department may require
50.4 a bond from the applicant in the manner and format prescribed in section 168A.07,
50.5 subdivision 1, clause (2). The duplicate certificate of title ~~shall~~ must contain the legend:
50.6 "This duplicate certificate of title may be subject to the rights of a person under the original
50.7 certificate."

50.8 (b) On and after the effective date of this section, the commissioner must allow duplicate
50.9 certificate of title issuance by a deputy registrar, subject to procedures established by the
50.10 commissioner.

50.11 **EFFECTIVE DATE.** This section is effective August 1, 2018.

50.12 Sec. 46. **[168A.125] TRANSFER-ON-DEATH TITLE TO MOTOR VEHICLE.**

50.13 Subdivision 1. **Titled as transfer-on-death.** A natural person who is the owner of a
50.14 motor vehicle may have the motor vehicle titled in transfer-on-death or TOD form by
50.15 including in the application for the certificate of title a designation of a beneficiary or
50.16 beneficiaries to whom the motor vehicle must be transferred on death of the owner or the
50.17 last survivor of joint owners with rights of survivorship, subject to the rights of secured
50.18 parties.

50.19 Subd. 2. **Designation of beneficiary.** A motor vehicle is registered in transfer-on-death
50.20 form by designating on the certificate of title the name of the owner and the names of joint
50.21 owners with identification of rights of survivorship, followed by the words "transfer-on-death
50.22 to (name of beneficiary or beneficiaries)." The designation "TOD" may be used instead of
50.23 "transfer-on-death." A title in transfer-on-death form is not required to be supported by
50.24 consideration, and the certificate of title in which the designation is made is not required to
50.25 be delivered to the beneficiary or beneficiaries in order for the designation to be effective.
50.26 If the owner of the motor vehicle is married at the time of the designation, the designation
50.27 of a beneficiary other than the owner's spouse requires the spouse's written consent.

50.28 Subd. 3. **Interest of beneficiary.** The transfer-on-death beneficiary or beneficiaries have
50.29 no interest in the motor vehicle until the death of the owner or the last survivor of joint
50.30 owners with rights of survivorship. A beneficiary designation may be changed at any time
50.31 by the owner or by all joint owners with rights of survivorship, without the consent of the
50.32 beneficiary or beneficiaries, by filing an application for a new certificate of title.

51.1 Subd. 4. Vesting of ownership in beneficiary. Ownership of a motor vehicle titled in
 51.2 transfer-on-death form vests in the designated beneficiary or beneficiaries on the death of
 51.3 the owner or the last of the joint owners with rights of survivorship, subject to the rights of
 51.4 secured parties. The transfer-on-death beneficiary or beneficiaries who survive the owner
 51.5 may apply for a new certificate of title to the motor vehicle upon submitting a certified death
 51.6 record of the owner of the motor vehicle. If no transfer-on-death beneficiary or beneficiaries
 51.7 survive the owner of a motor vehicle, the motor vehicle must be included in the probate
 51.8 estate of the deceased owner. A transfer of a motor vehicle to a transfer-on-death beneficiary
 51.9 or beneficiaries is not a testamentary transfer.

51.10 Subd. 5. Rights of creditors. (a) This section does not limit the rights of any secured
 51.11 party or creditor of the owner of a motor vehicle against a transfer-on-death beneficiary or
 51.12 beneficiaries.

51.13 (b) The state or a county agency with a claim or lien authorized by section 246.53,
 51.14 256B.15, 261.04, or 270C.63 is a creditor for purposes of this subdivision. A claim authorized
 51.15 by section 256B.15 against the estate of an owner of a motor vehicle titled in
 51.16 transfer-on-death form voids any transfer-on-death conveyance of a motor vehicle as
 51.17 described in this section. A claim or lien under section 246.53, 261.04, or 270C.63 continues
 51.18 to apply against the designated beneficiary or beneficiaries after the transfer under this
 51.19 section if other assets of the deceased owner's estate are insufficient to pay the amount of
 51.20 the claim. The claim or lien continues to apply to the motor vehicle until the designated
 51.21 beneficiary sells or transfers it to a person against whom the claim or lien does not apply
 51.22 and who did not have actual notice or knowledge of the claim or lien.

51.23 Sec. 47. Minnesota Statutes 2016, section 168A.141, is amended to read:

51.24 **168A.141 MANUFACTURED HOME AFFIXED TO REAL PROPERTY.**

51.25 Subdivision 1. **Certificates surrendered for cancellation.** (a) When a manufactured
 51.26 home is to be affixed or is affixed, as defined in section 273.125, subdivision 8, paragraph
 51.27 (b), to real property, ~~and financed by the giving of a mortgage on the real property~~, the
 51.28 owner of the manufactured home ~~shall~~ may surrender the manufacturer's certificate of origin
 51.29 or certificate of title to the department for cancellation. ~~The owner of so that~~ the manufactured
 51.30 home ~~shall give the department the address and legal description of the~~ becomes an
 51.31 improvement to real property. ~~The department may require the filing of other information~~
 51.32 and is no longer titled as personal property. The department must not issue a certificate of
 51.33 title for a manufactured home under chapter 168A if the manufacturer's certificate of origin
 51.34 is or has been surrendered under this subdivision, except as provided in section 168A.142.

52.1 Upon surrender of the manufacturer's certificate of origin or the certificate of title, the
52.2 department ~~shall~~ must issue notice of surrender to the owner, and upon recording an affidavit
52.3 of affixation, which the county recorder or registrar of titles, as applicable, must accept, the
52.4 manufactured home is deemed to be an improvement to real property. The notice of surrender
52.5 may be recorded in the office of the county recorder or with the registrar of titles if the land
52.6 is registered but need not contain an acknowledgment. An affidavit of affixation by the
52.7 owner of the manufactured home must include the following information:

52.8 (1) the name, residence address, and mailing address of owner or owners of the
52.9 manufactured home;

52.10 (2) the legal description of the real property in which the manufactured home is, or will
52.11 be, located;

52.12 (3) a copy of the surrendered manufacturer's certificate of origin or certificate of title
52.13 and the notice of surrender;

52.14 (4) a written statement from the county auditor or county treasurer of the county where
52.15 the manufactured home is located stating that all property taxes payable in the current year,
52.16 as provided under section 273.125, subdivision 8, paragraph (b), have been paid, or are not
52.17 applicable;

52.18 (5) the name and address of the person designated by the applicant to record the original
52.19 affidavit of affixation with the county recorder or registrar of titles for the county where the
52.20 real property is located; and

52.21 (6) the signature of the person who executes the affidavit, properly executed before a
52.22 person authorized to authenticate an affidavit in this state.

52.23 (b) The person designated in paragraph (a), clause (5), must record, or arrange for the
52.24 recording of, the affidavit of affixation, accompanied by the fees for recording and for
52.25 issuing a certified copy of the notice, including all attachments, showing the recording date.
52.26 Upon obtaining the certified copy of the notice under this paragraph, the person designated
52.27 in the affidavit must deliver the certified copy to the county auditor of the county in which
52.28 the real property to which the manufactured home was affixed is located.

52.29 (c) The department is not liable for any errors, omissions, misstatements, or other
52.30 deficiencies or inaccuracies in documents presented to the department under this section,
52.31 if the documents presented appear to satisfy the requirements of this section. The department
52.32 has no obligation to investigate the accuracy of statements contained in the documents.

53.1 Subd. 1a. **Affidavit form.** An affidavit of affixation must be in substantially the following
53.2 form and must contain the following information.

53.3 **MANUFACTURED HOME AFFIDAVIT OF AFFIXATION**

53.4 PURSUANT TO MINNESOTA STATUTES, SECTION 168A.141

53.5 Homeowner, being duly sworn, on his or her oath, states as follows:

53.6 1. Homeowner owns the manufactured home ("home") described as follows:

53.7

53.8		<u>Manufacturer's</u>	<u>Model Name or</u>	<u>Manufacturer's</u>	
53.9	<u>New/Used</u>	<u>Year</u>	<u>Name</u>	<u>Model No.</u>	<u>Serial No.</u>
					<u>Length/Width</u>

53.10 2. A copy of the surrendered manufacturer's certificate of origin or certificate of title is
53.11 attached.

53.12 3. A copy of the notice of surrender issued from the Minnesota Department of Public Safety
53.13 Driver and Vehicle Services is attached.

53.14 4. The home is or will be located at the following "Property Address":

53.15

53.16 Street or Route City County State Zip Code

53.17 5. The legal description of the property address ("land") is as follows or as attached hereto:

53.18

53.19

53.20

53.21 6. The homeowner is the owner of the land.

53.22 7. The home is, or must be promptly upon delivery, anchored to the land by attachment to
53.23 a permanent foundation and connected to appropriate residential utilities (e.g., water, gas,
53.24 electricity, sewer).

53.25 8. The homeowner intends that the home be an immovable permanent improvement to the
53.26 land, free of any personal property security interest.

53.27 9. A copy of the written statement from the county auditor or county treasurer of the county
53.28 in which the manufactured home is then located, stating that all property taxes payable in
53.29 the current year (pursuant to Minnesota Statutes, section 273.125, subdivision 8, paragraph
53.30 (b)), have been paid, or are not applicable, is attached.

53.31 10. The home must be assessed and taxed as an improvement to the land.

54.1 11. The name and address of the person designated by the homeowner to record the original
 54.2 affidavit of surrender with the county recorder or registrar of titles of the county in which
 54.3 the real estate is located is:

54.4 Name
 54.5 Street Address
 54.6 City, State, Zip Code
 54.7 Phone
 54.8 E-mail

54.9 IN WITNESS WHEREOF, homeowner(s) have executed this affidavit on this day of
 54.10, 20...

54.11

54.12 Homeowner Signature Address
 54.13

54.14 Printed Name City, State
 54.15

54.16 Homeowner Signature (if applicable)
 54.17

54.18 Printed Name

54.19 This instrument was drafted by, and when recorded return to:

54.20
 54.21
 54.22

54.23 Subscribed and sworn to before me this day of,

54.24

54.25 Signature of Notary Public or Other Official

54.26 Notary Stamp or Seal

54.27 (optional)

54.28 Lender's Statement of Intent:

54.29 The undersigned ("lender") intends that the home be immovable and a permanent
 54.30 improvement to the land free of any personal property security interest.

54.31

54.32 Lender

54.33 By:

54.34 Authorized Signature

55.1 STATE OF)

55.2) ss:

55.3 COUNTY OF)

55.4 On the day of in the year before me, the undersigned, a Notary Public in and

55.5 for said state, personally appeared

55.6

55.7 personally known to me or proved to me on the basis of satisfactory evidence to be the

55.8 individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged

55.9 to me that he/she/they executed the same in his/her/their capacity(ies), and that by

55.10 his/her/their signature(s) on the instrument, the individual(s), or the person on behalf of

55.11 which the individual(s) acted, executed the instrument.

55.12

55.13 Notary Signature

55.14

55.15 Notary Printed Name

55.16 Notary Public, State of

55.17 Qualified in the County of

55.18 My commission expires

55.19 Official seal:

55.20 Subd. 2. **Perfected security interest ~~avoids cancellation~~ prevents surrender.** The
55.21 department may not cancel a certificate of title if, under this chapter, a security interest has
55.22 been perfected on the manufactured home. If a security interest has been perfected, the
55.23 department ~~shall~~ must notify the owner ~~and that~~ each secured party ~~that the~~ must release or
55.24 satisfy the security interest prior to proceeding with surrender of the manufacturer's certificate
55.25 of origin or certificate of title and a description of the security interest have been surrendered
55.26 to the department and that the department will not cancel the certificate of title until the
55.27 security interest is satisfied for cancellation. Permanent attachment to real property or the
55.28 recording of an affidavit of affixation does not extinguish an otherwise valid security interest
55.29 in or tax lien on the manufactured home, unless the requirements of section 168A.141,
55.30 subdivisions 1, 1a, and 2, including the release of any security interest, have been satisfied.

55.31 Subd. 3. **Notice of security interest ~~avoids surrender.~~** ~~The manufacturer's certificate~~
55.32 ~~of origin or the certificate of title need not be surrendered to the department under subdivision~~
55.33 ~~4~~ When a perfected security interest exists, or will exist, on the manufactured home at the
55.34 time the manufactured home is affixed to real property, if and the owner has not satisfied
55.35 the requirements of section 168A.141, subdivision 1, the owner of the manufactured home

56.1 ~~files, or its secured party, may record~~ a notice with the county recorder, or with the registrar
 56.2 of titles, if the land is registered, stating that the manufactured home located on the property
 56.3 is encumbered by a perfected security interest and is not an improvement to real property.
 56.4 The notice must state the name and address of the secured party as set forth on the certificate
 56.5 of title, the legal description of the real property, and the name and address of the record
 56.6 fee owner of the real property on which the manufactured home is affixed. When the security
 56.7 interest is released or satisfied, the secured party ~~shall~~ must attach a copy of the release or
 56.8 satisfaction to a notice executed by the secured party containing the county recorder or
 56.9 registrar of titles document number of the notice of security interest. The notice of release
 56.10 or satisfaction must be ~~filed~~ recorded with the county recorder, or registrar of titles, if the
 56.11 land is registered. Neither the notice described in this subdivision nor the security interest
 56.12 on the certificate of title is deemed to be an encumbrance on the real property. The notices
 56.13 provided for in this subdivision need not be acknowledged.

56.14 Sec. 48. Minnesota Statutes 2016, section 168A.142, is amended to read:

56.15 **168A.142 MANUFACTURED HOME UNAFFIXED FROM REALTY.**

56.16 Subdivision 1. **Certificate of title requirements.** The department ~~shall~~ must issue an
 56.17 initial certificate of title or reissue a previously surrendered certificate of title for a
 56.18 manufactured home to an applicant if:

56.19 ~~(1) for the purpose of affixing the manufactured home to real property,~~ the owner of the
 56.20 manufactured home, or a previous owner, surrendered the manufacturer's certificate of
 56.21 origin or certificate of title to the department as provided in section 168A.141, subdivision
 56.22 ~~1 or 2;~~

56.23 (2) the applicant provides the written proof evidence specified in subdivision 2 ~~that the~~
 56.24 ~~applicant owns (i) the manufactured home and (ii) the real property to which the~~
 56.25 ~~manufactured home was affixed as provided under section 273.125, subdivision 8, paragraph~~
 56.26 ~~(b);~~

56.27 ~~(3) the applicant provides proof that no liens exist on the manufactured home, including~~
 56.28 ~~liens on the real property to which it is affixed; and~~

56.29 ~~(4)~~ (3) the owner of the manufactured home ~~meets~~ fulfills the applicable application
 56.30 requirements of section 168A.04₂; and

56.31 (4) the application is accompanied by a written statement from the county auditor or
 56.32 county treasurer of the county in which the manufactured home is then located and affixed,

57.1 stating that all property taxes payable in the current year, as provided under section 273.125,
57.2 subdivision 8, paragraph (b), have been paid.

57.3 Subd. 2. **Proof Evidence of eligibility for reissuance.** (a) The ~~proof evidence~~ required
57.4 under subdivision 1, ~~clauses clause (2) and (3)~~, is as follows:

57.5 (1) an affidavit of severance recorded in the office of the county recorder or registrar of
57.6 titles, which they shall accept, and whichever applies to the real property, of the county in
57.7 ~~which~~ where the affidavit of affixation or notice of surrender was recorded under as required
57.8 in section 168A.141, subdivision 1, and the affidavit of severance contains:

57.9 (i) the name, residence address, and mailing address of the owner or owners of the
57.10 manufactured home;

57.11 (ii) a description of the manufactured home being severed, including the name of the
57.12 manufacturer; ~~the make, model number, model year, and dimensions, and if available, the~~
57.13 make, model year, and manufacturer's serial number of the manufactured home; and whether
57.14 ~~the manufactured home is new or used~~, such information as may be available from the
57.15 previously recorded affidavit of affixation or notice of surrender as required in section
57.16 168A.141, subdivision 1; and

57.17 (iii) a statement of any facts or information known to the person executing the affidavit
57.18 that could affect the validity of the title of the manufactured home ~~or, the existence or~~
57.19 ~~nonexistence of a security interest in the manufactured home or a lien on it, or, and a~~
57.20 statement that no such facts or information are known to the person executing the affidavit;

57.21 (2) as an attachment to the affidavit of severance, an opinion by an attorney admitted to
57.22 practice law in this state, stating:

57.23 (i) the nature of the examination of title performed prior to giving this opinion by the
57.24 person signing the opinion;

57.25 (ii) that the manufactured home and the real property on which it is located is not subject
57.26 to, or pending completion of a refinance, purchase, or sale transaction, and will not be
57.27 subject to any recorded mortgages, security interests, liens, or other encumbrances of any
57.28 kind;

57.29 (iii) that the person signing the opinion knows of no facts or circumstances that could
57.30 affect the validity of the title of the manufactured home or the existence or nonexistence of
57.31 any recorded mortgages, security interests, or other encumbrances of any kind, other than
57.32 property taxes payable in the year the affidavit is signed;

58.1 (iv) the person or persons owning record title to the real property to which the
 58.2 manufactured home has been affixed and the nature and extent of the title owned by each
 58.3 of these persons; and

58.4 (v) that the person signing the opinion has reviewed all provisions of the affidavit of
 58.5 severance and certifies that they are correct and complete to the best of the knowledge of
 58.6 the person signing the opinion;

58.7 (3) the name and address of the person or persons designated by the applicant to file a
 58.8 ~~certified copy of the original~~ affidavit of severance with ~~the county auditor of the county~~
 58.9 ~~in which the real estate is located, after the affidavit has been properly recorded in the office~~
 58.10 ~~of the county recorder or county registrar of titles, whichever applies to the real property;~~
 58.11 and

58.12 (4) the signature of the person who executes the affidavit, properly executed before a
 58.13 person authorized to authenticate an affidavit in this state.

58.14 (b) The person designated in paragraph (a), clause (3), ~~shall~~ must record, or arrange for
 58.15 the recording of, the affidavit of severance as referenced in that item, accompanied by the
 58.16 fees for recording and for issuing a certified copy of the affidavit, including all attachments,
 58.17 showing the recording date.

58.18 (c) Upon obtaining the certified copy under paragraph (b), the person designated in the
 58.19 affidavit ~~shall~~ must deliver the certified copy to the county auditor of the county in which
 58.20 the real estate to which it was affixed is located.

58.21 (d) The department is not liable for any errors, omissions, misstatements, or other
 58.22 deficiencies or inaccuracies in documents presented to the department under this section,
 58.23 so long as the documents presented appear to satisfy the requirements of this section. The
 58.24 department has no obligation to investigate the accuracy of statements contained in the
 58.25 documents.

58.26 Subd. 3. Affidavit form. The affidavit of severance must be in substantially the following
 58.27 form and must contain the following information.

58.28 **MANUFACTURED HOME AFFIDAVIT OF SEVERANCE**

58.29 **PURSUANT TO MINNESOTA STATUTES, SECTION 168A.142**

58.30 Homeowner, being duly sworn, on his or her oath, states as follows:

58.31 1. Homeowner owns the manufactured home ("home") described as follows:

58.32

60.1 E-mail

60.2 IN WITNESS WHEREOF, homeowner(s) have executed this affidavit on this day of
60.3, 20...

60.4

60.5 Homeowner Signature Address

60.6

60.7 Printed Name City, State

60.8

60.9 Homeowner Signature (if applicable)

60.10

60.11 Printed Name

60.12 This instrument was drafted by, and when recorded return to:

60.13

60.14

60.15 Subscribed and sworn to before me this day of,

60.16

60.17 Signature of Notary Public or Other Official

60.18 Notary Stamp or Seal

60.19 Sec. 49. **[168A.143] MANUFACTURED HOMES; OWNERSHIP AT ISSUE.**

60.20 Subdivision 1. **Requirements for certificate issuance or reissuance.** When an applicant
60.21 is unable to obtain from or locate previous owners no longer holding an interest in the
60.22 manufactured home based on a certificate of title, or to locate, obtain, or produce the original
60.23 certificate of origin or certificate of title for a manufactured home, and there is no evidence
60.24 of a surrendered certificate of title or manufacturer's statement of origin as provided in
60.25 section 168A.141, subdivision 1, which has not otherwise been unaffixed or is being
60.26 unaffixed as provided in section 168A.142, the department must issue or reissue a certificate
60.27 of title to a manufactured home when the applicant submits:

60.28 (1) the application, pursuant to the requirements of section 168A.04, in a form prescribed
60.29 by the department;

60.30 (2) an affidavit that:

60.31 (i) identifies the name of the manufacturer and dimensions, and if available, the make,
60.32 model number, model year, and manufacturer's serial number of the manufactured home;

60.33 and

61.1 (ii) certifies the applicant is the owner of the manufactured home, has physical possession
61.2 of the manufactured home, knows of no facts or circumstances that materially affect the
61.3 validity of the title of the manufactured home as represented in the application, and provides
61.4 copies of such ownership documents, so far as the documents exist, including by way of
61.5 example:

61.6 (A) bill of sale;

61.7 (B) financing, replevin, or foreclosure documents;

61.8 (C) appraisal;

61.9 (D) insurance certification;

61.10 (E) personal property tax bill;

61.11 (F) landlord certification;

61.12 (G) affidavit of survivorship or estate documents;

61.13 (H) divorce decree; or

61.14 (I) court order;

61.15 (3) an affidavit by an attorney admitted to practice law in this state stating:

61.16 (i) the attorney has performed a search of the Minnesota Department of Public Safety
61.17 Driver and Vehicles Services records within 120 days of the date of application to obtain a
61.18 certificate of origin or certificate of title on behalf of the applicant, but was unable to
61.19 determine the names or locations of one or more owners or prior owners of the manufactured
61.20 home;

61.21 (ii) if applicable, the attorney was unable to successfully contact one or more owners,
61.22 or prior owners, after providing written notice 45 days prior to the registered and last known
61.23 owner by certified mail at the address shown on Driver and Vehicles Services records, or
61.24 if the last known address is different from Driver and Vehicles Services records, then also
61.25 the last known address as known to the applicant;

61.26 (iii) if the attorney is unable to contact one or more owners, or previous owners, by
61.27 sending a letter by certified mail, then the attorney must present to the department, as an
61.28 attachment to its affidavit, the returned letter as evidence of the attempted contact, or the
61.29 acknowledgment of receipt of the letter, together with an affidavit of nonresponse; and

62.1 (iv) the attorney knows of no facts or circumstances that materially affect the validity
 62.2 of the title of the manufactured home as represented in the application, other than property
 62.3 taxes payable in the year the affidavit is signed; and

62.4 (4) payment for required current year taxes and fees as prescribed by the department.

62.5 Subd. 2. **Satisfaction of manufactured home security lien; release.** A security interest
 62.6 perfected under this chapter may be canceled seven years from the perfection date for a
 62.7 manufactured home, upon the request of the owner of the manufactured home, if the owner
 62.8 has paid the lien in full or the lien has been abandoned and the owner is unable to locate
 62.9 the lienholder to obtain a lien release. The owner must send a letter to the lienholder by
 62.10 certified mail, return receipt requested, stating the reason for the release and requesting a
 62.11 lien release. If the owner is unable to obtain a lien release by sending a letter by certified
 62.12 mail, then the owner must present to the department the returned letter as evidence of the
 62.13 attempted contact, or the acknowledgment of receipt of the letter, together with a copy of
 62.14 the letter and an owner affidavit of nonresponse.

62.15 Subd. 3. **Suspension or revocation of certificate.** (a) Pursuant to section 168A.23, the
 62.16 department may revoke a previously issued certificate of title issued under this section.

62.17 (b) The department is not liable for any errors, omissions, misstatements, or other
 62.18 deficiencies or inaccuracies in documents submitted to the department under this section,
 62.19 provided the documents submitted appear to satisfy the requirements of this section. The
 62.20 department is not required to investigate the accuracy of statements contained in submitted
 62.21 documents.

62.22 Sec. 50. Minnesota Statutes 2016, section 169.011, is amended by adding a subdivision
 62.23 to read:

62.24 Subd. 1a. **All-electric vehicle.** (a) "All-electric vehicle" means an electric vehicle that
 62.25 is solely able to be powered by an electric motor drawing current from rechargeable storage
 62.26 batteries, fuel cells, or other portable sources of electrical current.

62.27 (b) All-electric vehicle excludes a plug-in hybrid electric vehicle.

62.28 **EFFECTIVE DATE.** This section is effective the day following final enactment, and
 62.29 applies to a registration period starting on or after January 1, 2018.

62.30 Sec. 51. Minnesota Statutes 2016, section 169.011, subdivision 34, is amended to read:

62.31 Subd. 34. **Head Start bus.** (a) "Head Start bus" means a motor vehicle used to transport
 62.32 children and parents to or from a Head Start facility, or to or from Head Start-related

63.1 activities, by the Head Start grantee, or by someone under an agreement with the Head Start
 63.2 grantee. A Head Start bus does not include a motor vehicle transporting children or parents
 63.3 to or from a Head Start facility for which parents or guardians receive direct compensation
 63.4 from a Head Start grantee, a motor coach operating under charter carrier authority, or a
 63.5 transit bus providing services as defined in section 174.22, subdivision 7. A Head Start bus
 63.6 may be a type A, B, C, or D bus ~~or type III vehicle, as described in subdivision 71.~~

63.7 (b) A Head Start bus manufactured after December 31, 1994, must meet the same
 63.8 standards as a type A, B, C, or D school bus, except that a Head Start bus is not required to
 63.9 be equipped with the warning signals required for a school bus under section 169.442,
 63.10 subdivision 1. A Head Start bus that is not equipped as a school bus must be painted colors
 63.11 other than national school bus yellow.

63.12 Sec. 52. Minnesota Statutes 2016, section 169.14, is amended by adding a subdivision to
 63.13 read:

63.14 Subd. 5h. **St. Louis County Road 128.** Notwithstanding any provision to the contrary
 63.15 in this section, the speed limit on St. Louis County Road 128 in Eagles Nest Township
 63.16 between marked Trunk Highway 169 and County Road 989 is 40 miles per hour. The county
 63.17 engineer must erect appropriate signs displaying the 40 miles per hour speed limit.

63.18 **EFFECTIVE DATE.** This section is effective the day following final enactment. The
 63.19 new speed limit is effective when the required signs are erected.

63.20 Sec. 53. Minnesota Statutes 2016, section 169.18, subdivision 5, is amended to read:

63.21 Subd. 5. **Driving left of roadway center; exception.** (a) No vehicle shall be driven to
 63.22 the left side of the center of the roadway in overtaking and passing another vehicle proceeding
 63.23 in the same direction unless such left side is clearly visible and is free of oncoming traffic
 63.24 for a sufficient distance ahead to permit such overtaking and passing to be completely made
 63.25 without interfering with the safe operation of any vehicle approaching from the opposite
 63.26 direction or any vehicle overtaken. In every event the overtaking vehicle must return to the
 63.27 right-hand side of the roadway before coming within 100 feet of any vehicle approaching
 63.28 from the opposite direction.

63.29 (b) Except on a one-way roadway, no vehicle shall, in overtaking and passing another
 63.30 vehicle or at any other time, be driven to the left half of the roadway under the following
 63.31 conditions:

64.1 (1) when approaching the crest of a grade or upon a curve in the highway where the
64.2 driver's view along the highway is obstructed within a distance of 700 feet;

64.3 (2) when approaching within 100 feet of any underpass or tunnel, railroad grade crossing,
64.4 intersection within a city, or intersection outside of a city if the presence of the intersection
64.5 is marked by warning signs; or

64.6 (3) where official signs are in place prohibiting passing, or a distinctive centerline is
64.7 marked, which distinctive line also so prohibits passing, as declared in the Manual on
64.8 Uniform Traffic Control Devices adopted by the commissioner.

64.9 (c) Notwithstanding paragraph (b), clause (3), a motor vehicle may be driven to the left
64.10 side of the roadway to safely overtake a bicycle under the following circumstances:

64.11 (1) the bicycle is proceeding in the same direction as the motor vehicle;

64.12 (2) the driver of the motor vehicle either (i) provides a safe clearance distance, in no
64.13 case less than the greater of three feet or one-half the width of the motor vehicle, or (ii)
64.14 completely enters the left lane of the highway;

64.15 (3) the operator of the bicycle is not (i) making a left turn, or (ii) signaling that the bicycle
64.16 operator intends to make a left turn; and

64.17 (4) the driver of the motor vehicle complies with all other applicable requirements under
64.18 this section.

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

64.20 Sec. 54. Minnesota Statutes 2016, section 169.18, subdivision 7, is amended to read:

64.21 Subd. 7. **Laned highway.** When any roadway has been divided into two or more clearly
64.22 marked lanes for traffic, the following rules, in addition to all others consistent herewith,
64.23 shall apply:

64.24 (a) A vehicle shall be driven as nearly as practicable entirely within a single lane and
64.25 shall not be moved from such lane until the driver has first ascertained that such movement
64.26 can be made with safety.

64.27 (b) Upon a roadway which is not a one-way roadway and which is divided into three
64.28 lanes, a vehicle shall not be driven in the center lane except when overtaking and passing
64.29 another vehicle where the roadway is clearly visible and such center lane is clear of traffic
64.30 within a safe distance, or in preparation for a left turn or where such center lane is at the
64.31 time allocated exclusively to traffic moving in the direction the vehicle is proceeding, and

65.1 is signposted to give notice of such allocation. The left lane of a three-lane roadway which
65.2 is not a one-way roadway shall not be used for overtaking and passing another vehicle.

65.3 (c) Official signs may be erected directing slow-moving traffic to use a designated lane
65.4 or allocating specified lanes to traffic moving in the same direction, and drivers of vehicles
65.5 shall obey the directions of every such sign.

65.6 (d) Whenever a bicycle lane has been established on a roadway, any person operating
65.7 a motor vehicle on such roadway shall not drive in the bicycle lane except to perform parking
65.8 maneuvers in order to park where parking is permitted, to enter or leave the highway, ~~or~~ to
65.9 prepare for a turn as provided in section 169.19, subdivision 1, or to stop a school bus for
65.10 the purpose of receiving or discharging any person provided the school bus is equipped and
65.11 identified as provided in sections 169.441 and 169.442, subdivision 1, and the flashing red
65.12 signals are activated and stop-signal arm is extended.

65.13 Sec. 55. Minnesota Statutes 2016, section 169.345, subdivision 1, is amended to read:

65.14 Subdivision 1. **Scope of privilege.** (a) A vehicle described in section 168.021, subdivision
65.15 1, paragraph (a), that prominently displays the certificate authorized by this section or that
65.16 bears the disability plate or plates issued under section 168.021 may be parked by or solely
65.17 for the benefit of a physically disabled person:

65.18 (1) in a designated parking space for disabled persons, as provided in section 169.346;

65.19 (2) in a metered parking space without obligation to pay the meter fee and without time
65.20 restrictions unless time restrictions are separately posted on official signs; and

65.21 (3) without time restrictions in a nonmetered space where parking is otherwise allowed
65.22 for passenger vehicles but restricted to a maximum period of time and that does not
65.23 specifically prohibit the exercise of disabled parking privileges in that space.

65.24 A person may park the vehicle for a physically disabled person in a parking space described
65.25 in clause (1) or (2) only when actually transporting the physically disabled person for the
65.26 sole benefit of that person and when the parking space is within a reasonable distance from
65.27 the drop-off point.

65.28 (b) For purposes of this subdivision, a certificate is prominently displayed if it is displayed
65.29 so that it may be viewed from the front and rear of the motor vehicle by hanging it from the
65.30 rearview mirror attached to the front windshield of the motor vehicle or, in the case of a
65.31 motorcycle or a motorized bicycle, is secured to the vehicle. If there is no rearview mirror
65.32 or if the certificate holder's disability precludes placing the certificate on the mirror, the

66.1 certificate must be displayed on the dashboard of the vehicle. No part of the certificate may
66.2 be obscured.

66.3 (c) Notwithstanding paragraph (a), clauses (1), (2), and (3), this section does not permit
66.4 parking in areas prohibited by sections 169.32 and 169.34, in designated no parking spaces,
66.5 or in parking spaces reserved for specified purposes or vehicles. A local governmental unit
66.6 may, by ordinance, prohibit parking on any street or highway to create a fire lane, or to
66.7 accommodate heavy traffic during morning and afternoon rush hours and these ordinances
66.8 also apply to physically disabled persons.

66.9 **EFFECTIVE DATE.** This section is effective January 1, 2018.

66.10 Sec. 56. Minnesota Statutes 2016, section 169.345, subdivision 3, is amended to read:

66.11 Subd. 3. **Identifying certificate.** (a) The commissioner shall issue (1) immediately, a
66.12 permit valid for 30 days if the person is eligible for the certificate issued under this section
66.13 and (2) an identifying certificate for a vehicle described in section 168.021, subdivision 1,
66.14 paragraph (a), when a physically disabled applicant submits proof of physical disability
66.15 under subdivision 2a. The commissioner shall design separate certificates for persons with
66.16 permanent and temporary disabilities that can be readily distinguished from each other from
66.17 outside a vehicle at a distance of 25 feet or, in the case of a motorcycle or a motorized
66.18 bicycle, can be readily secured to the motorcycle or motorized bicycle. An applicant may
66.19 be issued up to two certificates if the applicant has not been issued disability plates under
66.20 section 168.021.

66.21 (b) The operator of a vehicle displaying a certificate has the parking privileges provided
66.22 in subdivision 1 only while the vehicle is actually parked while transporting a physically
66.23 disabled person.

66.24 (c) The commissioner shall cancel all certificates issued to an applicant who fails to
66.25 comply with the requirements of this subdivision.

66.26 **EFFECTIVE DATE.** This section is effective January 1, 2018.

66.27 Sec. 57. Minnesota Statutes 2016, section 169.442, subdivision 5, is amended to read:

66.28 Subd. 5. **White strobe lamps on certain buses transporting children.** ~~(a)~~
66.29 Notwithstanding section 169.55, subdivision 1, or 169.57, subdivision 3, paragraph (b), or
66.30 other law to the contrary, a school bus that is subject to and complies with the equipment
66.31 requirements of subdivision 1 and section 169.441, subdivision 1, or a Head Start bus ~~that~~

67.1 ~~is not a type III vehicle defined in section 169.011, subdivision 71, may be equipped with~~
 67.2 ~~a flashing strobe lamp. The lamp may be used only as provided in this subdivision.~~

67.3 ~~(b) The lamp must be permanently mounted on the longitudinal centerline of the bus~~
 67.4 ~~roof not less than two feet forward of the rear roof edge.~~

67.5 ~~(c) The strobe lamp may be lighted only when atmospheric conditions or terrain restrict~~
 67.6 ~~the visibility of school bus lamps and signals or Head Start bus lamps and signals so as to~~
 67.7 ~~require use of the bright strobe lamp to alert motorists to the presence of the school bus or~~
 67.8 ~~Head Start bus. A strobe lamp may not be lighted unless the school bus or Head Start bus~~
 67.9 ~~is actually being used as a school bus or Head Start bus.~~

67.10 Sec. 58. Minnesota Statutes 2016, section 169.443, subdivision 2, is amended to read:

67.11 **Subd. 2. Use of stop-signal arm.** (a) The stop-signal arm system of a school bus must
 67.12 be used in conjunction with the flashing red signals only when the school bus is stopped on
 67.13 a street or highway to load or unload school children.

67.14 (b) A local authority, including the governing body of an Indian tribe, may by ordinance
 67.15 require that a school bus activate the stop-signal arm system and flashing red signals while
 67.16 stopped to unload school children at a location other than a location on a street or highway.
 67.17 The ordinance must designate each location where the requirement is imposed. The
 67.18 requirement is effective only if the local authority has erected signs at or near the location
 67.19 to provide adequate notice that other vehicles are required to obey section 169.444,
 67.20 subdivision 1, when those signals are activated.

67.21 (c) A school bus driver is prohibited from loading or unloading passengers in a designated
 67.22 right-turn lane or in a lane immediately adjacent to a designated right-turn lane unless:

67.23 (1) a school bus stop designated by the district transportation safety director is located
 67.24 in the right-turn lane;

67.25 (2) the driver stops the bus at the extreme right side of the right-turn lane; and

67.26 (3) the driver activates the prewarning flashing amber signals, flashing red signals, and
 67.27 stop-signal arm, unless the school board or its designee, based on safety considerations,
 67.28 provides written direction to the driver not to do so.

68.1 Sec. 59. Minnesota Statutes 2016, section 169.444, subdivision 2, is amended to read:

68.2 Subd. 2. **Violations by drivers; penalties.** (a) A person who fails to stop a vehicle or
68.3 to keep it stopped, as required in subdivision 1, or who violates subdivision 1a, is guilty of
68.4 a misdemeanor punishable by a fine of not less than ~~\$300~~ \$500.

68.5 (b) A person is guilty of a gross misdemeanor if the person fails to stop a motor vehicle
68.6 or to keep it stopped, as required in subdivision 1, or who violates subdivision 1a, and
68.7 commits either or both of the following acts:

68.8 (1) passes or attempts to pass the school bus in a motor vehicle on the right-hand,
68.9 passenger-door side of the bus; or

68.10 (2) passes or attempts to pass the school bus in a motor vehicle when a school child is
68.11 outside of and on the street or highway used by the school bus or on the adjacent sidewalk.

68.12 **EFFECTIVE DATE.** This section is effective August 1, 2017, and applies to violations
68.13 committed on and after that date.

68.14 Sec. 60. Minnesota Statutes 2016, section 169.449, subdivision 1, is amended to read:

68.15 Subdivision 1. **Rules.** The commissioner of public safety shall adopt rules governing
68.16 the operation of school buses used for transportation of school children, when owned or
68.17 operated by a school or privately owned and operated under a contract with a school, ~~and~~
68.18 ~~these rules must be made a part of that contract by reference.~~ Each school, its officers and
68.19 employees, and each person employed under the contract is subject to these rules.

68.20 Sec. 61. Minnesota Statutes 2016, section 169.4501, subdivision 1, is amended to read:

68.21 Subdivision 1. **National standards adopted.** Except as provided in sections 169.4502
68.22 and 169.4503, the construction, design, equipment, and color of types A, B, C, D school
68.23 buses and multifunction school activity buses used for the transportation of school children
68.24 shall meet the requirements of the "bus body and chassis specifications" in the ~~2010~~ most
68.25 recent edition of the "National School Transportation Specifications and Procedures" adopted
68.26 by the National Congress on School Transportation. Except as provided in section 169.4504,
68.27 the construction, design, and equipment of types A, B, C, D school buses and multifunction
68.28 school activity buses used for the transportation of students with disabilities also shall meet
68.29 the requirements of the "specially equipped school bus specifications" in the ~~2010~~ National
68.30 School Transportation Specifications and Procedures. The "bus body and chassis
68.31 specifications" and "specially equipped school bus specifications" sections of the ~~2010~~ most
68.32 recent edition of the "National School Transportation Specifications and Procedures,"

69.1 adopted by the ~~Fifteenth~~ National Congress on School Transportation, are incorporated by
69.2 reference in this chapter.

69.3 Sec. 62. Minnesota Statutes 2016, section 169.4501, subdivision 2, is amended to read:

69.4 Subd. 2. **Applicability.** (a) The standards adopted in this section and sections 169.4502
69.5 and 169.4503, govern the construction, design, equipment, and color of school buses used
69.6 for the transportation of school children, when owned or leased and operated by a school
69.7 or privately owned or leased and operated under a contract with a school. Each school, its
69.8 officers and employees, and each person employed under the contract is subject to these
69.9 standards.

69.10 (b) The standards apply to school buses manufactured after ~~December 31, 2012~~ August
69.11 1 of the year following a year in which a revised edition of the National School Transportation
69.12 Specifications and Procedures is adopted. Buses complying with the standards when
69.13 manufactured need not comply with standards established later except as specifically provided
69.14 for by law.

69.15 (c) A school bus manufactured on or before ~~December 31, 2012~~, the date provided by
69.16 paragraph (b) must conform to the Minnesota standards in effect on the date the vehicle
69.17 was manufactured except as specifically provided for in law.

69.18 (d) A new bus body may be remounted on a used chassis provided that the remounted
69.19 vehicle meets state and federal standards for new buses which are current at the time of the
69.20 remounting. Permission must be obtained from the commissioner of public safety before
69.21 the remounting is done. A used bus body may not be remounted on a new or used chassis.

69.22 Sec. 63. Minnesota Statutes 2016, section 169.4503, subdivision 4, is amended to read:

69.23 Subd. 4. **Certification.** Upon request, a body manufacturer, or school bus dealer, or
69.24 ~~certified Minnesota commercial vehicle inspector who is also an employee of an organization~~
69.25 ~~purchasing a school bus shall~~ must provide preliminary certification to the Department of
69.26 Public Safety that the product meets Minnesota standards. ~~Final certification will be granted~~
69.27 ~~within 30 days upon reinspection by the Department of Public Safety.~~

69.28 Sec. 64. Minnesota Statutes 2016, section 169.4503, subdivision 7, is amended to read:

69.29 Subd. 7. **Floor construction.** The metal floor ~~shall~~ must be covered with plywood. The
69.30 plywood ~~shall~~ must be ~~at least 19/32~~ five-ply nominal five-eighths inches thick, and must
69.31 equal or exceed properties of exterior-type softwood plywood, grade C-D, as specified in
69.32 ~~product~~ the standard PSI-183 issued by the United States Department of Commerce. All of

70.1 the plywood's exposed edges must be sealed. Type A-I buses must be equipped with nominal
 70.2 one-half inch thick plywood or an equivalent material that meets the requirements of this
 70.3 subdivision. Equivalent material may be used to replace plywood, provided it has insulation
 70.4 R value, deterioration, sound abatement, and moisture resistance properties that are equal
 70.5 to or exceed the properties of the plywood it is replacing. The floor shall ~~shall~~ must be level from
 70.6 front to back, and side to side, except in wheel housing, toe board, and driver's seat platform
 70.7 areas.

70.8 Sec. 65. Minnesota Statutes 2016, section 169.4503, subdivision 14, is amended to read:

70.9 Subd. 14. **Insulation.** (a) Thermal insulation is required. It shall be fire-resistant, UL
 70.10 approved, with minimum R-value of 5.5. Insulation shall be installed so as to prevent
 70.11 sagging.

70.12 ~~(b) Floor insulation is required. It shall be five-ply nominal five-eighths-inch-thick~~
 70.13 ~~plywood, and shall equal or exceed properties of the exterior-type softwood plywood, C-D~~
 70.14 ~~Grade, as specified in the standard issued by United States Department of Commerce. All~~
 70.15 ~~exposed edges on plywood shall be sealed. Type A-I buses shall be equipped with nominal~~
 70.16 ~~one-half-inch-thick plywood or equivalent material meeting the above requirements.~~
 70.17 ~~Equivalent material may be used to replace plywood, provided it has an equal or greater~~
 70.18 ~~insulation R value, deterioration, sound abatement, and moisture resistance properties.~~

70.19 Sec. 66. Minnesota Statutes 2016, section 169.4503, subdivision 23, is amended to read:

70.20 Subd. 23. **Windows.** (a) Windshield, entrance, and rear emergency exit doors must be
 70.21 of approved safety glass. Laminated or tempered glass (AS-2 or AS-3) is permitted in all
 70.22 other windows. All glass shall be federally approved and marked as provided in section
 70.23 169.74. The windshield may be of uniform tint throughout or may have a horizontal gradient
 70.24 band starting slightly above the line of vision and gradually decreasing in light transmission
 70.25 to 20 percent or less at the top of the windshield.

70.26 (b) The use of tinted glass, as approved by section 169.71, is permitted on side windows
 70.27 and rear windows except for the entrance door, ~~the first window behind the service door,~~
 70.28 and the window to the left of the driver. The window to the left of the driver, and the upper
 70.29 service door windows, ~~and the window immediately behind the entrance door~~ must be
 70.30 thermal glass. Regardless of a bus's date of manufacture, the window immediately behind
 70.31 the entrance door does not need to be made of thermal glass. The window to the left of the
 70.32 driver for type A buses need not be thermal glass.

71.1 Sec. 67. Minnesota Statutes 2016, section 169.4503, subdivision 30, is amended to read:

71.2 Subd. 30. **Video or mobile surveillance systems.** Camera heads for video or mobile
71.3 surveillance may be mounted in the driver compartment area, midbus, or on a rear interior
71.4 bulkhead in the student passenger area. For buses manufactured or retrofitted with a
71.5 surveillance system after December 31, 2012, cameras mounted midbus must be parallel
71.6 to a seat back, must not have any sharp edges, must not extend outward more than ~~three~~
71.7 3-1/2 inches, and must be located within 24 inches of the top of the side window of the bus.

71.8 Sec. 68. Minnesota Statutes 2016, section 169.64, subdivision 8, is amended to read:

71.9 Subd. 8. **Strobe lamp.** (a) Notwithstanding sections 169.55, subdivision 1; 169.57,
71.10 subdivision 3, paragraph (b); or any other law to the contrary, a vehicle may be equipped
71.11 with a 360-degree flashing strobe lamp that emits a white light with a flash rate of 60 to
71.12 120 flashes a minute, and the lamp may be used as provided in this subdivision, if the vehicle
71.13 is:

71.14 (1) a school bus that is subject to and complies with the equipment requirements of
71.15 sections 169.441, subdivision 1, and 169.442, subdivision 1, or a Head Start bus ~~that is not~~
71.16 ~~a type III vehicle as defined in section 169.011, subdivision 71.~~ The lamp shall be
71.17 ~~permanently mounted on the longitudinal centerline of the bus roof not less than two feet~~
71.18 ~~nor more than seven feet forward of the rear roof edge. It shall must operate from a separate~~
71.19 ~~switch containing an indicator lamp to show when the strobe lamp is in use. The strobe~~
71.20 ~~lamp may be lighted only when atmospheric conditions or terrain restrict the visibility of~~
71.21 ~~school bus lamps and signals or Head Start bus lamps and signals so as to require use of~~
71.22 ~~the bright strobe lamp to alert motorists to the presence of the school bus or Head Start bus.~~
71.23 ~~A strobe lamp may not be lighted unless the school bus or Head Start bus is actually being~~
71.24 ~~used as a school bus or Head Start bus; or~~

71.25 (2) a road maintenance vehicle owned or under contract to the Department of
71.26 Transportation or a road authority of a county, home rule or statutory city, or town, but the
71.27 strobe lamp may only be operated while the vehicle is actually engaged in snow removal
71.28 during daylight hours.

71.29 (b) Notwithstanding sections 169.55, subdivision 1; 169.57, subdivision 3, paragraph
71.30 (b); or any other law to the contrary, a vehicle may be equipped with a 360-degree flashing
71.31 strobe lamp that emits an amber light with a flash rate of 60 to 120 flashes a minute, and
71.32 the lamp may be used as provided in this subdivision, if the vehicle is a rural mail carrier
71.33 vehicle, provided that the strobe lamp is mounted at the highest practicable point on the

72.1 vehicle. The strobe lamp may only be operated while the vehicle is actually engaged during
72.2 daylight hours in the delivery of mail to residents on a rural mail route.

72.3 (c) A strobe lamp authorized by this section shall be of a double flash type certified to
72.4 the commissioner of public safety by the manufacturer as being weatherproof and having
72.5 a minimum effective light output of 200 candelas as measured by the Blondel-Rey formula.

72.6 Sec. 69. Minnesota Statutes 2016, section 169.80, subdivision 1, is amended to read:

72.7 Subdivision 1. **Limitations; misdemeanor.** (a) It is a misdemeanor for a person to drive
72.8 or move, or for the owner to cause or knowingly permit to be driven or moved, on a highway
72.9 a vehicle or vehicles of a size or weight exceeding the limitations stated in sections 169.80
72.10 to 169.88, or otherwise in violation of sections 169.80 to 169.88, other than section 169.81,
72.11 subdivision 5a, and the maximum size and weight of vehicles as prescribed in sections
72.12 169.80 to 169.88 shall be lawful throughout this state, and local authorities shall have no
72.13 power or authority to alter these limitations except as express authority may be granted in
72.14 sections 169.80 to 169.88.

72.15 (b) When all the axles of a vehicle or combination of vehicles are weighed separately
72.16 the sum of the weights of the axles so weighed shall be evidence of the total gross weight
72.17 of the vehicle or combination of vehicles so weighed.

72.18 (c) When each of the axles of any group that contains two or more consecutive axles of
72.19 a vehicle or combination of vehicles have been weighed separately the sum of the weights
72.20 of the axles so weighed shall be evidence of the total gross weight on the group of axles so
72.21 weighed.

72.22 (d) When, in any group of three or more consecutive axles of a vehicle or combination
72.23 of vehicles any axles have been weighed separately and two or more axles consecutive to
72.24 each other in the group have been weighed together, the sum of the weights of the axles
72.25 weighed separately and the axles weighed together shall be evidence of the total gross weight
72.26 of the group of axles so weighed.

72.27 (e) The provisions of sections 169.80 to 169.88 governing size, weight, and load shall
72.28 do not apply to a fire apparatus, or to a vehicle operated under the terms of a special permit
72.29 issued as provided by law.

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

73.1 Sec. 70. Minnesota Statutes 2016, section 169.829, is amended by adding a subdivision
73.2 to read:

73.3 Subd. 4. **Certain emergency vehicles.** The provisions of sections 169.80 to 169.88
73.4 governing size, weight, and load do not apply to a fire apparatus, a law enforcement special
73.5 response vehicle, or a licensed land emergency ambulance service vehicle.

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

73.7 Sec. 71. **[169.8295] WEIGHT LIMITS; VEHICLES TRANSPORTING MILK.**

73.8 Subdivision 1. **Weight limits increase.** (a) The weight limitations under sections 169.823
73.9 to 169.829 are increased by ten percent for a single-unit vehicle transporting fluid milk from
73.10 the point of production to:

73.11 (1) another point of production for additional loading; or

73.12 (2) the point of first processing.

73.13 (b) Notwithstanding sections 169.824, subdivision 1, paragraph (d); 169.826, subdivision
73.14 3; or other law to the contrary, a permit is not required to operate a vehicle under this section.

73.15 (c) The seasonal weight increases under section 169.826, subdivision 1, do not apply to
73.16 a vehicle operated under this section.

73.17 Subd. 2. **Requirements; restrictions.** A vehicle operated under this section:

73.18 (1) is subject to seasonal load restrictions under section 169.87, except as otherwise
73.19 provided under section 169.87, subdivision 4;

73.20 (2) is subject to bridge load limits posted under section 169.84; and

73.21 (3) must not be operated with a load that exceeds the tire manufacturer's recommended
73.22 load, the manufacturer's gross vehicle weight rating as affixed to the vehicle, or other
73.23 certification of gross vehicle weight rating under Code of Federal Regulations, title 49,
73.24 sections 567.4 to 567.7.

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

73.26 Sec. 72. Minnesota Statutes 2016, section 169.865, subdivision 3, is amended to read:

73.27 Subd. 3. **Requirements; restrictions.** (a) A vehicle or combination of vehicles operating
73.28 under this section:

73.29 (1) is subject to axle weight limitations under section 169.824, subdivision 1;

- 74.1 (2) is subject to seasonal load restrictions under section 169.87;
- 74.2 (3) is subject to bridge load limits posted under section 169.84;
- 74.3 (4) may only be operated on paved streets and highways other than interstate highways;
- 74.4 (5) may not be operated with loads that exceed the manufacturer's gross vehicle weight
- 74.5 rating as affixed to the vehicle, or other certification of gross vehicle weight rating complying
- 74.6 with Code of Federal Regulations, title 49, sections 567.4 to 567.7;
- 74.7 (6) must be issued a permit from each road authority having jurisdiction over a road on
- 74.8 which the vehicle is operated, if required;
- 74.9 (7) must comply with the requirements of section 169.851, subdivision 4; and
- 74.10 (8) must have brakes on all wheels.

74.11 (b) The percentage allowances for exceeding gross weights if transporting unfinished

74.12 forest products under section 168.013, subdivision 3, paragraph (b), or for the first haul of

74.13 unprocessed or raw farm products or unfinished forest products under section 168.013,

74.14 subdivision 3, paragraph (d), clause (3), do not apply to a vehicle or combination of vehicles

74.15 operated under this section.

74.16 (c) Notwithstanding paragraph (a), clause (4), a vehicle or combination of vehicles

74.17 hauling fluid milk under a permit issued by the commissioner of transportation may also

74.18 operate on interstate highways as provided under United States Code, title 23, section 127.

74.19 **Sec. 73. [169.869] ROAD CONSTRUCTION MATERIALS SPECIAL PERMIT.**

74.20 Subdivision 1. **Definition.** For purposes of this section, "road construction materials"

74.21 means street or highway construction materials, including but not limited to aggregate

74.22 material as defined in section 298.75, subdivision 1, paragraph (a), hot mix asphalt, plastic

74.23 concrete, cementitious materials, concrete admixtures, asphalt cement, and recycled road

74.24 materials.

74.25 Subd. 2. **Six-axle vehicles.** (a) The commissioner of transportation may issue an annual

74.26 permit authorizing a vehicle or combination of vehicles with a total of six or more axles to

74.27 haul road construction materials and be operated with a gross vehicle weight of up to:

74.28 (1) 90,000 pounds; and

74.29 (2) 99,000 pounds during the period set by the commissioner under section 169.826,

74.30 subdivision 1.

75.1 (b) The fee for a permit issued under this subdivision is \$300, or a proportional amount
75.2 as provided in section 169.86, subdivision 5.

75.3 Subd. 3. **Seven-axle vehicles.** (a) The commissioner of transportation may issue an
75.4 annual permit authorizing a vehicle or combination of vehicles with a total of seven or more
75.5 axles to haul road construction materials and be operated with a gross vehicle weight of up
75.6 to:

75.7 (1) 97,000 pounds; and

75.8 (2) 99,000 pounds during the period set by the commissioner under section 169.826,
75.9 subdivision 1.

75.10 (b) The fee for a permit issued under this subdivision is \$500, or a proportional amount
75.11 as provided in section 169.86, subdivision 5.

75.12 Subd. 4. **Authority; restrictions.** (a) A permit issued by the commissioner under this
75.13 section is valid for operation on highways regardless of jurisdiction, subject to paragraph
75.14 (b).

75.15 (b) A vehicle or combination of vehicles operating under this section:

75.16 (1) may only be operated on paved or unpaved streets and highways, other than interstate
75.17 highways;

75.18 (2) must comply with the requirements and restrictions in section 169.865, subdivision
75.19 3, paragraph (a), clauses (1) to (3), (5), (7), and (8); and

75.20 (3) must be operated in compliance with truck route requirements and vehicle weight
75.21 restrictions, as established under section 169.87, subdivision 1, by a local road authority or
75.22 the commissioner.

75.23 Subd. 5. **Revenues.** Revenue from the permits issued by the commissioner under this
75.24 section must be deposited in the town bridge account. Revenue deposited under this
75.25 subdivision is available to inspect and post weight limits for town bridges.

75.26 Subd. 6. **Expiration date.** Upon request of the permit applicant, the expiration date for
75.27 a permit issued under this section must be the same as the expiration date of the permitted
75.28 vehicle's registration.

75.29 Subd. 7. **Permit information.** The commissioner must make information available to
75.30 local road authorities on an Internet Web site that identifies permit issuances under this
75.31 section and the counties in which a vehicle with a permit is intended to be operated.

76.1 Subd. 8. Local preferred routes. A local road authority may identify local preferred
 76.2 routes for operating a vehicle on local streets and highways under a permit issued in this
 76.3 section. A holder of a permit issued in this section and any person seeking to apply for a
 76.4 permit are encouraged to:

76.5 (1) upon request of a local road authority, provide comment on identification of preferred
 76.6 routes; and

76.7 (2) make reasonable efforts to operate a vehicle on the preferred routes when operating
 76.8 under the permit.

76.9 **EFFECTIVE DATE.** This section is effective January 1, 2018.

76.10 Sec. 74. Minnesota Statutes 2016, section 169.871, subdivision 1, is amended to read:

76.11 Subdivision 1. **Civil liability.** (a) The owner or lessee of a vehicle that is operated with
 76.12 a gross weight in excess of a weight limit imposed under sections 169.823 to ~~169.829~~
 76.13 169.8295, 169.84 to 169.851, and 169.87 or a shipper who ships or tenders goods for
 76.14 shipment in a single truck or combination vehicle that exceeds a weight limit imposed under
 76.15 sections 169.823 to ~~169.829~~ 169.8295, 169.84 to 169.851, and 169.87 is liable for a civil
 76.16 penalty as follows:

76.17 (1) if the total gross excess weight is not more than 1,000 pounds, one cent per pound
 76.18 for each pound in excess of the legal limit;

76.19 (2) if the total gross excess weight is more than 1,000 pounds but not more than 3,000
 76.20 pounds, \$10 plus five cents per pound for each pound in excess of 1,000 pounds;

76.21 (3) if the total gross excess weight is more than 3,000 pounds but not more than 5,000
 76.22 pounds, \$110 plus ten cents per pound for each pound in excess of 3,000 pounds;

76.23 (4) if the total gross excess weight is more than 5,000 pounds but not more than 7,000
 76.24 pounds, \$310 plus 15 cents per pound for each pound in excess of 5,000 pounds;

76.25 (5) if the total gross excess weight is more than 7,000 pounds, \$610 plus 20 cents per
 76.26 pound for each pound in excess of 7,000 pounds.

76.27 (b) Notwithstanding any other law to the contrary, if a person found guilty of a violation
 76.28 of a weight limit imposed under this section or sections 169.823 to ~~169.829~~ 169.8295,
 76.29 169.84 to 169.851, or 169.87 is also found by the court to have knowingly and
 76.30 contemporaneously attempted to evade a fixed weigh station or to otherwise avoid weighing
 76.31 by means of stationary scales under section 169.85 or other law, the court ~~shall~~ must impose
 76.32 a penalty of twice the amount otherwise authorized under paragraph (a).

77.1 (c) Any penalty imposed upon a defendant under this subdivision ~~shall~~ must not exceed
 77.2 the penalty prescribed by this subdivision. Any fine paid by the defendant in a criminal
 77.3 overweight action that arose from the same overweight violation ~~shall be~~ is applied toward
 77.4 payment of the civil penalty under this subdivision. A peace officer or Department of Public
 77.5 Safety employee described in section 299D.06 who cites a driver for a violation of the
 77.6 weight limitations established by sections 169.81 to 169.851 and 169.87 ~~shall~~ must give
 77.7 written notice to the driver that the driver or another may also be liable for the civil penalties
 77.8 provided herein in the same or separate proceedings.

77.9 (d) A penalty imposed upon the owner or lessee of a vehicle that is based on violations
 77.10 identified by the use of shippers' weight records under section 169.872 must not exceed an
 77.11 aggregate of \$10,000.

77.12 Sec. 75. Minnesota Statutes 2016, section 171.02, subdivision 2b, is amended to read:

77.13 Subd. 2b. **Exception for type III vehicle drivers.** (a) Notwithstanding subdivision 2,
 77.14 the holder of a class A, B, C, or D driver's license, without a school bus endorsement, may
 77.15 operate a type III vehicle described in section 169.011, subdivision 71, paragraph (h), under
 77.16 the conditions in ~~paragraphs (b) through (e)~~ this subdivision.

77.17 (b) The operator is an employee of the entity that owns, leases, or contracts for the school
 77.18 bus.

77.19 (c) The operator's employer has adopted and implemented a policy that provides for
 77.20 annual training and certification of the operator in:

77.21 (1) safe operation of a type III vehicle;

77.22 (2) understanding student behavior, including issues relating to students with disabilities;

77.23 (3) encouraging orderly conduct of students on the bus and handling incidents of
 77.24 misconduct appropriately;

77.25 (4) knowing and understanding relevant laws, rules of the road, and local school bus
 77.26 safety policies;

77.27 (5) handling emergency situations;

77.28 (6) proper use of seat belts and child safety restraints;

77.29 (7) performance of pretrip vehicle inspections;

77.30 (8) safe loading and unloading of students, including, but not limited to:

78.1 (i) utilizing a safe location for loading and unloading students at the curb, on the nontraffic
78.2 side of the roadway, or at off-street loading areas, driveways, yards, and other areas to
78.3 enable the student to avoid hazardous conditions;

78.4 (ii) refraining from loading and unloading students in a vehicular traffic lane, on the
78.5 shoulder, in a designated turn lane, or a lane adjacent to a designated turn lane;

78.6 (iii) avoiding a loading or unloading location that would require a pupil to cross a road,
78.7 or ensuring that the driver or an aide personally escort the pupil across the road if it is not
78.8 reasonably feasible to avoid such a location;

78.9 (iv) placing the type III vehicle in "park" during loading and unloading; and

78.10 (v) escorting a pupil across the road under item (iii) only after the motor is stopped, the
78.11 ignition key is removed, the brakes are set, and the vehicle is otherwise rendered immobile;
78.12 and

78.13 (9) compliance with paragraph (k), concerning reporting certain convictions to the
78.14 employer within ten days of the date of conviction.

78.15 (d) A background check or background investigation of the operator has been conducted
78.16 that meets the requirements under section 122A.18, subdivision 8, or 123B.03 for school
78.17 district employees; section 144.057 or chapter 245C for day care employees; or section
78.18 171.321, subdivision 3, for all other persons operating a type III vehicle under this
78.19 subdivision.

78.20 (e) Operators shall submit to a physical examination as required by section 171.321,
78.21 subdivision 2.

78.22 (f) The operator's employer requires preemployment drug testing of applicants for
78.23 operator positions. Current operators must comply with the employer's policy under section
78.24 181.951, subdivisions 2, 4, and 5. Notwithstanding any law to the contrary, the operator's
78.25 employer may use a Breathalyzer or similar device to fulfill random alcohol testing
78.26 requirements.

78.27 (g) The operator's driver's license is verified annually by the entity that owns, leases, or
78.28 contracts for the type III vehicle as required under section 171.321, subdivision 5.

78.29 (h) A person who sustains a conviction, as defined under section 609.02, of violating
78.30 section 169A.25, 169A.26, 169A.27, or 169A.31, or whose driver's license is revoked under
78.31 sections 169A.50 to 169A.53 of the implied consent law, or who is convicted of violating
78.32 or whose driver's license is revoked under a similar statute or ordinance of another state, is
78.33 precluded from operating a type III vehicle for five years from the date of conviction.

79.1 (i) A person who has ever been convicted of a disqualifying offense as defined in section
79.2 171.3215, subdivision 1, paragraph (c), may not operate a type III vehicle under this
79.3 subdivision.

79.4 (j) A person who sustains a conviction, as defined under section 609.02, of a moving
79.5 offense in violation of chapter 169 within three years of the first of three other moving
79.6 offenses is precluded from operating a type III vehicle for one year from the date of the last
79.7 conviction.

79.8 (k) An operator who sustains a conviction as described in paragraph (h), (i), or (j) while
79.9 employed by the entity that owns, leases, or contracts for the school bus, shall report the
79.10 conviction to the employer within ten days of the date of the conviction.

79.11 (l) An operator of a type III vehicle whose driver's license is suspended, revoked,
79.12 canceled, or disqualified by Minnesota, another state, or another jurisdiction must notify
79.13 the operator's employer in writing of the suspension, revocation, cancellation, lost privilege,
79.14 or disqualification. The operator must notify the operator's employer before the end of the
79.15 business day immediately following the day the operator received notice of the suspension,
79.16 revocation, cancellation, lost privilege, or disqualification.

79.17 (m) Students riding the type III vehicle must have training required under section
79.18 123B.90, subdivision 2.

79.19 ~~(m)~~ (n) Documentation of meeting the requirements listed in this subdivision must be
79.20 maintained under separate file at the business location for each type III vehicle operator.
79.21 The business manager, school board, governing body of a nonpublic school, or any other
79.22 entity that owns, leases, or contracts for the type III vehicle operating under this subdivision
79.23 is responsible for maintaining these files for inspection.

79.24 ~~(n)~~ (o) The type III vehicle must bear a current certificate of inspection issued under
79.25 section 169.451.

79.26 ~~(o)~~ (p) An employee of a school or of a school district, who is not employed for the sole
79.27 purpose of operating a type III vehicle, is exempt from paragraphs (e) and (f).

79.28 Sec. 76. Minnesota Statutes 2016, section 171.06, subdivision 2a, is amended to read:

79.29 Subd. 2a. **Two-wheeled vehicle endorsement fee.** (a) The fee for any duplicate driver's
79.30 license obtained for the purpose of adding a two-wheeled vehicle endorsement is increased
79.31 by \$18.50 for each first such duplicate license and \$13 for each renewal thereof. The
79.32 additional fee must be paid into the state treasury and credited as follows:

80.1 (1) \$11 of the additional fee for each first duplicate license, and \$7 of the additional fee
80.2 for each renewal, must be credited to the motorcycle safety fund, which is hereby created;
80.3 ~~provided that ten percent of fee receipts in excess of \$750,000 in a fiscal year must be~~
80.4 ~~credited to the general fund.~~

80.5 (2) The remainder of the additional fee must be credited to the general fund.

80.6 (b) All application forms prepared by the commissioner for two-wheeled vehicle
80.7 endorsements must clearly state the amount of the total fee that is dedicated to the motorcycle
80.8 safety fund.

80.9 Sec. 77. Minnesota Statutes 2016, section 171.061, subdivision 3, is amended to read:

80.10 Subd. 3. **Application.** An applicant may file an application with an agent. The agent
80.11 shall receive and accept applications in accordance with the laws and rules of the Department
80.12 of Public Safety for a driver's license, restricted license, duplicate license, instruction permit,
80.13 Minnesota identification card, or motorized bicycle operator's permit. Application records
80.14 must be maintained at the office of the agent in a manner that complies with sections 13.05,
80.15 subdivision 5, and 13.055. As an alternative to paper copy storage, an agent may retain
80.16 records and documents in a secure electronic medium that complies with the security
80.17 requirements under the United States Federal Bureau of Investigation, Criminal Justice
80.18 Information Services Division, Policy 5.4 or any successor policy, provided 60 days have
80.19 elapsed since the transaction and subject to standards established by the commissioner. The
80.20 agent is responsible for all costs associated with the conversion to electronic records and
80.21 maintenance of the electronic storage medium, including the destruction of existing paper
80.22 records after conversion to the electronic format. All queries and responses in the secure
80.23 electronic medium, and all actions in which data are entered, updated, accessed, or shared
80.24 or disseminated by the agent must be contained in a data audit trail. Data contained in the
80.25 audit trail are public to the extent the data are not otherwise classified under this section.

80.26 Sec. 78. Minnesota Statutes 2016, section 171.12, subdivision 6, is amended to read:

80.27 Subd. 6. **Certain convictions not recorded.** (a) Except as provided in paragraph (c),
80.28 the department ~~shall~~ must not keep on the record of a driver any conviction for a violation
80.29 of a speed limit of 55 miles per hour unless the violation consisted of a speed greater than
80.30 ten miles per hour in excess of the speed limit.

80.31 (b) Except as provided in paragraph (c), the department ~~shall~~ must not keep on the record
80.32 of a driver any conviction for a violation of a speed limit of 60 miles per hour unless the
80.33 violation consisted of a speed greater than:

81.1 ~~(1) ten miles per hour in excess of the speed limit, for any violation occurring on or after~~
 81.2 ~~August 1, 2012, and before August 1, 2014; or~~

81.3 ~~(2) five miles per hour in excess of the speed limit, for any violation occurring on or~~
 81.4 ~~after August 1, 2014.~~

81.5 (c) This subdivision does not apply to (1) a violation that occurs in a commercial motor
 81.6 vehicle, or (2) a violation committed by a holder of a class A, B, or C commercial driver's
 81.7 license or commercial driver learner's permit, without regard to whether the violation was
 81.8 committed in a commercial motor vehicle or another vehicle.

81.9 Sec. 79. Minnesota Statutes 2016, section 173.02, is amended by adding a subdivision to
 81.10 read:

81.11 Subd. 7a. **Abandoned and discontinued.** "Abandoned and discontinued" means an
 81.12 outdoor advertising device that ceases to display advertising copy for a minimum of one
 81.13 year and is not otherwise being actively marketed to display advertising copy.

81.14 Sec. 80. Minnesota Statutes 2016, section 173.02, is amended by adding a subdivision to
 81.15 read:

81.16 Subd. 17a. **Conforming.** "Conforming" means an outdoor advertising device that
 81.17 complies with the requirements of this chapter.

81.18 Sec. 81. Minnesota Statutes 2016, section 173.02, subdivision 18, is amended to read:

81.19 Subd. 18. **Commercial or industrial activity.** (a) "Commercial or industrial activity"
 81.20 for the purposes of unzoned commercial or industrial areas means an activity generally
 81.21 recognized as commercial or industrial by zoning authorities in this state, ~~except that.~~

81.22 (b) None of the following activities shall be considered commercial or industrial:

81.23 (1) outdoor advertising devices;₂

81.24 (2) agricultural, forestry, ranching, grazing, farming and related activities, including,
 81.25 but not limited to, temporary wayside fresh produce stands;₂

81.26 (3) transient or temporary activities;₂

81.27 (4) activities not visible from the main-traveled way;₂

81.28 (5) activities more than 660 feet from the nearest edge of the right-of-way;₂

81.29 (6) activities conducted in a building principally used as a residence;₂

82.1 (7) railroad tracks and minor sidings;

82.2 (8) advertising located on vehicles or tractor trailers;

82.3 (9) commercial establishments or businesses that have ceased to exist or operate; or

82.4 (10) a business created to install new outdoor advertising devices.

82.5 Sec. 82. Minnesota Statutes 2016, section 173.02, is amended by adding a subdivision to
82.6 read:

82.7 Subd. 21a. **Nonconforming.** "Nonconforming" means an outdoor advertising device
82.8 that was lawfully erected and has been maintained lawfully but does not comply with the
82.9 requirements of this chapter. A nonconforming sign is one that remains in substantially the
82.10 same condition it was on the effective date of this chapter.

82.11 Sec. 83. Minnesota Statutes 2016, section 173.02, is amended by adding a subdivision to
82.12 read:

82.13 Subd. 21b. **Off-premise** "Off-premise" means an outdoor advertising device that
82.14 advertises or pertains to any business, product, person, activity, event, or service that is not
82.15 primarily conducted, sold, manufactured, offered, or located on the property where the sign
82.16 is located.

82.17 Sec. 84. Minnesota Statutes 2016, section 173.02, subdivision 23, is amended to read:

82.18 Subd. 23. **Scenic area.** "Scenic area" means an area within which control and regulation
82.19 of the erection and maintenance of advertising devices may be exercised to the extent herein
82.20 provided and such areas shall include only those established as such by the commissioner
82.21 of transportation. Scenic area includes a scenic byway under United States Code, title 23,
82.22 section 162.

82.23 Sec. 85. Minnesota Statutes 2016, section 173.02, is amended by adding a subdivision to
82.24 read:

82.25 Subd. 23a. **Scenic byways.** "Scenic byways" means roads that recognize outstanding
82.26 scenic, cultural, historic, natural, recreational, and archaeological qualities and landscapes
82.27 pursuant to United States Code, title 23, section 162.

83.1 Sec. 86. Minnesota Statutes 2016, section 173.06, subdivision 1, is amended to read:

83.2 Subdivision 1. **Authority.** The commissioner of transportation ~~shall~~ must adopt and
 83.3 may modify, amend, or repeal rules governing the ~~issuance of permits or renewals thereof~~
 83.4 ~~for the erection and~~ maintenance of legal nonconforming advertising devices within scenic
 83.5 areas; provided that the commissioner shall not adopt, modify, amend, or repeal any rule
 83.6 that will impair any agreement ~~with~~ between the state and the federal government under
 83.7 this chapter. The commissioner of transportation may limit the application of any rule
 83.8 adopted by the commissioner to exclude or include in whole or in part, specified areas within
 83.9 the scenic area based upon use, nature of the surrounding community, or such other factors
 83.10 as may make separate classification or rule necessary or desirable.

83.11 Sec. 87. Minnesota Statutes 2016, section 173.07, subdivision 1, is amended to read:

83.12 Subdivision 1. **Forms; content.** Application for permits or renewals thereof for the
 83.13 placement ~~and maintenance~~ of advertising devices ~~within scenic areas shall~~ must be on
 83.14 forms prescribed by the commissioner and ~~shall~~ contain ~~such~~ information as the commissioner
 83.15 may require. No advertising device shall be placed without the consent of the owner or
 83.16 occupant of the land, and adequate proof of such consent shall be submitted to the
 83.17 commissioner at the time application is made for such permits or renewals. A permit is
 83.18 required to access state right-of-way to maintain an advertising device.

83.19 Sec. 88. Minnesota Statutes 2016, section 173.08, is amended by adding a subdivision to
 83.20 read:

83.21 Subd. 3. **Seed sign exemption.** Crop varietal and seed corn signs adjacent to interstate
 83.22 and primary highways may be erected if the device:

83.23 (1) is located on demonstration plats;

83.24 (2) is located on private property;

83.25 (3) does not violate section 160.27 or 160.2715; and

83.26 (4) does not reference an off-site address where the product may be sold.

83.27 Sec. 89. Minnesota Statutes 2016, section 173.08, is amended by adding a subdivision to
 83.28 read:

83.29 Subd. 4. **Violations; removal.** The Department of Transportation may remove signs
 83.30 that violate this section using the removal procedures under section 173.13, subdivision 11.

84.1 Sec. 90. Minnesota Statutes 2016, section 173.13, subdivision 11, is amended to read:

84.2 Subd. 11. **Removal of advertising device for noncompliance.** Advertising devices
 84.3 erected or maintained after June 8, 1971, not complying with ~~Laws 1971, chapter 883, and~~
 84.4 ~~not otherwise by Laws 1971, chapter 883, permitted to stand~~ this chapter may be removed
 84.5 by the commissioner upon 60 days prior written notice by certified mail to the owner ~~thereof~~
 84.6 of the advertising device and to the owner of the real property on which ~~such~~ the advertising
 84.7 device is located, ~~provided that~~. No notice ~~shall be~~ is required to be given to the owner of
 84.8 an advertising device whose name is not stated upon the advertising device or the structure
 84.9 on which it is displayed, unless the name of ~~such~~ the owner is otherwise reasonably known
 84.10 to the commissioner. The owner of the removed device is liable to the state for the costs of
 84.11 removal. The period of such notice shall be is computed from the date of mailing: to both
 84.12 the owner of the advertising device and the owner of the real property where the device is
 84.13 located. The department must store a removed outdoor advertising device for a minimum
 84.14 of 30 days prior to disposal. If the outdoor advertising device is not retrieved by the owner
 84.15 within 30 days of removal, the department may dispose of the outdoor advertising device.
 84.16 The state is not liable for trespass actions or sign costs for outdoor advertising devices
 84.17 removed under this subdivision if proper notice has been served.

84.18 Sec. 91. [173.155] CHANGEABLE ELECTRONIC VARIABLE MESSAGE SIGNS.

84.19 Subdivision 1. **Definition.** For the purposes of this section, "changeable electronic
 84.20 variable message sign" or "CEVMS" means an outdoor advertising device that contains
 84.21 light-emitting diodes or other technology to display copy visible during the day and during
 84.22 the night, with the copy changes initiated electronically.

84.23 Subd. 2. **Prohibition.** Intermittent, animated, scrolling, full-motion video elements, or
 84.24 moving lights are prohibited on outdoor advertising devices, including CEVMS.

84.25 Subd. 3. **Exceptions.** (a) Notwithstanding subdivision 2, a CEVMS is permissible if:

84.26 (1) the message does not change more frequently than once every six seconds;

84.27 (2) the transition between messages or copy does not exceed two seconds in duration;

84.28 (3) the message brightness does not exceed 0.3 foot-candles over ambient light, as
 84.29 measured using a foot candle meter from the following distances:

84.30 (i) for signs with a nominal face size of 12 feet by 25 feet, from 150 feet;

84.31 (ii) for signs with a nominal face size of ten feet, six inches, by 36 feet, from 200 feet;

84.32 and

85.1 (iii) for signs with a nominal face size of 14 feet by 48 feet, from 250 feet; and

85.2 (4) the sign must not cause beams or rays of light to be directed at the traveled way if
 85.3 the light is of such intensity or brilliance as to cause glare that impairs the vision of the
 85.4 driver of a motor vehicle, or interfere with any driver's operation of a motor vehicle.

85.5 (b) The brightness measurement under paragraph (a), clause (3), must be conducted at
 85.6 least 30 minutes after sunset or at least 30 minutes before sunrise. Each CEVMS must have
 85.7 automatic dimming technology that adjusts the device's brightness levels in response to
 85.8 changes in ambient light.

85.9 Sec. 92. Minnesota Statutes 2016, section 173.16, is amended by adding a subdivision to
 85.10 read:

85.11 Subd. 6. **Stationary structure.** Advertising devices must:

85.12 (1) be stationary;

85.13 (2) be immobile;

85.14 (3) not have wheels; and

85.15 (4) be incapable of relocation without a permit.

85.16 Sec. 93. Minnesota Statutes 2016, section 173.16, is amended by adding a subdivision to
 85.17 read:

85.18 Subd. 7. **Permanent business.** (a) A business that is located in an unzoned commercial
 85.19 or industrial area must be in existence for at least three months before a permit may be
 85.20 issued. An outdoor advertising device erected prior to receiving a permit is subject to
 85.21 removal.

85.22 (b) A commercial establishment may demonstrate evidence of its existence by having
 85.23 a Web site, a telephone number that is answered or has an answering machine identifying
 85.24 the business, a storefront, pictorial evidence of the business, a building permit, or a lease.

85.25 Sec. 94. [173.265] **OUTDOOR ADVERTISING DEVICES; REMOVAL;**
 85.26 **MAINTENANCE.**

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

85.29 (b) "Destroyed" means that more than 50 percent of a nonconforming outdoor advertising
 85.30 device's upright supports are physically damaged to a degree that normal repair practices

86.1 would require replacement of broken wooden supports or replacement of broken, bent, or
 86.2 twisted supports for metal sign structures.

86.3 (c) "Reasonable repair and maintenance" means customary maintenance and change of
 86.4 a sign's copy or message, and includes replacement of existing light fixtures with energy
 86.5 efficient fixtures or installation of other energy efficiency improvements. Reasonable repair
 86.6 and maintenance does not include:

86.7 (1) the addition of illumination;

86.8 (2) repair, reinstallation, erection, or maintenance for outdoor advertising devices that
 86.9 are destroyed, as defined under paragraph (b);

86.10 (3) enlarging the nonconforming device;

86.11 (4) changing the device from a wood structure to a steel or concrete structure; or

86.12 (5) any change that would terminate nonconforming status.

86.13 (d) "Substantial change" means any action that does not constitute reasonable repair and
 86.14 maintenance.

86.15 Subd. 2. **Application.** This section applies only to outdoor advertising devices subject
 86.16 to state and federal regulation under United States Code, title 23, section 131, and any
 86.17 regulations adopted under that law.

86.18 Subd. 3. **Removal.** The department may remove a destroyed, abandoned, or discontinued
 86.19 outdoor advertising device, subject to the limitations provided under this chapter.

86.20 Subd. 4. **Reasonable repair and maintenance.** (a) The owner of an outdoor advertising
 86.21 device may perform reasonable repair and maintenance on any device, provided the device
 86.22 is not destroyed.

86.23 (b) Any action not constituting reasonable repair and maintenance will subject the outdoor
 86.24 advertising device to immediate removal under subdivision 3.

86.25 Subd. 5. **Substantial change.** Substantial changes to outdoor advertising devices are
 86.26 prohibited. A substantial change to a nonconforming outdoor advertising device will subject
 86.27 the sign to immediate removal under subdivision 3.

86.28 Sec. 95. Minnesota Statutes 2016, section 174.03, subdivision 1a, is amended to read:

86.29 Subd. 1a. **Revision of statewide multimodal transportation plan.** (a) The commissioner
 86.30 ~~shall~~ must revise the statewide multimodal transportation plan by January 15, ~~2013~~ 2022,
 86.31 and by January 15 of every ~~four~~ five years thereafter. Before final adoption of a revised

87.1 plan, the commissioner ~~shall~~ must hold a hearing to receive public comment on the
87.2 preliminary draft of the revised plan.

87.3 (b) Each revised statewide multimodal transportation plan must:

87.4 (1) incorporate the goals of the state transportation system in section 174.01;

87.5 (2) establish objectives, policies, and strategies for achieving those goals; and

87.6 (3) identify performance targets for measuring progress and achievement of transportation
87.7 system goals, objectives, or policies.

87.8 Sec. 96. Minnesota Statutes 2016, section 174.03, subdivision 1c, is amended to read:

87.9 Subd. 1c. **Statewide highway 20-year capital investment plan.** ~~By January 15, 2013,~~
87.10 ~~and in conjunction with~~ Within one year of each future revision of the statewide multimodal
87.11 transportation plan under subdivision 1a, the commissioner ~~shall~~ must prepare a 20-year
87.12 statewide highway ~~capital~~ investment plan that:

87.13 (1) incorporates performance measures and targets for assessing progress and achievement
87.14 of the state's transportation goals, objectives, and policies identified in this chapter for the
87.15 state trunk highway system, and those goals, objectives, and policies established in the
87.16 statewide multimodal transportation plan. Performance targets must be based on objectively
87.17 verifiable measures, and address, at a minimum, preservation and maintenance of the
87.18 structural condition of state highway bridges and pavements, safety, and mobility;

87.19 (2) summarizes trends and impacts for each performance target over the past five years;

87.20 (3) summarizes the amount and analyzes the impact of the department's capital
87.21 investments and priorities over the past five years on each performance target, including a
87.22 comparison of prior plan projected costs with actual costs;

87.23 (4) identifies the investments required to meet the established performance targets over
87.24 the next 20-year period;

87.25 (5) projects available state and federal funding over the 20-year period, including any
87.26 unique, competitive, time-limited, or focused funding opportunities;

87.27 (6) identifies strategies to ensure the most efficient use of existing transportation
87.28 infrastructure, and to maximize the performance benefits of projected available funding;

87.29 (7) establishes investment priorities for projected funding, including a schedule of major
87.30 projects or improvement programs for the 20-year period together with projected costs and
87.31 impact on performance targets; and

88.1 (8) identifies those performance targets identified under clause (1) not expected to meet
 88.2 the target outcome over the 20-year period together with alternative strategies that could
 88.3 be implemented to meet the targets.

88.4 **Sec. 97. [174.38] ACTIVE TRANSPORTATION PROGRAM.**

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

88.7 (b) "Active transportation" means bicycling, pedestrian activities, and other forms of
 88.8 nonmotorized transportation.

88.9 (c) "Commissioner" means the commissioner of transportation.

88.10 **Subd. 2. Program established.** Subject to available funds, the commissioner must
 88.11 establish a program to support active transportation.

88.12 **Subd. 3. Active transportation account.** An active transportation account is established
 88.13 in the special revenue fund. The account consists of funds provided by law and any other
 88.14 money donated, allotted, transferred, or otherwise provided to the account. Money in the
 88.15 account must be expended only on a project that receives financial assistance under this
 88.16 section.

88.17 **Subd. 4. Program administration.** (a) The commissioner must establish active
 88.18 transportation program requirements, including:

88.19 (1) assistance eligibility, subject to the requirements under subdivision 5;

88.20 (2) a solicitation and application process that minimizes the burden on applicants; and

88.21 (3) procedures to award and pay financial assistance.

88.22 (b) The commissioner must annually conduct a solicitation for active transportation
 88.23 projects under the program.

88.24 (c) The commissioner must make reasonable efforts to publicize each application
 88.25 solicitation among all eligible recipients. The commissioner must assist applicants to create
 88.26 and submit applications, with an emphasis on providing assistance in communities that are
 88.27 historically and currently underrepresented in local or regional planning, including
 88.28 communities of color, low-income households, people with disabilities, and people with
 88.29 limited English proficiency.

88.30 (d) The commissioner may provide grants or other financial assistance for a project.

89.1 (e) The commissioner is prohibited from expending more than one percent of available
89.2 funds in a fiscal year under this section on program administration.

89.3 Subd. 5. **Eligibility.** Eligible recipients of financial assistance under this section are:

89.4 (1) a political subdivision; and

89.5 (2) a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code, as
89.6 amended.

89.7 Subd. 6. **Use of funds.** The commissioner must determine permissible uses of financial
89.8 assistance under this section, which are limited to:

89.9 (1) construction and maintenance of bicycle, trail, and pedestrian infrastructure, including
89.10 but not limited to safe routes to school infrastructure and bicycle facilities and centers; and

89.11 (2) noninfrastructure programming, including activities as specified in section 174.40,
89.12 subdivision 7a, paragraph (b).

89.13 Subd. 7. **Project evaluation and selection.** (a) The commissioner must establish a
89.14 project evaluation and selection process that is competitive, criteria-based, and objective.

89.15 (b) The process must include criteria and prioritization of projects based on:

89.16 (1) the project's inclusion in a municipal or regional nonmotorized transportation system
89.17 plan;

89.18 (2) the extent to which policies or practices of the political subdivision encourage and
89.19 promote complete streets planning, design, and construction;

89.20 (3) the extent to which the project supports connections between communities and to
89.21 key destinations within a community;

89.22 (4) identified barriers or deficiencies in the nonmotorized transportation system;

89.23 (5) identified safety or health benefits;

89.24 (6) geographic equity in project benefits, with an emphasis on communities that are
89.25 historically and currently underrepresented in local or regional planning; and

89.26 (7) ability of a grantee to maintain the active transportation infrastructure following
89.27 project completion.

90.1 Sec. 98. Minnesota Statutes 2016, section 174.50, subdivision 5, is amended to read:

90.2 Subd. 5. **Certification and disbursement for project of political subdivision.** Before
90.3 disbursement of an appropriation made from the fund to the commissioner of transportation
90.4 for grants to subdivisions of the state, the commissioner ~~shall~~ must certify that:

90.5 (1) ~~that the project for which the grant is made has been reviewed as provided in~~
90.6 ~~subdivision 4;~~

90.7 (2) ~~that~~ the project conforms to the program authorized by the appropriation law and
90.8 rules adopted by the Department of Transportation consistent therewith; and

90.9 (3) ~~that~~ (2) the financing of any estimated cost of the project in excess of the amount of
90.10 the grant is assured by the appropriation of the proceeds of bonds or other funds of the
90.11 subdivision, or by a grant from an agency of the federal government, within the amount of
90.12 funds then appropriated to that agency and allocated by it to projects within the state, and
90.13 by an irrevocable undertaking, in a resolution of the governing body of the subdivision, to
90.14 use all funds so made available exclusively for the project, and to pay any additional amount
90.15 by which the cost exceeds the estimate through appropriation to the construction fund of
90.16 additional funds or the proceeds of additional bonds to be issued by the subdivision.

90.17 Sec. 99. Minnesota Statutes 2016, section 174.50, subdivision 6b, is amended to read:

90.18 Subd. 6b. **Bridge costs in smaller cities.** (a) The commissioner may make grants from
90.19 the state transportation fund to a home rule or statutory city with a population of 5,000 or
90.20 less for design, engineering, and construction of bridges on city streets.

90.21 (b) ~~Grants under this subdivision are subject to the procedures and criteria established~~
90.22 ~~under subdivisions 5, 6, and 7.~~

90.23 (e) (b) Grants may be used for:

90.24 (1) 100 percent of the design and engineering costs that are in excess of \$10,000;

90.25 (2) 100 percent of the bridge approach work costs that are in excess of \$10,000; and

90.26 (3) 100 percent of the bridge construction work costs.

90.27 Sec. 100. Minnesota Statutes 2016, section 174.50, subdivision 6c, is amended to read:

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

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

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

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

91.5 Sec. 101. Minnesota Statutes 2016, section 174.50, subdivision 7, is amended to read:

91.6 Subd. 7. **Bridge grant program; rulemaking.** (a) The commissioner of transportation
 91.7 shall develop rules, procedures for application for grants, conditions of grant administration,
 91.8 standards, and criteria as provided under subdivision 6, including bridge specifications, in
 91.9 cooperation with road authorities of political subdivisions, for use in the administration of
 91.10 funds appropriated to the commissioner and for the administration of grants to subdivisions.
 91.11 Grants under this section are subject to the procedures and criteria established in this
 91.12 subdivision and in subdivisions 5 and 6.

91.13 (b) The maximum use of standardized bridges is encouraged. Regardless of the size of
 91.14 the existing bridge, a bridge or replacement bridge is eligible for assistance from the state
 91.15 transportation fund if a hydrological survey indicates that the bridge or replacement bridge
 91.16 must be ten feet or more in length.

91.17 (c) As part of the standards or rules, the commissioner shall, in consultation with local
 91.18 road authorities, establish a minimum distance between any two bridges that cross over the
 91.19 same river, stream, or waterway, so that only one of the bridges is eligible for a grant under
 91.20 this section. As appropriate, the commissioner may establish exceptions from the minimum
 91.21 distance requirement or procedures for obtaining a variance.

91.22 (d) Political subdivisions may use grants made under this section to construct or
 91.23 reconstruct bridges, including but not limited to:

91.24 (1) matching federal aid grants to construct or reconstruct key bridges;

91.25 (2) paying the costs to abandon an existing bridge that is deficient and in need of
 91.26 replacement but where no replacement will be made; and

91.27 (3) paying the costs to construct a road or street to facilitate the abandonment of an
 91.28 existing bridge if the commissioner determines that the bridge is deficient, and that
 91.29 construction of the road or street is more economical than replacement of the existing bridge.

91.30 (e) Funds appropriated to the commissioner from the Minnesota state transportation
 91.31 fund shall be segregated from the highway tax user distribution fund and other funds created
 91.32 by article XIV of the Minnesota Constitution.

92.1 (f) The commissioner is prohibited from awarding a grant under this section for a local
 92.2 bridge replacement or rehabilitation project with a total project cost estimate of \$7,000,000
 92.3 or more.

92.4 (g) Notwithstanding paragraph (f), the commissioner may award a grant under this
 92.5 section for a portion of a local bridge replacement or rehabilitation project with a total
 92.6 project cost estimate of \$7,000,000 or more if every other local bridge replacement or
 92.7 rehabilitation project on the commissioner's priority list with a total project cost estimate
 92.8 of less than \$7,000,000 has been fully funded.

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

92.10 Sec. 102. **[174.53] DEPARTMENT OF TRANSPORTATION EFFICIENCIES.**

92.11 (a) Beginning in fiscal years 2018 and 2019, the commissioner of transportation must
 92.12 implement efficiencies equal to at least 15 percent of the appropriations made annually to
 92.13 the commissioner from the trunk highway fund that are above base appropriations for fiscal
 92.14 years 2018 and 2019.

92.15 (b) The efficiency savings resulting from the requirements in paragraph (a) are for the
 92.16 construction, maintenance, or rehabilitation of trunk highways, including roads and bridges.

92.17 Sec. 103. Minnesota Statutes 2016, section 174.56, is amended by adding a subdivision
 92.18 to read:

92.19 Subd. 4. **Availability of information.** The commissioner must maintain an Internet Web
 92.20 site that displays information for each major highway project. At a minimum, the information
 92.21 must include the report contents identified in subdivision 2.

92.22 Sec. 104. **[174.57] SNOW AND ICE CONTROL; APPROPRIATION.**

92.23 (a) In a fiscal year in which the commissioner expends more than 110 percent of the
 92.24 established biennial expenditure level for snow and ice management, the commissioner may
 92.25 use an additional amount for this purpose that does not exceed 50 percent of the
 92.26 unappropriated balance in the trunk highway fund. The amount identified by the
 92.27 commissioner under this paragraph is appropriated from the trunk highway fund to the
 92.28 commissioner for snow and ice management purposes.

92.29 (b) Upon using the appropriation authority in this section, the commissioner must notify
 92.30 the commissioner of management and budget and the chairs, ranking minority members,
 92.31 and staff of the house of representatives and senate committees having jurisdiction over

93.1 transportation finance. The notification must at a minimum identify the established biennial
 93.2 expenditure level for snow and ice management and the amount appropriated under this
 93.3 section.

93.4 (c) In each budget submission to the legislature under section 16A.11, the commissioner
 93.5 must include:

93.6 (1) the proposed biennial expenditure level for snow and ice management for the next
 93.7 budget biennium; and

93.8 (2) the total amount expended or estimated to be expended under the appropriation in
 93.9 this section for the budget biennium that is ending.

93.10 (d) For purposes of this section, "snow and ice management purposes" means the
 93.11 following items relating to keeping the roads clear of snow and ice: overtime pay for existing
 93.12 employees; fuel; maintenance and repair; and anti-icing treatments, salt, sand, or other
 93.13 similar substances. "Snow and ice management purposes" does not include the hiring of
 93.14 additional employees or purchasing additional vehicles or equipment.

93.15 Sec. 105. Minnesota Statutes 2016, section 174.93, is amended to read:

93.16 **174.93 GUIDEWAY METROPOLITAN AREA TRANSIT INVESTMENT.**

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

93.19 ~~(1)~~ (b) "Busway" means a form of bus service provided to the public on a regular and
 93.20 ongoing basis, including arterial or highway bus rapid transit, that (1) compared to other
 93.21 regular route bus service, provides reduced travel time and uses distinct bus stop or station
 93.22 amenities, and (2) does not primarily or substantially operate within separated rights-of-way;

93.23 (c) "Commissioner" means the commissioner of transportation;

93.24 ~~(2)~~ (d) "Guideway" means a form of transportation service provided to the public on a
 93.25 regular and ongoing basis; that primarily or substantially operates on exclusive or controlled
 93.26 within separated rights-of-way or operates on rails in whole or in part, and includes:

93.27 (1) each line for intercity passenger rail, commuter rail, light rail transit, and streetcars;
 93.28 and;

93.29 (2) as applicable, each line for dedicated bus service, which may include arterial or
 93.30 highway bus rapid transit; and, limited stop bus service, and express bus service; and

94.1 (3) any intermodal facility serving two or more lines identified in clauses (1) and (2).

94.2 Guideway does not include a busway.

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

94.6 (f) "Separated rights-of-way" includes exclusive, dedicated, or primary use of a
94.7 right-of-way by the public transportation service. Separated rights-of-way does not include
94.8 a shoulder, dynamic shoulder lane, or priced lane under section 160.93.

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

94.12 ~~(e) For purposes of this section,~~ (h) "Budget activity" includes, but is not limited to,
94.13 environmental analysis, land acquisition, easements, design, preliminary and final
94.14 engineering, acquisition of vehicles and rolling stock, track improvement and rehabilitation,
94.15 and construction.

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

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

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

94.26 Subd. 2. **Legislative report.** (a) By ~~January~~ October 15, 2012, and by ~~November 15~~
94.27 ~~every odd-numbered~~ even-numbered year thereafter, the ~~commissioner shall~~ council must
94.28 prepare, in collaboration with the Metropolitan Council commissioner, and a report on
94.29 comprehensive transit finance in the metropolitan area. The council must submit a ~~the~~ report
94.30 electronically to the chairs and ranking minority members of the legislative committees
94.31 with jurisdiction over transportation policy and finance ~~concerning~~.

94.32 (b) The report must be structured to provide financial information in six-month increments
94.33 corresponding to state and local fiscal years, and must use consistent assumptions and

95.1 methodologies. The report must comprehensively identify all funding sources and
 95.2 expenditures related to transit in the metropolitan area, including but not limited to:

95.3 (1) sources and uses of funds from regional railroad authorities, joint powers agreements,
 95.4 counties, and cities;

95.5 (2) expenditures for transit planning, feasibility studies, alternatives analysis, and other
 95.6 transit project development; and

95.7 (3) expenditures for guideways, busways, regular route bus service, demand-response
 95.8 service, and special transportation service under section 473.386.

95.9 (c) The report must include a section that summarizes the status of (1) guideways in
 95.10 revenue operation, and (2) guideway projects ~~(1)~~ (i) currently in study, planning,
 95.11 development, or construction; (2) (ii) identified in the transportation policy plan under
 95.12 section 473.146; or (3) (iii) identified in the comprehensive statewide freight and passenger
 95.13 rail plan under section 174.03, subdivision 1b.

95.14 ~~(b)~~ (d) At a minimum, the guideways status section of the report must include, provide
 95.15 for each guideway project wholly or partially in the metropolitan area:

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

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

95.18 (3) a timeline that includes (i) project phases or milestones, including any federal
 95.19 approvals; (ii) expected and known dates of commencement of each phase or milestone;
 95.20 and (iii) expected and known dates of completion of each phase or milestone;

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

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

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

95.27 (ii) estimated annual operations and maintenance expenditures reflecting the level of
 95.28 detail available in the current phase of the project development, with a breakdown by
 95.29 committed and proposed sources of funds for the project; and

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

96.1 (e) The report must include a section that summarizes the status of (1) busways in revenue
 96.2 operation, and (2) busway projects currently in study, planning, development, or construction.

96.3 (f) The report must include a section that identifies the total ridership, farebox recovery
 96.4 ratio, and per-passenger operating subsidy for (1) each route and line in revenue operation
 96.5 by a transit provider, including guideways, busways, and regular route bus service; and (2)
 96.6 demand-response service and special transportation service. The section must provide data,
 96.7 as available on a per-passenger mile basis and must provide information for at least the
 96.8 previous three years. The section must identify performance standards for farebox recovery
 96.9 and identify each route and line that does not meet the standards.

96.10 ~~(e)~~ (g) The report must also include a systemwide capacity analysis for transit operations
 96.11 and investment in guideway expansion and maintenance that:

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

96.14 (i) total capital expenditures for guideways and for busways;

96.15 (ii) total operations and maintenance expenditures for guideways and for busways;

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

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

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

96.21 ~~(d)~~ (h) The projection capacity analysis under paragraph (e), clause (1), (g) must be for
 96.22 include all guideway and busway lines for which state public funds are reasonably expected
 96.23 to be expended in planning, development, construction, or revenue operation, or capital
 96.24 maintenance during the ensuing ten years.

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

96.27 **EFFECTIVE DATE; APPLICATION.** This section is effective January 1, 2018, and
 96.28 applies beginning with the report due by October 15, 2018. This section applies in the
 96.29 counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

97.1 Sec. 106. **[219.016] HAZARDOUS MATERIALS RAIL SAFETY.**

97.2 **Subdivision 1. Program established.** A hazardous materials rail safety program is
97.3 established for the purpose of reducing the risks associated with the transportation of oil,
97.4 ethanol, and other hazardous material by rail.

97.5 **Subd. 2. Accounts established.** Two hazardous materials rail safety program accounts
97.6 are created, one in the special revenue fund and one in the bond proceeds fund. The account
97.7 in the special revenue fund consists of money as provided by law, and any other money
97.8 donated, allotted, transferred, or otherwise provided to the account. Money in each account
97.9 is appropriated to the commissioner of transportation to make grants as provided in this
97.10 section. Money in the accounts is available until spent, notwithstanding section 16A.28 or
97.11 16A.642.

97.12 **Subd. 3. Eligible applicant.** A county, statutory or home rule charter city, or town that
97.13 is responsible for establishing and maintaining public highway-rail grade crossings on rail
97.14 corridors transporting crude oil and other hazardous materials may apply to the commissioner
97.15 for financial assistance under this section.

97.16 **Subd. 4. Eligible project.** (a) A project is eligible for a grant from the account in the
97.17 bond proceeds fund if the project is for the acquisition or betterment of public land, buildings,
97.18 and other public improvements of a capital nature within the meaning of the Minnesota
97.19 Constitution, article XI, section 5, clause (a) or (i), including capital costs associated with
97.20 hazardous materials rail safety projects on public highway-rail grade crossings. Qualifying
97.21 capital costs include but are not limited to upgrades to existing protection systems, the
97.22 closing of crossings and necessary roadwork, and reconstruction of at-grade crossings to
97.23 full grade separations.

97.24 (b) A project is eligible for a grant from the account in the special revenue fund if it is
97.25 for purposes described in paragraph (a) or other capital facility improvement purposes that
97.26 support the purposes for which this grant program is established, including capital costs
97.27 associated with planning, engineering, administration, and construction of public highway-rail
97.28 grade crossing improvements on rail corridors transporting crude oil and other hazardous
97.29 materials. Improvements may include upgrades to existing protection systems, the closing
97.30 of crossings and necessary roadwork, and reconstruction of at-grade crossings to full grade
97.31 separations.

97.32 **Subd. 5. Grants; criteria for grant award.** The commissioner must consider the
97.33 following criteria to evaluate applications for a grant award under this section:

98.1 (1) whether the crossing was identified as a potential candidate for grade separation in
 98.2 the Department of Transportation's crude by rail grade crossing study (Improvements to
 98.3 Highway Grade Crossings and Rail Safety, December 2014);

98.4 (2) roadway traffic volumes and speeds;

98.5 (3) train volumes and speeds;

98.6 (4) adjacent land use;

98.7 (5) crash history;

98.8 (6) use of the crossing by emergency vehicles;

98.9 (7) use of the crossing by vehicles carrying hazardous materials; and

98.10 (8) local financial contributions to the project.

98.11 Subd. 6. **Process.** The commissioner must develop forms and procedures for soliciting
 98.12 and reviewing applications for grants under this section. An applicant must apply for a grant
 98.13 in the manner and at the times determined by the commissioner. The grant agreement must
 98.14 be approved by the commissioner of management and budget and is subject to cancellation
 98.15 under subdivision 7.

98.16 Subd. 7. **Grant cancellation.** If the commissioner determines that a grantee is unable
 98.17 to proceed with an approved project or has not expended or obligated the grant money within
 98.18 four years of entering into the grant agreement with the commissioner, the commissioner
 98.19 must cancel the grant. Money canceled under this subdivision is available for the
 98.20 commissioner to make other grants under this section.

98.21 Sec. 107. Minnesota Statutes 2016, section 221.031, is amended by adding a subdivision
 98.22 to read:

98.23 Subd. 2e. **Exemptions for pipeline welding trucks.** A pipeline welding truck, as defined
 98.24 in Code of Federal Regulations, title 49, section 390.38, paragraph (b), including an individual
 98.25 operating a pipeline welding truck and the employer of the individual, is exempt from any
 98.26 requirement relating to:

98.27 (1) registration as a motor carrier, including the requirement to obtain and display a
 98.28 United States Department of Transportation number under subdivision 6 and section 168.185;

98.29 (2) driver qualifications under section 221.0314, subdivision 2;

98.30 (3) driving of commercial motor vehicles under section 221.0314, subdivision 6;

99.1 (4) parts, accessories, and inspection, repair, and maintenance of commercial motor
 99.2 vehicles under section 221.0314, subdivisions 7 and 10; and

99.3 (5) hours of service of drivers, including maximum driving and on-duty time under
 99.4 section 221.0314, subdivision 9.

99.5 Sec. 108. Minnesota Statutes 2016, section 222.49, is amended to read:

99.6 **222.49 RAIL SERVICE IMPROVEMENT ACCOUNT; APPROPRIATION.**

99.7 The rail service improvement account is created in the special revenue fund in the state
 99.8 treasury. ~~The commissioner shall deposit in this account all~~ consists of funds as provided
 99.9 by law, and any other money appropriated to or received by the department for the purpose
 99.10 of rail service improvement donated, allotted, transferred, or otherwise provided to the
 99.11 account, excluding bond proceeds as authorized by article XI, section 5, clause (i)₂ of the
 99.12 Minnesota Constitution. All money so deposited is appropriated to the department for
 99.13 expenditure for rail service improvement in accordance with applicable state and federal
 99.14 law. This appropriation shall not lapse but shall be available until the purpose for which it
 99.15 was appropriated has been accomplished. ~~No money appropriated to the department for the~~
 99.16 ~~purposes of administering the rail service improvement program shall be deposited in the~~
 99.17 ~~rail service improvement account nor shall such administrative costs be paid from the~~
 99.18 ~~account.~~

99.19 Sec. 109. Minnesota Statutes 2016, section 222.50, subdivision 6, is amended to read:

99.20 Subd. 6. **Grants.** The commissioner may approve grants from the rail service
 99.21 improvement account for ~~payment of up to 50 percent of the nonfederal share of the cost~~
 99.22 ~~of any rail line project under the federal rail service continuation program~~ freight rail service
 99.23 improvements that support economic development.

99.24 Sec. 110. Minnesota Statutes 2016, section 256B.15, subdivision 1a, is amended to read:

99.25 Subd. 1a. **Estates subject to claims.** (a) If a person receives medical assistance hereunder,
 99.26 on the person's death, if single, or on the death of the survivor of a married couple, either
 99.27 or both of whom received medical assistance, or as otherwise provided for in this section,
 99.28 the amount paid for medical assistance as limited under subdivision 2 for the person and
 99.29 spouse shall be filed as a claim against the estate of the person or the estate of the surviving
 99.30 spouse in the court having jurisdiction to probate the estate or to issue a decree of descent
 99.31 according to sections 525.31 to 525.313.

99.32 (b) For the purposes of this section, the person's estate must consist of:

100.1 (1) the person's probate estate;

100.2 (2) all of the person's interests or proceeds of those interests in real property the person
100.3 owned as a life tenant or as a joint tenant with a right of survivorship at the time of the
100.4 person's death;

100.5 (3) all of the person's interests or proceeds of those interests in securities the person
100.6 owned in beneficiary form as provided under sections 524.6-301 to 524.6-311 at the time
100.7 of the person's death, to the extent the interests or proceeds of those interests become part
100.8 of the probate estate under section 524.6-307;

100.9 (4) all of the person's interests in joint accounts, multiple-party accounts, and pay-on-death
100.10 accounts, brokerage accounts, investment accounts, or the proceeds of those accounts, as
100.11 provided under sections 524.6-201 to 524.6-214 at the time of the person's death to the
100.12 extent the interests become part of the probate estate under section 524.6-207; and

100.13 (5) assets conveyed to a survivor, heir, or assign of the person through survivorship,
100.14 living trust, transfer-on-death of title or deed, or other arrangements.

100.15 (c) For the purpose of this section and recovery in a surviving spouse's estate for medical
100.16 assistance paid for a predeceased spouse, the estate must consist of all of the legal title and
100.17 interests the deceased individual's predeceased spouse had in jointly owned or marital
100.18 property at the time of the spouse's death, as defined in subdivision 2b, and the proceeds of
100.19 those interests, that passed to the deceased individual or another individual, a survivor, an
100.20 heir, or an assign of the predeceased spouse through a joint tenancy, tenancy in common,
100.21 survivorship, life estate, living trust, or other arrangement. A deceased recipient who, at
100.22 death, owned the property jointly with the surviving spouse shall have an interest in the
100.23 entire property.

100.24 (d) For the purpose of recovery in a single person's estate or the estate of a survivor of
100.25 a married couple, "other arrangement" includes any other means by which title to all or any
100.26 part of the jointly owned or marital property or interest passed from the predeceased spouse
100.27 to another including, but not limited to, transfers between spouses which are permitted,
100.28 prohibited, or penalized for purposes of medical assistance.

100.29 (e) A claim shall be filed if medical assistance was rendered for either or both persons
100.30 under one of the following circumstances:

100.31 (1) the person was over 55 years of age, and received services under this chapter prior
100.32 to January 1, 2014;

101.1 (2) the person resided in a medical institution for six months or longer, received services
 101.2 under this chapter, and, at the time of institutionalization or application for medical assistance,
 101.3 whichever is later, the person could not have reasonably been expected to be discharged
 101.4 and returned home, as certified in writing by the person's treating physician. For purposes
 101.5 of this section only, a "medical institution" means a skilled nursing facility, intermediate
 101.6 care facility, intermediate care facility for persons with developmental disabilities, nursing
 101.7 facility, or inpatient hospital;

101.8 (3) the person received general assistance medical care services under the program
 101.9 formerly codified under chapter 256D; or

101.10 (4) the person was 55 years of age or older and received medical assistance services on
 101.11 or after January 1, 2014, that consisted of nursing facility services, home and
 101.12 community-based services, or related hospital and prescription drug benefits.

101.13 (f) The claim shall be considered an expense of the last illness of the decedent for the
 101.14 purpose of section 524.3-805. Notwithstanding any law or rule to the contrary, a state or
 101.15 county agency with a claim under this section must be a creditor under section 524.6-307.
 101.16 Any statute of limitations that purports to limit any county agency or the state agency, or
 101.17 both, to recover for medical assistance granted hereunder shall not apply to any claim made
 101.18 hereunder for reimbursement for any medical assistance granted hereunder. Notice of the
 101.19 claim shall be given to all heirs and devisees of the decedent, and to other persons with an
 101.20 ownership interest in the real property owned by the decedent at the time of the decedent's
 101.21 death, whose identity can be ascertained with reasonable diligence. The notice must include
 101.22 procedures and instructions for making an application for a hardship waiver under subdivision
 101.23 5; time frames for submitting an application and determination; and information regarding
 101.24 appeal rights and procedures. Counties are entitled to one-half of the nonfederal share of
 101.25 medical assistance collections from estates that are directly attributable to county effort.
 101.26 Counties are entitled to ten percent of the collections for alternative care directly attributable
 101.27 to county effort.

101.28 Sec. 111. Minnesota Statutes 2016, section 297A.815, subdivision 3, is amended to read:

101.29 Subd. 3. **Motor vehicle lease sales tax revenue.** ~~(a) For purposes of this subdivision,~~
 101.30 ~~"net revenue" means an amount equal to the revenues, including interest and penalties,~~
 101.31 ~~collected under this section, during the fiscal year, less \$32,000,000 in each fiscal year.~~

101.32 ~~(b)~~ (a) On or before June 30 of each fiscal year, the commissioner of revenue shall must
 101.33 estimate the amount of the net revenue revenues, including interest and penalties and minus
 101.34 refunds, collected under this section for the current fiscal year.

102.1 ~~(e) On or after~~ (b) By July 15 of the subsequent fiscal year, the commissioner of
 102.2 management and budget ~~shall~~ must transfer the ~~net revenue as~~ revenues estimated ~~in~~ under
 102.3 paragraph ~~(b)~~ (a) from the general fund, as follows:

- 102.4 (1) 38 percent to the county state-aid highway fund;
 102.5 (2) 38 percent to the greater Minnesota transit account;
 102.6 (3) 13 percent to the Minnesota state transportation fund; and
 102.7 (4) 11 percent to the highway user tax distribution fund.

102.8 ~~(1) \$9,000,000 annually until January 1, 2015, and 50 percent annually thereafter to the~~
 102.9 ~~county state-aid highway fund.~~ (c) Notwithstanding any other law to the contrary, the
 102.10 commissioner of transportation ~~shall~~ must allocate the funds transferred under ~~this paragraph~~
 102.11 (b), clause (1), to the counties in the metropolitan area, as defined in section 473.121,
 102.12 subdivision 4, excluding the counties of Hennepin and Ramsey, so that each county ~~shall~~
 102.13 ~~receive of such amount~~ receives the percentage that its population, as defined in section
 102.14 477A.011, subdivision 3, estimated or established by July 15 of the year prior to the current
 102.15 calendar year, bears to the total population of the counties receiving funds under this ~~clause;~~
 102.16 ~~and paragraph.~~

102.17 ~~(2) the remainder to the greater Minnesota transit account.~~ (d) The amount transferred
 102.18 under paragraph (b), clause (3), must be used for the local bridge program under section
 102.19 174.50, subdivisions 6 to 7.

102.20 (e) The revenues under this subdivision do not include the revenues, including interest
 102.21 and penalties and minus refunds, generated by the sales tax imposed under section 297A.62,
 102.22 subdivision 1a, which must be deposited as provided under the Minnesota Constitution,
 102.23 article XI, section 15.

102.24 **EFFECTIVE DATE.** This section is effective the day following final enactment and
 102.25 applies beginning with transfers recognized in fiscal year 2018.

102.26 Sec. 112. Minnesota Statutes 2016, section 297A.94, is amended to read:

102.27 **297A.94 DEPOSIT OF REVENUES.**

102.28 (a) Except as provided in this section, the commissioner shall deposit the revenues,
 102.29 including interest and penalties, derived from the taxes imposed by this chapter in the state
 102.30 treasury and credit them to the general fund.

102.31 (b) The commissioner shall deposit taxes in the Minnesota agricultural and economic
 102.32 account in the special revenue fund if:

103.1 (1) the taxes are derived from sales and use of property and services purchased for the
103.2 construction and operation of an agricultural resource project; and

103.3 (2) the purchase was made on or after the date on which a conditional commitment was
103.4 made for a loan guaranty for the project under section 41A.04, subdivision 3.

103.5 The commissioner of management and budget shall certify to the commissioner the date on
103.6 which the project received the conditional commitment. The amount deposited in the loan
103.7 guaranty account must be reduced by any refunds and by the costs incurred by the Department
103.8 of Revenue to administer and enforce the assessment and collection of the taxes.

103.9 (c) The commissioner shall deposit the revenues, including interest and penalties, derived
103.10 from the taxes imposed on sales and purchases included in section 297A.61, subdivision 3,
103.11 paragraph (g), clauses (1) and (4), in the state treasury, and credit them as follows:

103.12 (1) first to the general obligation special tax bond debt service account in each fiscal
103.13 year the amount required by section 16A.661, subdivision 3, paragraph (b); and

103.14 (2) after the requirements of clause (1) have been met, the balance to the general fund.

103.15 (d) Beginning with sales taxes remitted after July 1, 2017, the commissioner shall deposit
103.16 in the state treasury the revenues collected under section 297A.64, subdivision 1, including
103.17 interest and penalties and minus refunds, and credit them to the highway user tax distribution
103.18 fund.

103.19 (e) The commissioner shall deposit the revenues, including interest and penalties,
103.20 collected under section 297A.64, subdivision 5, in the state treasury and credit them to the
103.21 general fund. By July 15 of each year the commissioner shall transfer to the highway user
103.22 tax distribution fund an amount equal to the excess fees collected under section 297A.64,
103.23 subdivision 5, for the previous calendar year.

103.24 ~~(e)~~ (f) Beginning with sales taxes remitted after July 1, 2017, in conjunction with the
103.25 deposit of revenues under paragraph (d), the commissioner shall deposit into the state
103.26 treasury and credit to the highway user tax distribution fund an amount equal to the estimated
103.27 revenues derived from the tax rate imposed under section 297A.62, subdivision 1, on the
103.28 lease or rental for not more than 28 days of rental motor vehicles subject to section 297A.64.
103.29 The commissioner shall estimate the amount of sales tax revenue deposited under this
103.30 paragraph based on the amount of revenue deposited under paragraph (d).

103.31 (g) Starting after July 1, 2017, the commissioner shall deposit an amount of the
103.32 remittances monthly into the state treasury and credit them to the highway user tax
103.33 distribution fund as a portion of the estimated amount of taxes collected from the sale and

104.1 purchase of motor vehicle repair parts in that month. For the remittances between July 1,
 104.2 2017, and June 30, 2019, the monthly deposit amount is \$6,001,000. For remittances in
 104.3 each subsequent fiscal year, the monthly deposit amount is \$17,173,000. For purposes of
 104.4 this paragraph, "motor vehicle" has the meaning given in section 297B.01, subdivision 11,
 104.5 and "motor vehicle repair and replacement parts" includes (i) all parts, tires, accessories,
 104.6 and equipment incorporated into or affixed to the motor vehicle as part of the motor vehicle
 104.7 maintenance and repair, and (ii) paint, oil, and other fluids that remain on or in the motor
 104.8 vehicle as part of the motor vehicle maintenance or repair. For purposes of this paragraph,
 104.9 "tire" means any tire of the type used on highway vehicles, if wholly or partially made of
 104.10 rubber and if marked according to federal regulations for highway use.

104.11 (h) 72.43 percent of the revenues, including interest and penalties, transmitted to the
 104.12 commissioner under section 297A.65, must be deposited by the commissioner in the state
 104.13 treasury as follows:

104.14 (1) 50 percent of the receipts must be deposited in the heritage enhancement account in
 104.15 the game and fish fund, and may be spent only on activities that improve, enhance, or protect
 104.16 fish and wildlife resources, including conservation, restoration, and enhancement of land,
 104.17 water, and other natural resources of the state;

104.18 (2) 22.5 percent of the receipts must be deposited in the natural resources fund, and may
 104.19 be spent only for state parks and trails;

104.20 (3) 22.5 percent of the receipts must be deposited in the natural resources fund, and may
 104.21 be spent only on metropolitan park and trail grants;

104.22 (4) three percent of the receipts must be deposited in the natural resources fund, and
 104.23 may be spent only on local trail grants; and

104.24 (5) two percent of the receipts must be deposited in the natural resources fund, and may
 104.25 be spent only for the Minnesota Zoological Garden, the Como Park Zoo and Conservatory,
 104.26 and the Duluth Zoo.

104.27 ~~(i)~~ (i) The revenue dedicated under paragraph ~~(e)~~ (h) may not be used as a substitute
 104.28 for traditional sources of funding for the purposes specified, but the dedicated revenue shall
 104.29 supplement traditional sources of funding for those purposes. Land acquired with money
 104.30 deposited in the game and fish fund under paragraph ~~(e)~~ (h) must be open to public hunting
 104.31 and fishing during the open season, except that in aquatic management areas or on lands
 104.32 where angling easements have been acquired, fishing may be prohibited during certain times
 104.33 of the year and hunting may be prohibited. At least 87 percent of the money deposited in

105.1 the game and fish fund for improvement, enhancement, or protection of fish and wildlife
 105.2 resources under paragraph ~~(e)~~ (h) must be allocated for field operations.

105.3 ~~(g)~~ (j) The revenues deposited under paragraphs (a) to ~~(f)~~ (i) do not include the revenues,
 105.4 including interest and penalties, generated by the sales tax imposed under section 297A.62,
 105.5 subdivision 1a, which must be deposited as provided under the Minnesota Constitution,
 105.6 article XI, section 15.

105.7 **EFFECTIVE DATE.** This section is effective July 1, 2017.

105.8 Sec. 113. Minnesota Statutes 2016, section 297A.992, is amended by adding a subdivision
 105.9 to read:

105.10 **Subd. 10a. Termination of taxes; use of remaining funds.** If the joint powers agreement
 105.11 under subdivision 3 is terminated, funds received by a county in association with the
 105.12 termination may be used for any of the purposes specified in section 297A.993, subdivision
 105.13 2.

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

105.15 Sec. 114. Minnesota Statutes 2016, section 297B.01, subdivision 16, is amended to read:

105.16 **Subd. 16. Sale, sells, selling, purchase, purchased, or acquired.** (a) "Sale," "sells,"
 105.17 "selling," "purchase," "purchased," or "acquired" means any transfer of title of any motor
 105.18 vehicle, whether absolutely or conditionally, for a consideration in money or by exchange
 105.19 or barter for any purpose other than resale in the regular course of business.

105.20 (b) Any motor vehicle utilized by the owner only by leasing such vehicle to others or
 105.21 by holding it in an effort to so lease it, and which is put to no other use by the owner other
 105.22 than resale after such lease or effort to lease, shall be considered property purchased for
 105.23 resale.

105.24 (c) The terms also shall include any transfer of title or ownership of a motor vehicle by
 105.25 other means, for or without consideration, except that these terms shall not include:

105.26 (1) the acquisition of a motor vehicle by inheritance from or by bequest of, or
 105.27 transfer-on-death of title by, a decedent who owned it;

105.28 (2) the transfer of a motor vehicle which was previously licensed in the names of two
 105.29 or more joint tenants and subsequently transferred without monetary consideration to one
 105.30 or more of the joint tenants;

106.1 (3) the transfer of a motor vehicle by way of gift from a limited used vehicle dealer
106.2 licensed under section 168.27, subdivision 4a, to an individual, when the transfer is with
106.3 no monetary or other consideration or expectation of consideration and the parties to the
106.4 transfer submit an affidavit to that effect at the time the title transfer is recorded;

106.5 (4) the transfer of a motor vehicle by gift between:

106.6 (i) spouses;

106.7 (ii) parents and a child; or

106.8 (iii) grandparents and a grandchild;

106.9 (5) the voluntary or involuntary transfer of a motor vehicle between a husband and wife
106.10 in a divorce proceeding; or

106.11 (6) the transfer of a motor vehicle by way of a gift to an organization that is exempt from
106.12 federal income taxation under section 501(c)(3) of the Internal Revenue Code when the
106.13 motor vehicle will be used exclusively for religious, charitable, or educational purposes.

106.14 Sec. 115. Minnesota Statutes 2016, section 299D.03, subdivision 6, is amended to read:

106.15 Subd. 6. **Training program.** The commissioner of public safety may provide training
106.16 programs for the purpose of obtaining qualified personnel for the State Patrol. Persons
106.17 accepted by the commissioner of public safety for training under this training program shall
106.18 be designated State Patrol trainees and shall receive a salary ~~not to exceed~~ no less than 70
106.19 percent of the basic salary for patrol officers as prescribed in subdivision 2, during the period
106.20 of the training. Nothing contained in this subdivision shall be construed to prevent the
106.21 commissioner of public safety from providing in-service training programs for State Patrol
106.22 officers. The commissioner of transportation shall furnish the commissioner of public safety
106.23 with lands and buildings necessary in providing in-service training programs and the
106.24 Department of Public Safety shall reimburse the Department of Transportation for all
106.25 reasonable costs incurred due to the provision of these training facilities.

106.26 Sec. 116. Minnesota Statutes 2016, section 398A.10, subdivision 3, is amended to read:

106.27 Subd. 3. **Application.** This section only applies to a county that has imposed the
106.28 metropolitan transportation sales and use tax under section 297A.992 and applies whether
106.29 or not the tax is currently in effect.

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

107.1 Sec. 117. Minnesota Statutes 2016, section 398A.10, subdivision 4, is amended to read:

107.2 Subd. 4. **Definition.** For purposes of this section, "project" means the initial construction
 107.3 or extension of a minimum operable segment of a new light rail transit or commuter rail
 107.4 line, but does not include infill stations, project enhancements, ~~extensions~~, or supportive
 107.5 infrastructure, constructed after the rail transit is operational.

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

107.7 Sec. 118. Minnesota Statutes 2016, section 473.121, subdivision 2, is amended to read:

107.8 Subd. 2. **Metropolitan area or area.** "Metropolitan area" or "area" means the area over
 107.9 which the Metropolitan Council has jurisdiction, including only the counties of Anoka;
 107.10 Carver; Dakota excluding the ~~city~~ cities of Northfield and Cannon Falls; Hennepin excluding
 107.11 the cities of Hanover and Rockford; Ramsey; Scott excluding the city of New Prague; and
 107.12 Washington.

107.13 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following
 107.14 final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey,
 107.15 Scott, and Washington.

107.16 Sec. 119. Minnesota Statutes 2016, section 473.123, is amended to read:

107.17 **473.123 METROPOLITAN COUNCIL.**

107.18 Subdivision 1. **Creation; membership.** (a) A Metropolitan Council with jurisdiction
 107.19 in the metropolitan area is established as a public corporation and political subdivision of
 107.20 the state. It shall be under the supervision and control of ~~17~~ 27 members, all of whom ~~shall~~
 107.21 must be residents of the metropolitan area- and appointed as follows:

107.22 (1) a county commissioner from each metropolitan county, appointed by the respective
 107.23 county boards;

107.24 (2) a local elected official appointed from each Metropolitan Council district by the
 107.25 municipal committee for the council district established in subdivision 2b;

107.26 (3) the commissioner of transportation or the commissioner's designee;

107.27 (4) one person to represent nonmotorized transportation, appointed by the commissioner
 107.28 of transportation;

107.29 (5) one person to represent freight transportation, appointed by the commissioner of
 107.30 transportation; and

108.1 (6) one person to represent public transit, appointed by the commissioner of
 108.2 transportation.

108.3 (b) The local elected offices identified in paragraph (a) are compatible with the office
 108.4 of a Metropolitan Council member.

108.5 (c) Notwithstanding any change to the definition of the metropolitan area in section
 108.6 473.121, subdivision 2, the jurisdiction of the Metropolitan Council is limited to the
 108.7 seven-county metropolitan area.

108.8 Subd. 2a. **Terms.** (a) Following each apportionment of council districts, as provided
 108.9 under subdivision 3a, council members must be appointed from newly drawn districts as
 108.10 provided in subdivision 3a. Each council member, other than the chair, must reside in the
 108.11 council district represented. Each council district must be represented by one member of
 108.12 the council. The terms of members end with the term of the governor, except that all terms
 108.13 expire on the effective date of the next apportionment. A member serves at the pleasure of
 108.14 the governor. the municipal committee for each council district must appoint a local elected
 108.15 official who resides in the district to serve on the Metropolitan Council for a two-year term.
 108.16 A member's position on the Metropolitan Council becomes vacant if the member ceases to
 108.17 be a local elected official or as provided in chapter 351, and any vacancy must be filled as
 108.18 soon as practicable for the unexpired term in the same manner as the appointment for a
 108.19 regular term. A member shall continue continues to serve the member's district until a
 108.20 successor is appointed and qualified; except that, following each apportionment, the member
 108.21 shall continue continues to serve at large until the governor appoints 16 council members,
 108.22 one municipal committee for the council district appoints a member from each of the newly
 108.23 drawn council districts district as provided under subdivision 3a, to serve terms as provided
 108.24 under this section. The appointment to the council must be made by the first Monday in
 108.25 March of the year in which the term ends.

108.26 (b) A county commissioner is appointed to the Metropolitan Council for a two-year
 108.27 term. In addition to the provisions in chapter 351, if a member appointed under this paragraph
 108.28 ceases to be a county commissioner, the council position becomes vacant. A vacancy must
 108.29 be filled as soon as practicable for the unexpired term in the same manner as the appointment
 108.30 for a regular term.

108.31 (c) An individual appointed by the commissioner of transportation under subdivision 1
 108.32 serves at the pleasure of the appointing authority.

108.33 Subd. 2b. **Municipal committee in each council district.** The governing body of each
 108.34 home rule charter or statutory city and town in each Metropolitan Council district must

109.1 appoint a member to serve on a municipal committee for the council district. If a city or
 109.2 town is in more than one council district, the governing body must appoint a member to
 109.3 serve on each council district's municipal committee. A member appointed to a council
 109.4 district's municipal committee must reside in the council district. In addition to appointing
 109.5 a municipal committee member to serve as a member of the Metropolitan Council as provided
 109.6 in subdivision 2a, the municipal committee must meet at least quarterly to discuss issues
 109.7 relating to the Metropolitan Council.

109.8 Subd. 3. ~~Membership; appointment; qualifications~~ Compensation. (a) ~~Sixteen~~
 109.9 ~~members must be appointed by the governor from districts defined by this section. Each~~
 109.10 ~~council member must reside in the council district represented. Each council district must~~
 109.11 ~~be represented by one member of the council. In addition to any compensation as a local~~
 109.12 ~~elected official, the council must pay each member of the council other than the chair or~~
 109.13 ~~the commissioner of transportation, or the commissioner's designee, \$20,000 per year plus~~
 109.14 ~~reimbursement of actual and necessary expenses as approved by the council. The~~
 109.15 ~~commissioner of transportation or the commissioner's designee is not eligible for~~
 109.16 ~~compensation under this subdivision but may be reimbursed for actual and necessary~~
 109.17 ~~expenses.~~

109.18 (b) ~~In addition to the notice required by section 15.0597, subdivision 4, notice of~~
 109.19 ~~vacancies and expiration of terms must be published in newspapers of general circulation~~
 109.20 ~~in the metropolitan area and the appropriate districts. The governing bodies of the statutory~~
 109.21 ~~and home rule charter cities, counties, and towns having territory in the district for which~~
 109.22 ~~a member is to be appointed must be notified in writing. The notices must describe the~~
 109.23 ~~appointments process and invite participation and recommendations on the appointment.~~
 109.24 In addition to any compensation as a local elected official, the council must pay the chair
 109.25 \$40,000 per year plus reimbursement of actual and necessary expenses as approved by the
 109.26 council.

109.27 (c) ~~The governor shall create a nominating committee, composed of seven metropolitan~~
 109.28 ~~citizens appointed by the governor, to nominate persons for appointment to the council from~~
 109.29 ~~districts. Three of the committee members must be local elected officials. Following the~~
 109.30 ~~submission of applications as provided under section 15.0597, subdivision 5, the nominating~~
 109.31 ~~committee shall conduct public meetings, after appropriate notice, to accept statements from~~
 109.32 ~~or on behalf of persons who have applied or been nominated for appointment and to allow~~
 109.33 ~~consultation with and secure the advice of the public and local elected officials. The~~
 109.34 ~~committee shall hold the meeting on each appointment in the district or in a reasonably~~
 109.35 ~~convenient and accessible location in the part of the metropolitan area in which the district~~

110.1 is located. The committee may consolidate meetings. Following the meetings, the committee
 110.2 shall submit to the governor a list of nominees for each appointment. The governor is not
 110.3 required to appoint from the list.

110.4 (d) ~~Before making an appointment, the governor shall consult with all members of the~~
 110.5 ~~legislature from the council district for which the member is to be appointed.~~

110.6 (e) ~~Appointments to the council are subject to the advice and consent of the senate as~~
 110.7 ~~provided in section 15.066.~~

110.8 (f) ~~Members of the council must be appointed to reflect fairly the various demographic,~~
 110.9 ~~political, and other interests in the metropolitan area and the districts.~~

110.10 (g) ~~Members of the council must be persons knowledgeable about urban and metropolitan~~
 110.11 ~~affairs.~~

110.12 (h) ~~Any vacancy in the office of a council member shall immediately be filled for the~~
 110.13 ~~unexpired term. In filling a vacancy, the governor may forgo the requirements of paragraph~~
 110.14 ~~(e) if the governor has made appointments in full compliance with the requirements of this~~
 110.15 ~~subdivision within the preceding 12 months.~~

110.16 Subd. 3a. **Redistricting.** The legislature shall must redraw the boundaries of the council
 110.17 districts after each decennial federal census so that each district has substantially equal
 110.18 population. Redistricting is effective in the year ending in the numeral "3." Within 60 days
 110.19 after a redistricting plan takes effect, the ~~governor shall~~ municipal committees must appoint
 110.20 members from the newly drawn districts to serve terms as provided under subdivision 2a.

110.21 Subd. 3e. **District boundaries.** Metropolitan Council plan MC2013-1A, on file with
 110.22 the Geographical Information Systems Office of the Legislative Coordinating Commission
 110.23 and published on its Web site on April 9, 2013, is adopted and constitutes the redistricting
 110.24 plan required by subdivision 3a. The boundaries of each Metropolitan Council district are
 110.25 as described in that plan.

110.26 Subd. 4. **Chair; appointment, officers, selection; duties and compensation.** (a) The
 110.27 chair of the Metropolitan Council shall must be appointed by the governor as the ~~17th~~ 28th
 110.28 voting member thereof by and with the advice and consent of the senate to serve at the
 110.29 pleasure of the governor to represent the metropolitan area at large. ~~Senate confirmation~~
 110.30 ~~shall be as provided by section 15.066.~~

110.31 The chair of the Metropolitan Council shall must, if present, preside at meetings of the
 110.32 council, have the primary responsibility for meeting with local elected officials, serve as
 110.33 the principal legislative liaison, present to the governor and the legislature, after council

111.1 approval, the council's plans for regional governance and operations, serve as the principal
111.2 spokesperson of the council, and perform other duties assigned by the council or by law.

111.3 (b) The Metropolitan Council ~~shall~~ must elect other officers as it deems necessary for
111.4 the conduct of its affairs for a one-year term. A secretary and treasurer need not be members
111.5 of the Metropolitan Council. Meeting times and places ~~shall~~ must be fixed by the
111.6 Metropolitan Council and special meetings may be called by a majority of the members of
111.7 the Metropolitan Council or by the chair. The chair and each Metropolitan Council member
111.8 ~~shall~~ must be reimbursed for actual and necessary expenses.

111.9 (c) Each member of the council ~~shall~~ must attend and participate in council meetings
111.10 and meet regularly with local elected officials and legislative members from the council
111.11 member's district. Each council member ~~shall~~ must serve on at least one division committee
111.12 for transportation, environment, or community development.

111.13 (d) In the performance of its duties the Metropolitan Council may adopt policies and
111.14 procedures governing its operation, establish committees, and, when specifically authorized
111.15 by law, make appointments to other governmental agencies and districts.

111.16 Subd. 8. **General counsel.** The council may appoint a general counsel to serve at the
111.17 pleasure of the council.

111.18 Subd. 9. **Authority to vote; quorum; votes required for action.** (a) The members
111.19 appointed by the counties and municipal committees may vote on all matters before the
111.20 council. The commissioner of transportation or the commissioner's designee and the three
111.21 members appointed by the commissioner may vote only on matters in which the council is
111.22 acting as the metropolitan planning organization for the region as provided in section
111.23 473.146.

111.24 (b) A quorum is a majority of the members permitted to vote on a matter.

111.25 (c) If a quorum is present, the council may adopt its levy only if at least 60 percent of
111.26 the members present vote in favor of the levy.

111.27 (d) If a quorum is present, the council may adopt a metropolitan system plan or plan
111.28 amendment only if at least 60 percent of the members present vote in favor of its adoption.

111.29 (e) Except as provided in paragraphs (c) and (d), if a quorum is present, the council may
111.30 act on a majority vote of the members present.

111.31 **EFFECTIVE DATE; TRANSITION; APPLICATION.** This section is effective
111.32 January 1, 2019, and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey,
111.33 Scott, and Washington.

112.1 Sec. 120. Minnesota Statutes 2016, section 473.146, subdivision 3, is amended to read:

112.2 Subd. 3. **Development guide: transportation.** The transportation chapter must include
 112.3 policies relating to all transportation forms and be designed to promote the legislative
 112.4 determinations, policies, and goals set forth in section 473.371. In addition to the
 112.5 requirements of subdivision 1 regarding the contents of the policy plan, the nontransit
 112.6 element of the transportation chapter must include the following:

112.7 (1) a statement of the needs and problems of the metropolitan area with respect to the
 112.8 functions covered, including the present and prospective demand for and constraints on
 112.9 access to regional business concentrations and other major activity centers and the constraints
 112.10 on and acceptable levels of development and vehicular trip generation at such centers;

112.11 (2) the objectives of and the policies to be forwarded by the policy plan;

112.12 (3) a general description of the physical facilities and services to be developed;

112.13 (4) a statement as to the general location of physical facilities and service areas;

112.14 (5) a general statement of timing and priorities in the development of those physical
 112.15 facilities and service areas;

112.16 (6) a detailed statement, updated every two years, of timing and priorities for
 112.17 improvements and expenditures needed on the metropolitan highway system;

112.18 (7) a general statement on the level of public expenditure appropriate to the facilities;
 112.19 and

112.20 (8) a long-range assessment of air transportation trends and factors that may affect airport
 112.21 development in the metropolitan area and policies and strategies that will ensure a
 112.22 comprehensive, coordinated, and timely investigation and evaluation of alternatives for
 112.23 airport development.

112.24 The council shall develop the nontransit element in consultation with ~~the transportation~~
 112.25 ~~advisory board~~ and the Metropolitan Airports Commission and cities having an airport
 112.26 located within or adjacent to its corporate boundaries. The council shall also take into
 112.27 consideration the airport development and operations plans and activities of the commission.
 112.28 The council shall transmit the results to the state Department of Transportation.

112.29 **EFFECTIVE DATE; APPLICATION.** This section is effective January 1, 2019, and
 112.30 applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

113.1 Sec. 121. Minnesota Statutes 2016, section 473.146, subdivision 4, is amended to read:

113.2 Subd. 4. **Transportation planning.** ~~(a)~~ The Metropolitan Council is the designated
 113.3 planning agency for any long-range comprehensive transportation planning required by
 113.4 section 134 of the Federal Highway Act of 1962, Section 4 of Urban Mass Transportation
 113.5 Act of 1964 and Section 112 of Federal Aid Highway Act of 1973 and other federal
 113.6 transportation laws. The council shall assure administration and coordination of transportation
 113.7 planning with appropriate state, regional and other agencies, counties, and municipalities.

113.8 ~~(b) The council shall establish an advisory body consisting of citizens and representatives~~
 113.9 ~~of municipalities, counties, and state agencies in fulfillment of the planning responsibilities~~
 113.10 ~~of the council. The membership of the advisory body must consist of:~~

113.11 ~~(1) the commissioner of transportation or the commissioner's designee;~~

113.12 ~~(2) the commissioner of the Pollution Control Agency or the commissioner's designee;~~

113.13 ~~(3) one member of the Metropolitan Airports Commission appointed by the commission;~~

113.14 ~~(4) one person appointed by the council to represent nonmotorized transportation;~~

113.15 ~~(5) one person appointed by the commissioner of transportation to represent the freight~~
 113.16 ~~transportation industry;~~

113.17 ~~(6) two persons appointed by the council to represent public transit;~~

113.18 ~~(7) ten elected officials of cities within the metropolitan area, including one representative~~
 113.19 ~~from each first-class city, appointed by the Association of Metropolitan Municipalities;~~

113.20 ~~(8) one member of the county board of each county in the seven-county metropolitan~~
 113.21 ~~area, appointed by the respective county boards;~~

113.22 ~~(9) eight citizens appointed by the council, one from each council precinct;~~

113.23 ~~(10) one elected official from a city participating in the replacement service program~~
 113.24 ~~under section 473.388, appointed by the Suburban Transit Association; and~~

113.25 ~~(11) one member of the council, appointed by the council.~~

113.26 ~~(c) The council shall appoint a chair from among the members of the advisory body.~~

113.27 **EFFECTIVE DATE; APPLICATION.** This section is effective January 1, 2019, and
 113.28 **applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.**

114.1 Sec. 122. Minnesota Statutes 2016, section 473.388, subdivision 4, is amended to read:

114.2 Subd. 4. **Financial assistance.** (a) The council must grant the requested financial
114.3 assistance if it determines that the proposed service is intended to replace the service to the
114.4 applying city or town or combination thereof by the council and that the proposed service
114.5 will meet the needs of the applicant at least as efficiently and effectively as the existing
114.6 service.

114.7 (b) The minimum amount of assistance which the council must provide to a system
114.8 under this section may not be less than the sum of the amounts ~~determined~~ calculated for
114.9 each ~~municipality comprising the system as follows:~~ of the replacement service
114.10 municipalities.

114.11 (c) The minimum amount of financial assistance for each replacement service
114.12 municipality is calculated as:

114.13 (1) an amount equal to 4.3 percent of the total state revenues generated from the taxes
114.14 imposed under chapter 297B for the current fiscal year; times

114.15 (2) the ratio of (i) the transit operating assistance grants received under this subdivision
114.16 by the municipality in calendar year 2001 or the tax revenues for transit services levied by
114.17 the municipality for taxes payable in 2001, including that portion of the levy derived from
114.18 the areawide pool under section 473F.08, subdivision 3, clause (a), plus the portion of the
114.19 municipality's aid under Minnesota Statutes 2002, section 273.1398, subdivision 2,
114.20 attributable to the transit levy; times (2) the ratio of (i) an amount equal to 3.74 percent of
114.21 the state revenues generated from the taxes imposed under chapter 297B for the current
114.22 fiscal year to (ii) the total transit operating assistance grants received under this subdivision
114.23 in calendar year 2001 or the tax revenues for transit services levied by all replacement
114.24 service municipalities under this section for taxes payable in 2001, including that portion
114.25 of the levy derived from the areawide pool under section 473F.08, subdivision 3, clause
114.26 (a), plus the portion of homestead and agricultural credit aid under Minnesota Statutes 2002,
114.27 section 273.1398, subdivision 2, attributable to nondebt transit levies; times

114.28 (3) the ratio of (i) the municipality's total taxable market value for taxes payable in 2006
114.29 divided by the municipality's total taxable market value for taxes payable in 2001, to (ii)
114.30 the total taxable market value of all property located in replacement service municipalities
114.31 for taxes payable in 2006 divided by the total taxable market value of all property located
114.32 in replacement service municipalities for taxes payable in 2001.

114.33 (c) The council ~~shall~~ must pay the amount to be provided to the recipient from the funds
114.34 the council receives in the metropolitan area transit account under section 16A.88.

115.1 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following
115.2 final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey,
115.3 Scott, and Washington.

115.4 Sec. 123. Minnesota Statutes 2016, section 473.39, is amended by adding a subdivision
115.5 to read:

115.6 **Subd. 6. Limitation on certain debt obligations.** The council is prohibited from issuing
115.7 certificates of participation, certificates of indebtedness, bonds, or other obligations secured
115.8 in whole or in part by a pledge of motor vehicle sales tax revenue received under sections
115.9 16A.88 and 297B.09, or by a pledge of any earnings from the council's investment of motor
115.10 vehicle sales tax revenues.

115.11 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following
115.12 final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey,
115.13 Scott, and Washington.

115.14 Sec. 124. Minnesota Statutes 2016, section 473.3994, is amended by adding a subdivision
115.15 to read:

115.16 **Subd. 16. Project development requirements; alternatives and benefits analysis. (a)**
115.17 As part of light rail transit project development and prior to initiating an environmental
115.18 analysis or preliminary engineering, the responsible authority must perform an alternatives
115.19 and benefits analysis.

115.20 **(b) In addition to any other information or requirements, the alternatives and benefits**
115.21 **analysis must:**

115.22 **(1) include (i) a no-build option; and (ii) options for each major transit mode, including**
115.23 **but not limited to regular route bus service, arterial bus rapid transit, highway bus rapid**
115.24 **transit, express bus service, and dedicated busway;**

115.25 **(2) evaluate capacity adequacy and congestion impacts under each option;**

115.26 **(3) include a comprehensive benefit-cost analysis; and**

115.27 **(4) review conformity with the transportation policy plan under section 473.146.**

115.28 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following
115.29 final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey,
115.30 Scott, and Washington, for projects that have yet to formally enter the engineering phase
115.31 of the Federal Transit Administration's "New Starts" capital investment project program.

116.1 Sec. 125. Minnesota Statutes 2016, section 473.4051, subdivision 2, is amended to read:

116.2 Subd. 2. **Operating costs.** (a) After operating revenue and federal money have been
 116.3 used to pay for light rail transit operations, 50 percent of the remaining operating costs for
 116.4 a light rail transit line must be paid by the state if:

116.5 (1) the light rail transit line is in revenue operations as of the effective date of this section;
 116.6 or

116.7 (2) a law is enacted on or after the effective date of this section making an appropriation
 116.8 that (i) is from state sources, (ii) specifies the light rail transit project, and (iii) is for a portion
 116.9 of project capital costs.

116.10 (b) For a light rail transit line that does not meet the requirements in paragraph (a), all
 116.11 operating and ongoing capital maintenance costs must be paid from nonstate sources.

116.12 (c) For purposes of this subdivision, a light rail transit extension that adds additional
 116.13 stops is a separate project or light rail transit line.

116.14 **EFFECTIVE DATE; APPLICABILITY.** This section is effective the day following
 116.15 final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey,
 116.16 Scott, and Washington.

116.17 Sec. 126. Minnesota Statutes 2016, section 473.857, subdivision 2, is amended to read:

116.18 Subd. 2. **Within 60 days; report.** A hearing shall be conducted within 60 days after the
 116.19 request, provided that the advisory committee or the administrative law judge shall
 116.20 consolidate hearings on related requests. The 60-day period within which the hearing shall
 116.21 be conducted may be extended or suspended by mutual agreement of the council and the
 116.22 local governmental unit. The hearing shall not consider the need for ~~or reasonableness of~~
 116.23 the metropolitan system plans or parts thereof. The hearing shall afford all interested persons
 116.24 an opportunity to testify and present evidence. The advisory committee or administrative
 116.25 law judge may employ the appropriate technical and professional services of the office of
 116.26 dispute resolution for the purpose of evaluating disputes of fact. The proceedings shall not
 116.27 be deemed a contested case. Within 30 days after the hearing, the advisory committee or
 116.28 the administrative law judge shall report to the council respecting the proposed amendments
 116.29 to the system statements. The report shall contain findings of fact, conclusions, and
 116.30 recommendations and shall apportion the costs of the proceedings among the parties.

116.31 **EFFECTIVE DATE.** This section is effective January 1, 2019, and applies in the
 116.32 counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

117.1 Sec. 127. **MOTOR VEHICLE PARTS SALES TAXES ESTIMATION.**

117.2 (a) By January 15, 2019, the commissioner of revenue must submit a report on state
 117.3 general sales taxes attributable to motor vehicle repair and replacement parts to the chairs
 117.4 and ranking minority members of the legislative committees with jurisdiction over taxes
 117.5 and transportation policy and finance.

117.6 (b) The report must provide an estimate, based on federal data and department
 117.7 consumption models, of the percentage of total sales tax revenues collected in a calendar
 117.8 year from the tax rate imposed under Minnesota Statutes, section 297A.62, subdivision 1,
 117.9 that is attributable to sales and purchases of motor vehicle repair and replacement parts.

117.10 (c) For purposes of this section, "motor vehicle repair and replacement parts" has the
 117.11 meaning given in Minnesota Statutes, section 297A.94.

117.12 Sec. 128. **TRANSPORTATION PROJECT SELECTION PROCESS.**

117.13 Subdivision 1. Adoption of policy. (a) The commissioner of transportation, after
 117.14 consultation with the Federal Highway Administration, metropolitan planning organizations,
 117.15 regional development commissions, area transportation partnerships, local governments,
 117.16 the Metropolitan Council, and transportation stakeholders, must develop, adopt, and
 117.17 implement a policy for project evaluation and selection to apply to the project selection
 117.18 process and to special program selection processes, such as corridors of commerce. The
 117.19 commissioner must adopt and implement the policy no later than January 1, 2018, and may
 117.20 update the policy as appropriate. The commissioner must publish the policy and updates
 117.21 on the department's Web site and through other effective means selected by the commissioner.

117.22 (b) For each selection process, the policy adopted under this section must:

117.23 (1) establish a process that identifies criteria, the weight of each criterion, and a process
 117.24 to score each project based on the weighted criteria; the scoring system may consider project
 117.25 readiness as a criterion for evaluation, but project readiness must not be a major factor in
 117.26 determining the final score;

117.27 (2) identify and apply all relevant criteria contained in enacted Minnesota or federal law,
 117.28 or added by the commissioner;

117.29 (3) identify for stakeholders and the general public the candidate project selected under
 117.30 each selection process and every project considered that was not selected;

117.31 (4) involve area transportation partnerships and other local authorities, as appropriate,
 117.32 in the process of scoring and ranking candidate projects under consideration;

118.1 (5) publicize scoring and decision outcomes concerning each candidate project, including
 118.2 the projects that were considered but not selected, and the reason each project was not
 118.3 selected; and

118.4 (6) require that the projects in the state transportation improvement program include the
 118.5 score assigned to the project.

118.6 (c) At a minimum, the policy adopted under this subdivision must conform with the
 118.7 criteria for the corridors of commerce program under Minnesota Statutes, section 161.088,
 118.8 and the transportation economic development program under Minnesota Statutes, section
 118.9 174.12.

118.10 Subd. 2. **Report to legislature.** By March 1, 2018, the commissioner must submit a
 118.11 report to the chairs, ranking minority members, and staff of the legislative committees with
 118.12 jurisdiction over transportation policy and finance concerning the adopted policy and how
 118.13 the policy is anticipated to improve the consistency, objectivity, and transparency of the
 118.14 selection process. The report must include information on input from members of the public
 118.15 and the organizations identified in subdivision 1. The report must also include proposed
 118.16 legislation to codify the policy.

118.17 Sec. 129. **CORRIDORS OF COMMERCE PROJECT ELIGIBILITY.**

118.18 Notwithstanding the requirements of Minnesota Statutes, section 161.088, subdivisions
 118.19 3 to 5, the commissioner of transportation must include that segment of marked U.S. Highway
 118.20 212 from Chaska to Montevideo as an eligible highway in the next project solicitation and
 118.21 selection process undertaken for the corridors of commerce program under that section.

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

118.23 Sec. 130. **CITY OF EXCELSIOR; ELIGIBILITY FOR REPLACEMENT SERVICE.**

118.24 Notwithstanding Minnesota Statutes, section 473.388, subdivisions 2, 3, and 4, paragraph
 118.25 (a), the Metropolitan Council must grant financial assistance to the city of Excelsior for
 118.26 replacement service. Financial assistance must be provided to the city of Excelsior as
 118.27 provided under Minnesota Statutes, section 473.388, subdivision 4, paragraphs (b) and (c).
 118.28 The city of Excelsior is eligible to receive other assistance as provided in Minnesota Statutes,
 118.29 section 473.388, subdivision 5, and may levy a local tax as provided in Minnesota Statutes,
 118.30 section 473.388, subdivision 7.

119.1 Sec. 131. **DRIVER'S LICENSE AGENT IN NEW BRIGHTON.**

119.2 (a) The commissioner of public safety must revise the appointment of the city of New
119.3 Brighton as a driver's license agent to provide authority to operate as a full-service driver
119.4 licensing office located in New Brighton city hall. This paragraph applies notwithstanding:
119.5 (1) Minnesota Statutes, section 171.061, subdivision 2; (2) requirements under Minnesota
119.6 Rules, part 7404.0300, subpart 3; and (3) procedures for county board appointment of a
119.7 driver's license agent, including under Minnesota Rules, part 7404.0350. All other provisions
119.8 regarding the appointment and operation of a driver's license agent under Minnesota Statutes,
119.9 section 171.061, and Minnesota Rules, chapter 7404, apply.

119.10 (b) The commissioner must make the appointment under this section within two weeks
119.11 of receipt of an appointment application pursuant to the commissioner's procedures under
119.12 Minnesota Rules.

119.13 Sec. 132. **ELECTRONIC STORAGE STANDARDS.**

119.14 On or before August 1, 2017, the commissioner of public safety must establish standards
119.15 for the conversion by deputy registrars and driver's license agents to secure electronic storage
119.16 of certain records under Minnesota Statutes, sections 168.33, subdivision 2, and 171.061,
119.17 subdivision 3. The standards must specify minimum system security requirements, as well
119.18 as any procedural requirements for the destruction of existing and new paper-based records,
119.19 consistent with the requirements of Minnesota Statutes, section 138.17. The authority to
119.20 establish or amend standards under this section expires August 1, 2018.

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

119.22 Sec. 133. **RULE CHANGE ON SCHOOL BUS OPERATION.**

119.23 The commissioner of public safety must amend Minnesota Rules, part 7470.1000, subpart
119.24 2, so that it is consistent with Minnesota Statutes, section 169.443, subdivision 2, using the
119.25 good cause procedure under Minnesota Statutes, section 14.388.

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

119.27 Sec. 134. **CONVEYANCE FOR HISTORICAL PURPOSES; MCKINSTRY**
119.28 **SURPLUS LANDS.**

119.29 (a) Notwithstanding any other law to the contrary, the commissioner may convey as
119.30 provided in Minnesota Statutes, section 161.44, land described in paragraph (b), including
119.31 any improvements on the lands, owned in fee by the state for trunk highway purposes, but

120.1 no longer needed, to the Minnesota Historical Society for historical purposes. The conveyance
120.2 must be without financial consideration. The lands conveyed must become a part of the
120.3 state's historic sites program under Minnesota Statutes, chapter 138.

120.4 (b) The lands that may be conveyed are specifically related to the properties of the
120.5 McKinstry Mounds and portions of the McKinstry Village site owned by the Department
120.6 of Transportation, located along Trunk Highway 11 in Koochiching County.

120.7 **Sec. 135. DEPARTMENT OF TRANSPORTATION LOAN CONVERSION.**

120.8 The commissioner of transportation must (1) convert the remaining balance on Contract
120.9 No. 82799, originally executed with the Minnesota Valley Regional Rail Authority on
120.10 January 28, 2002, to a grant, and (2) cancel all future payments under the contract. The
120.11 commissioner is prohibited from requiring or accepting additional payments under Contract
120.12 No. 82799 as of the effective date of this section. Notwithstanding the loan conversion and
120.13 payment cancellation under this section, all other terms and conditions under Contract No.
120.14 82799 remain effective for the duration of the period specified in the contract.

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

120.16 **Sec. 136. MARKED INTERSTATE HIGHWAY 35 WEIGH STATION;**
120.17 **MORATORIUM.**

120.18 On or before February 1, 2018, the commissioner of transportation is prohibited from
120.19 designing, engineering, or constructing a motor vehicle weigh station for the southbound
120.20 direction of travel on marked Interstate Highway 35, between the marked Interstate Highways
120.21 35W/35E split and two miles northerly of the split.

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

120.23 **Sec. 137. HIGHWAY CONSTRUCTION COSTS AND COST INFLATION STUDY.**

120.24 Subdivision 1. **Highway construction cost study; requirements.** (a) The commissioner
120.25 of transportation must enter into an agreement with an organization or entity having relevant
120.26 expertise to conduct a study on highway construction costs, inflation, and cost estimating.
120.27 The study must be designed to identify and analyze the nature of discrepancies in highway
120.28 construction costs and cost inflation estimates between Minnesota and other federal and
120.29 national measures.

120.30 (b) At a minimum, the study must:

120.31 (1) include an overview of highway construction cost and cost estimation issues;

121.1 (2) establish benchmarks to compare costs in Minnesota to at least four other states that
 121.2 are comparable based on climate and construction characteristics, including historical
 121.3 state-by-state review of at least the following cost factors: (i) direct input costs associated
 121.4 with highway construction, (ii) cost impacts from construction standards and requirements
 121.5 established in law, and (iii) cost impacts from use of alternative methods of contracting and
 121.6 project management;

121.7 (3) identify factors specific to Minnesota, if any, that contribute to cost differences,
 121.8 based on the benchmarks established in clause (2);

121.9 (4) evaluate the methodology used for highway construction cost calculation and indexing
 121.10 in Minnesota, including (i) review of associated best practices, (ii) comparison of federal
 121.11 and Minnesota state highway construction cost index methodologies utilizing historical cost
 121.12 data for Minnesota, (iii) identification of the reasons for any past discrepancies or differences
 121.13 between state and federal highway construction cost indexing, and (iv) analysis of the
 121.14 historical accuracy of the Minnesota highway construction cost index compared to actual
 121.15 costs; and

121.16 (5) provide specific recommendations for road authorities and legislative changes to
 121.17 reduce highway construction costs.

121.18 (c) By February 15, 2018, the commissioner must submit a report on the study to the
 121.19 chairs, ranking minority members, and staff of the legislative committees with jurisdiction
 121.20 over transportation policy and finance.

121.21 Subd. 2. **Project cost comparison report.** By February 15, 2018, the commissioner of
 121.22 transportation must report to the chairs, ranking minority members, and staff of the senate
 121.23 and house of representatives committees and divisions with jurisdiction over transportation
 121.24 policy and finance comparing the estimated cost of projects and the actual cost of projects.
 121.25 The report must include all projects completed in whole or in part by MnDOT from July 1,
 121.26 2012, to July 1, 2017. For each project, the report must list the estimated cost of the project
 121.27 prior to starting the project and the total actual cost for the project after completion. For
 121.28 each project, if the actual cost was less than the estimated cost, the report must explain how
 121.29 the excess funds were expended.

121.30 Sec. 138. **VIBRATION SUSCEPTIBILITY STUDY ON CALHOUN ISLES**
 121.31 **PROPERTY.**

121.32 (a) Within 21 days from the effective date of this act, the Metropolitan Council must
 121.33 enter into a contract with an engineering group for the engineering group to conduct a

122.1 vibration susceptibility study on Calhoun Isles property, including the high-rise building,
 122.2 townhomes, and parking ramp. The study must:

122.3 (1) evaluate the susceptibility of the Calhoun Isles property to vibration during
 122.4 construction and during operations of a light rail train;

122.5 (2) categorize the Calhoun Isles property based on the susceptibility evaluation; and

122.6 (3) address mitigation measures and operational changes required to protect the Calhoun
 122.7 Isles property from vibratory damage.

122.8 (b) The Calhoun Isles Condominium Association must select the engineering group and
 122.9 notify the Metropolitan Council of the selection within seven days from the effective date
 122.10 of this act. The Metropolitan Council must bear the entire cost of the study.

122.11 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following
 122.12 final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey,
 122.13 Scott, and Washington.

122.14 Sec. 139. **REPORT ON DEDICATED FUND EXPENDITURES.**

122.15 By February 15, 2018, the commissioners of transportation and public safety, in
 122.16 consultation with the commissioner of management and budget, must jointly submit a report
 122.17 to the members and staff of the legislative committees with jurisdiction over transportation
 122.18 finance. The report must update the information required in the report under Laws 2015,
 122.19 chapter 75, article 2, section 56, including a detailed list of expenditures and transfers from
 122.20 the trunk highway fund and highway user tax distribution fund for fiscal years 2014 through
 122.21 2018, and information on the purpose of each expenditure.

122.22 Sec. 140. **ACTIVE TRANSPORTATION PROGRAM RECOMMENDATIONS.**

122.23 (a) By October 1, 2017, the Advisory Committee on Nonmotorized Transportation under
 122.24 Minnesota Statutes, section 174.37, must develop and submit recommendations to the
 122.25 commissioner of transportation regarding the project evaluation and selection processes
 122.26 under Minnesota Statutes, section 174.38, subdivision 7.

122.27 (b) The advisory committee is encouraged to consult with representatives from the
 122.28 Bicycle Alliance of Minnesota; Minnesota Chamber of Commerce; Metropolitan Council
 122.29 Transportation Accessibility Advisory Committee; Minnesota Department of Transportation
 122.30 district area transportation partnerships; organizations representing elderly populations;
 122.31 public health organizations with experience in active transportation; the Minnesota State
 122.32 Council on Disability and other Minnesota state councils and commissions, including the

123.1 Council on Asian-Pacific Minnesotans, the Minnesota Council on Latino Affairs, the Council
 123.2 for Minnesotans of African Heritage, the Minnesota Indian Affairs Council, the Office on
 123.3 the Economic Status of Women, and the Cultural and Ethnic Communities Leadership
 123.4 Council; and other stakeholders with expertise in equitable active transportation.

123.5 (c) In its next annual report under Minnesota Statutes, section 174.37, subdivision 4, the
 123.6 advisory committee must include a summary of the recommendations under this section
 123.7 and submit a copy of the report to the chairs and ranking minority members of the legislative
 123.8 committees with jurisdiction over transportation policy and finance. The report is subject
 123.9 to Minnesota Statutes, section 3.195.

123.10 **Sec. 141. REPORT BY COMMISSIONER OF TRANSPORTATION ON MNPASS**
 123.11 **LANES AND TOLLING.**

123.12 (a) On or before January 2, 2018, the commissioner of transportation must report to the
 123.13 chairs and ranking minority members of the senate and house of representatives committees
 123.14 and divisions with jurisdiction over transportation policy and finance concerning MnPASS
 123.15 lanes and tolling to reduce congestion and raise revenue.

123.16 (b) At a minimum, the report must, with respect to MnPASS lanes:

123.17 (1) for each lane, state the capital costs, maintenance and repair costs, and operation
 123.18 costs;

123.19 (2) for each lane, indicate the current condition and the projected life expectancy;

123.20 (3) for each lane, list and explain the cost recovery ratio;

123.21 (4) list the amounts of the deposit of revenues made each year since pursuant to Minnesota
 123.22 Statutes, section 160.93, subdivisions 2 and 2a, including a breakdown of deposits for each
 123.23 lane for each year the lane has been in existence;

123.24 (5) list the cost to participate in the MnPASS program, broken down by each year a lane
 123.25 has been in existence;

123.26 (6) for each lane, list the total number of users, including a breakdown of the total number
 123.27 of each type of user; and

123.28 (7) provide an explanation of how MnPASS lane regulations are enforced.

123.29 (c) At a minimum, the report must, with respect to tolling:

123.30 (1) summarize current state and federal laws that affect the use of tolling in this state;

123.31 (2) identify any federal pilot projects for which this state is eligible to participate;

124.1 (3) discuss the feasibility and cost of expanding use of tolling, the possibility of private
 124.2 investment in toll roads, and projected costs and cost recovery in establishing, operating,
 124.3 and maintaining toll roads;

124.4 (4) review tolling models and technology options;

124.5 (5) summarize the experience of other states that have widely implemented tolling;

124.6 (6) identify and evaluate the feasibility of toll implementation for specific corridors;

124.7 (7) project the likely range of revenues that could be generated by wider implementation
 124.8 of tolling and identify the percentage of revenues that are projected to be paid by nonresidents
 124.9 of the state;

124.10 (8) discuss options for use of tolling revenue and measures to ensure compliance with
 124.11 laws governing operation of toll roads and use of revenues;

124.12 (9) recommend and discuss possible ways to reduce cost to Minnesotans, such as tax
 124.13 deductions or credits, or types of discounts; and

124.14 (10) provide recommendations for needed statutory or rule changes that would facilitate
 124.15 wider implementation of tolling and achieve maximum revenues for the state and equity
 124.16 for its residents.

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

124.18 Sec. 142. **REPORT BY COMMISSIONER OF TRANSPORTATION ON**
 124.19 **TURNBACKS.**

124.20 (a) By February 15, 2018, the commissioner of transportation must report to the chairs
 124.21 and ranking minority members of the senate and house of representatives committees having
 124.22 jurisdiction over transportation policy and finance concerning turnbacks. At a minimum,
 124.23 the report must include:

124.24 (1) a current list of proposed turnback projects, including a description of each segment
 124.25 of highway that is to be turned back; a description of the restoration work to be completed;
 124.26 estimated cost of restoration work; to which entity the highway will be turned back; and
 124.27 the total estimated cost related to all aspects of the turnback;

124.28 (2) the amount that the commissioner of transportation anticipates will be needed for
 124.29 turnbacks during the next two fiscal years and a list of the turnbacks that will be accomplished
 124.30 with the anticipated funds;

- 125.1 (3) a description of the turnback process, including an explanation of how turnback
125.2 projects are selected; and
- 125.3 (4) for each of the past five years:
- 125.4 (i) the amount of money that accrued to the county turnback account and to the municipal
125.5 turnback account;
- 125.6 (ii) a description of each segment of highway that was restored and turned back, including
125.7 what restoration work was completed; total cost of restoration work; to which entity the
125.8 highway was turned back; and the total cost related to all aspects of the turnback;
- 125.9 (iii) the amount of surplus funds, if any, that were transferred to the county state-aid
125.10 highway fund or to the municipal state-aid street fund pursuant to Minnesota Statutes, section
125.11 161.084; and
- 125.12 (iv) each payment made to a local government for future restoration after the road is
125.13 turned back, a description of the work to be completed with the funds, and a schedule
125.14 detailing when the work was completed or will be completed.
- 125.15 (b) By February 15, 2019, and each year thereafter, the commissioner of transportation
125.16 must report to the chairs and ranking minority members of the senate and house of
125.17 representatives committees having jurisdiction over transportation policy and finance
125.18 concerning turnbacks. At a minimum, the report must include:
- 125.19 (1) a current list of proposed turnback projects, including a description of each segment
125.20 of highway that is to be turned back; a description of the restoration work to be completed;
125.21 estimated cost of restoration work; to which entity the highway will be turned back; and
125.22 the total estimated cost related to all aspects of the turnback;
- 125.23 (2) the amount that the commissioner of transportation anticipates will be needed for
125.24 turnbacks during the next two fiscal years and a list of the turnbacks that will be accomplished
125.25 with the anticipated funds; and
- 125.26 (3) for the past calendar year, a description of each segment of highway that was restored
125.27 and turned back, including what restoration work was completed; total cost of restoration
125.28 work; to which entity the highway was turned back; and the total cost related to all aspects
125.29 of the turnback.
- 125.30 (c) Paragraph (b) expires after the report is submitted on February 15, 2019.
- 125.31 **EFFECTIVE DATE.** This section is effective the day following final enactment.

126.1 Sec. 143. **WORKING GROUP FOR INTERSECTION IN WILKIN COUNTY;**
 126.2 **REPORT.**

126.3 (a) By September 1, 2017, the commissioner of transportation must convene a working
 126.4 group to consider potential options for Wilkin County Road 19 between marked Trunk
 126.5 Highway 55 and the railroad tracks north of marked Trunk Highway 55. The working group
 126.6 must consist of the commissioner, or designee, and one representative from each of the
 126.7 following: Minn-Dak Farmers Cooperative; the Wilkin County Board; the town board of
 126.8 Champion; and the city council of Nashua. By December 15, 2017, the working group must
 126.9 identify project options to address safety concerns of local residents at this location. For
 126.10 each identified project, the commissioner must include an estimated cost and the estimated
 126.11 date by which the project would be completed. The working group must then identify a
 126.12 preferred option. Based on that preferred option, the responsible parties must develop funding
 126.13 strategies and a delivery schedule with the goal that the project be completed by December
 126.14 31, 2019.

126.15 (b) By January 1, 2018, the commissioner must report to the chairs, ranking minority
 126.16 members, and staff of the senate and house of representatives committees or divisions with
 126.17 jurisdiction over transportation policy and finance. The report must, at a minimum, include:
 126.18 a summary of the meetings held by the working group; the project options identified and
 126.19 the commissioner estimates associated with each option; and, if identified, the preferred
 126.20 option and the funding and delivery schedule for that option.

126.21 Sec. 144. **METRO MOBILITY ENHANCEMENT TASK FORCE.**

126.22 Subdivision 1. **Task force established.** A Metro Mobility Enhancement Task Force is
 126.23 established to examine options to enhance Metro Mobility program service under Minnesota
 126.24 Statutes, section 473.386. The goal of the task force is to partner with taxi services and
 126.25 transportation network companies, as defined in Minnesota Statutes, section 65B.472,
 126.26 subdivision 1, paragraph (e), to increase program service levels and efficiency.

126.27 Subd. 2. **Membership.** (a) The task force consists of the following members:

126.28 (1) one representative from Metro Mobility, appointed by the Metropolitan Council;

126.29 (2) one elected official from each metropolitan county, as defined in Minnesota Statutes,
 126.30 section 473.121, subdivision 4, each of whom must be from a district or unit of government
 126.31 that is located within the Metro Mobility service area, appointed by the respective county
 126.32 board in consultation with cities in that county;

127.1 (3) at least one and no more than three individuals representing transportation network
127.2 companies, as defined in Minnesota Statutes, section 65B.472, subdivision 1, appointed as
127.3 provided under paragraph (b);

127.4 (4) at least one and no more than three individuals representing taxi service providers,
127.5 appointed as provided in paragraph (c);

127.6 (5) one representative appointed by the Transportation Accessibility Advisory Committee
127.7 established under Minnesota Statutes, section 473.375, subdivision 9a;

127.8 (6) one representative appointed by the Council on Disability;

127.9 (7) one individual appointed by the Association of Residential Resources of Minnesota;
127.10 and

127.11 (8) one individual appointed by the Center for Transportation Studies at the University
127.12 of Minnesota.

127.13 (b) An interested transportation network company may appoint no more than one person
127.14 as a task force member. Appointment under this paragraph is on a first-come, first-appointed
127.15 basis by written notification to the Metropolitan Council.

127.16 (c) An interested taxi service provider may appoint no more than one person as a task
127.17 force member. Appointment under this paragraph is on a first-come, first-appointed basis
127.18 by written notification to the Metropolitan Council.

127.19 (d) The task force members specified under paragraph (a), clauses (1), (3), and (4), are
127.20 nonvoting members of the task force.

127.21 Subd. 3. **Task force duties.** (a) The task force must evaluate the Metro Mobility program,
127.22 which must include but is not limited to analysis of customer service, program costs and
127.23 expenditures, service coverage area and hours, reservation and scheduling, and buses and
127.24 equipment.

127.25 (b) The task force must analyze approaches to improve Metro Mobility program service
127.26 by using partnerships with transportation network companies. At a minimum, the analysis
127.27 must consider:

127.28 (1) geographic service areas of transportation network companies;

127.29 (2) demand responsiveness and service levels of transportation network companies;

127.30 (3) the share of trips in which specially equipped vehicles that comply with the Americans
127.31 with Disabilities Act are necessary;

- 128.1 (4) technology accessibility for Metro Mobility customers;
- 128.2 (5) liability considerations; and
- 128.3 (6) integration of billing systems of transportation network companies with current Metro
- 128.4 Mobility fare collection.
- 128.5 (c) The task force must analyze approaches to improve Metro Mobility program service
- 128.6 by incorporating the use of taxi service. At a minimum, the analysis must consider:
- 128.7 (1) availability of taxi service throughout the Metro Mobility service area;
- 128.8 (2) demand responsiveness and service levels of taxi services;
- 128.9 (3) the share of trips in which specially equipped vehicles that comply with the Americans
- 128.10 with Disabilities Act are necessary;
- 128.11 (4) technology accessibility for Metro Mobility customers;
- 128.12 (5) liability considerations;
- 128.13 (6) options for contracting with taxi providers or other methods of billing for taxi rides;
- 128.14 and
- 128.15 (7) the potential to use taxi service to provide an enhanced service option where riders
- 128.16 pay a higher fare than other users of Metro Mobility Services.
- 128.17 (d) The task force must review proposals and models for incorporating transportation
- 128.18 network companies and taxi service providers into transit systems in other service areas.
- 128.19 Subd. 4. **Administration.** (a) Each appointing entity under subdivision 2 must make
- 128.20 appointments and notify the Metropolitan Council by August 1, 2017.
- 128.21 (b) The Metropolitan Council representative appointed to the task force must convene
- 128.22 the initial meeting of the task force no later than September 1, 2017. At the initial meeting,
- 128.23 the members of the task force must elect a chair or cochair from among the task force
- 128.24 members.
- 128.25 (c) Upon request of the task force, the council must use existing resources to provide
- 128.26 data, information, meeting space, and administrative services.
- 128.27 (d) Members of the task force serve without compensation or payment of expenses.
- 128.28 (e) The task force may accept gifts and grants, which are accepted on behalf of the state
- 128.29 and constitute donations to the Metropolitan Council. Funds received under this paragraph
- 128.30 are appropriated to the Metropolitan Council for purposes of the task force.

129.1 Subd. 5. **Legislative report.** (a) By February 15, 2018, the task force must submit a
129.2 report to the chairs and ranking minority members of the legislative committees with
129.3 jurisdiction over transportation policy and finance.

129.4 (b) At a minimum the report must:

129.5 (1) summarize the work of the task force and its findings;

129.6 (2) describe the current Metro Mobility program;

129.7 (3) identify at least three potential service level approaches that involve partnering with
129.8 and incorporating transportation network companies, taxi service providers, or both; and

129.9 (4) provide any recommendations for program and legislative changes.

129.10 Subd. 6. **Expiration.** The task force under this section expires February 15, 2018, or
129.11 upon submission of the report required under subdivision 5, whichever is earlier.

129.12 Sec. 145. **LEGISLATIVE ROUTE NO. 123 REMOVED.**

129.13 (a) Minnesota Statutes, section 161.115, subdivision 54, is repealed effective the day
129.14 after the commissioner of transportation receives a copy of the agreement between the
129.15 commissioner and the governing body of Le Sueur County to transfer jurisdiction of
129.16 Legislative Route No. 123 and after the commissioner notifies the revisor of statutes under
129.17 paragraph (b).

129.18 (b) The revisor of statutes shall delete the route identified in paragraph (a) from Minnesota
129.19 Statutes when the commissioner of transportation sends notice to the revisor electronically
129.20 or in writing that the conditions required to transfer the route have been satisfied.

129.21 Sec. 146. **LEGISLATIVE ROUTE NO. 225 REMOVED.**

129.22 (a) Minnesota Statutes, section 161.115, subdivision 156, is repealed effective the day
129.23 after the commissioner of transportation receives a copy of the agreement between the
129.24 commissioner and the governing body of Becker County to transfer jurisdiction of Legislative
129.25 Route No. 225 and after the commissioner notifies the revisor of statutes under paragraph
129.26 (b).

129.27 (b) The revisor of statutes shall delete the route identified in paragraph (a) from Minnesota
129.28 Statutes when the commissioner of transportation sends notice to the revisor electronically
129.29 or in writing that the conditions required to transfer the route have been satisfied.

130.1 Sec. 147. **REVISOR'S INSTRUCTION.**

130.2 The revisor of statutes shall recodify Minnesota Statutes, section 174.93, as Minnesota
 130.3 Statutes, section 473.4485. The revisor shall correct any cross-references made necessary
 130.4 by the recodification.

130.5 Sec. 148. **REPEALER.**

130.6 (a) Minnesota Statutes 2016, sections 160.262, subdivision 2; 160.265; and 160.266,
 130.7 subdivisions 1 and 2, are repealed.

130.8 (b) Minnesota Statutes 2016, section 161.115, subdivision 32, is repealed.

130.9 (c) Minnesota Statutes 2016, sections 165.15, subdivision 8; and 219.375, subdivision
 130.10 4, are repealed.

130.11 (d) Minnesota Statutes 2016, section 169.4502, subdivision 5, is repealed.

130.12 (e) Minnesota Rules, parts 8810.0800, subpart 3; and 8810.1300, subpart 4, are repealed.

130.13 (f) Minnesota Rules, parts 8810.6000; 8810.6100; 8810.6300; 8810.6400; 8810.6500;
 130.14 8810.6600; 8810.6700; 8810.6800; 8810.6900; 8810.7000; 8810.9910; 8810.9911;
 130.15 8810.9912; and 8810.9913, are repealed.

130.16 (g) Laws 1994, chapter 628, article 1, section 8, is repealed.

130.17 **EFFECTIVE DATE.** Paragraph (g) is effective January 1, 2019, and applies in the
 130.18 counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington."

130.19 Delete the title and insert:

130.20 "A bill for an act
 130.21 relating to transportation finance; establishing a budget for transportation;
 130.22 appropriating money for transportation purposes, including Department of
 130.23 Transportation, Metropolitan Council, and Department of Public Safety activities;
 130.24 modifying various provisions governing transportation policy and finance;
 130.25 allocating certain sales and use tax revenue; establishing accounts; requiring reports;
 130.26 making technical changes; authorizing sale and issuance of state bonds; amending
 130.27 Minnesota Statutes 2016, sections 15A.0815, subdivision 3; 53C.01, subdivision
 130.28 2; 85.016; 116.03, by adding a subdivision; 117.189; 160.02, subdivision 27, by
 130.29 adding subdivisions; 160.18, by adding a subdivision; 160.262, subdivisions 1, 3,
 130.30 4; 160.266, subdivisions 3, 4, 5, by adding subdivisions; 161.04, subdivision 5;
 130.31 161.081, subdivision 3; 161.088, subdivisions 4, 5, 7; 161.115, subdivision 190;
 130.32 161.14, by adding subdivisions; 161.21, subdivision 1; 161.321, subdivision 6;
 130.33 161.38, by adding a subdivision; 161.44, subdivisions 5, 6a, by adding a
 130.34 subdivision; 168.013, subdivision 1a, by adding a subdivision; 168.021,
 130.35 subdivisions 1, 2, 2a; 168.27, by adding a subdivision; 168.33, subdivision 2;
 130.36 168A.09, subdivision 1; 168A.141; 168A.142; 169.011, subdivision 34, by adding
 130.37 a subdivision; 169.14, by adding a subdivision; 169.18, subdivisions 5, 7; 169.345,
 130.38 subdivisions 1, 3; 169.442, subdivision 5; 169.443, subdivision 2; 169.444,
 130.39 subdivision 2; 169.449, subdivision 1; 169.4501, subdivisions 1, 2; 169.4503,

131.1 subdivisions 4, 7, 14, 23, 30; 169.64, subdivision 8; 169.80, subdivision 1; 169.829,
131.2 by adding a subdivision; 169.865, subdivision 3; 169.871, subdivision 1; 171.02,
131.3 subdivision 2b; 171.06, subdivision 2a; 171.061, subdivision 3; 171.12, subdivision
131.4 6; 173.02, subdivisions 18, 23, by adding subdivisions; 173.06, subdivision 1;
131.5 173.07, subdivision 1; 173.08, by adding subdivisions; 173.13, subdivision 11;
131.6 173.16, by adding subdivisions; 174.03, subdivisions 1a, 1c; 174.50, subdivisions
131.7 5, 6b, 6c, 7; 174.56, by adding a subdivision; 174.93; 221.031, by adding a
131.8 subdivision; 222.49; 222.50, subdivision 6; 256B.15, subdivision 1a; 297A.815,
131.9 subdivision 3; 297A.94; 297A.992, by adding a subdivision; 297B.01, subdivision
131.10 16; 299D.03, subdivision 6; 398A.10, subdivisions 3, 4; 473.121, subdivision 2;
131.11 473.123; 473.146, subdivisions 3, 4; 473.388, subdivision 4; 473.39, by adding a
131.12 subdivision; 473.3994, by adding a subdivision; 473.4051, subdivision 2; 473.857,
131.13 subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 160;
131.14 168; 168A; 169; 173; 174; 219; repealing Minnesota Statutes 2016, sections
131.15 160.262, subdivision 2; 160.265; 160.266, subdivisions 1, 2; 161.115, subdivision
131.16 32; 165.15, subdivision 8; 169.4502, subdivision 5; 219.375, subdivision 4; Laws
131.17 1994, chapter 628, article 1, section 8; Minnesota Rules, parts 8810.0800, subpart
131.18 3; 8810.1300, subpart 4; 8810.6000; 8810.6100; 8810.6300; 8810.6400; 8810.6500;
131.19 8810.6600; 8810.6700; 8810.6800; 8810.6900; 8810.7000; 8810.9910; 8810.9911;
131.20 8810.9912; 8810.9913."

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

132.2 House Conferees:

132.3

132.4 Paul Torkelson Linda Runbeck

132.5

132.6 John Petersburg Jon Koznick

132.7

132.8 Jeff Howe

132.9 Senate Conferees:

132.10

132.11 Scott J. Newman John Jasinski

132.12

132.13 Mary Kiffmeyer David J. Osmek

132.14

132.15 Dan Sparks