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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETIETH SESSION

H. F. No. 894

02/09/2017

Authored by Hornstein, Nelson and Mariani  
The bill was read for the first time and referred to the Committee on Transportation Finance

A bill for an act

relating to transportation; establishing the governor's budget for transportation and public safety activities; modifying various provisions governing transportation and public safety finance; imposing a motor fuels gross receipts tax and a metropolitan area transit sales and use tax; renewing and clarifying certain fees; making technical changes; appropriating money; authorizing the sale and issuance of state bonds; amending Minnesota Statutes 2016, sections 115A.908; 161.081, subdivision 3; 161.3212; 161.46, subdivision 2; 168.013, subdivision 1a; 168.33, subdivision 7; 168A.29, subdivision 1; 169.86, subdivision 5; 169.865, subdivisions 1, 2; 169.866, subdivision 3; 171.06, subdivision 2; 219.015, subdivisions 1, 2; 219.1651; 222.49; 222.50, subdivisions 6, 7; 296A.11; 296A.12; 296A.16, subdivisions 1, 2, 3, 4, 4a, 4b, 5; 296A.18, subdivisions 2, 3, 4, 5, 6, 7; 297A.99, subdivision 1; 299A.705, subdivision 3; 299D.03, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 160; 162; 174; 219; 296A; 297A; 473; repealing Minnesota Statutes 2016, sections 168.013, subdivision 21; 169.826, subdivision 7; 169.8261, subdivision 3; 169.86, subdivision 5a; 169.863, subdivision 3; 169.865, subdivision 5; 169.866, subdivision 4; 473.4051, subdivision 2; Laws 2012, chapter 287, article 1, section 1, subdivision 6.

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

ARTICLE 1

TRANSPORTATION AND PUBLIC SAFETY APPROPRIATIONS

Section 1. SUMMARY OF APPROPRIATIONS.

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

	<u>2018</u>	<u>2019</u>	<u>Total</u>
<u>General</u>	\$ <u>115,691,000</u>	\$ <u>110,402,000</u>	\$ <u>226,093,000</u>
<u>Airports</u>	<u>22,609,000</u>	<u>22,609,000</u>	<u>45,218,000</u>
<u>C.S.A.H.</u>	<u>915,505,000</u>	<u>1,080,276,000</u>	<u>1,995,781,000</u>
<u>M.S.A.S.</u>	<u>288,843,000</u>	<u>373,581,000</u>	<u>662,424,000</u>

2.1	<u>Special Revenue</u>	<u>121,252,000</u>	<u>122,556,000</u>	<u>243,808,000</u>
2.2	<u>Trunk Highway</u>	<u>2,125,326,000</u>	<u>2,238,425,000</u>	<u>4,363,751,000</u>
2.3	<u><b>Total</b></u>	<u><b>\$ 3,589,226,000</b></u>	<u><b>\$ 3,947,849,000</b></u>	<u><b>\$ 7,537,075,000</b></u>

2.4     **Sec. 2. TRANSPORTATION APPROPRIATIONS**

2.5         The sums shown in the columns marked "Appropriations" are appropriated to the agencies  
2.6     and for the purposes specified in this article. The appropriations are from the trunk highway  
2.7     fund, or another named fund, and are available for the fiscal years indicated for each purpose.  
2.8     Amounts for "Total Appropriation" and sums shown in the corresponding columns marked  
2.9     "Appropriations by Fund" are summary only and do not have legal effect. The figures "2018"  
2.10    and "2019" used in this article mean that the appropriations listed under them are available  
2.11    for the fiscal year ending June 30, 2018, or June 30, 2019, respectively. "The first year" is  
2.12    fiscal year 2018. "The second year" is fiscal year 2019. "The biennium" is fiscal years 2018  
2.13    and 2019.

2.14	<b><u>APPROPRIATIONS</u></b>
2.15	<b><u>Available for the Year</u></b>
2.16	<b><u>Ending June 30</u></b>
2.17	<b><u>2018</u>                      <u>2019</u></b>

2.18     **Sec. 3. DEPARTMENT OF**  
2.19     **TRANSPORTATION**

2.20	<u>Subdivision 1. <b>Total Appropriation</b></u>	<u><b>\$ 3,103,901,000</b></u>	<u><b>\$ 3,333,107,000</b></u>
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2.21	<u>Appropriations by Fund</u>		
2.22		<u>2018</u>	<u>2019</u>
2.23	<u>General</u>	<u>33,550,000</u>	<u>20,976,000</u>
2.24	<u>Airports</u>	<u>22,609,000</u>	<u>22,609,000</u>
2.25	<u>C.S.A.H.</u>	<u>825,660,000</u>	<u>928,130,000</u>
2.26	<u>M.S.A.S.</u>	<u>208,100,000</u>	<u>234,300,000</u>
2.27	<u>Trunk Highway</u>	<u>2,013,982,000</u>	<u>2,127,092,000</u>
2.28	<u>Special Revenue</u>	<u>57,000,000</u>	<u>57,000,000</u>

2.29     The amounts that may be spent for each  
2.30     purpose are specified in the following  
2.31     subdivisions.

2.32     **Subd. 2. Multimodal Systems**

2.33     **(a) Aeronautics**

2.34	<u><b>(1) Airport Development and Assistance</b></u>	<u><b>17,298,000</b></u>	<u><b>17,298,000</b></u>
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3.1 This appropriation is from the state airports  
3.2 fund and must be spent according to  
3.3 Minnesota Statutes, section 360.305,  
3.4 subdivision 4.

3.5 The base appropriation is \$15,298,000 for  
3.6 fiscal year 2020 and \$15,298,000 for fiscal  
3.7 year 2021.

3.8 Notwithstanding Minnesota Statutes, section  
3.9 16A.28, subdivision 6, this appropriation is  
3.10 available for five years after appropriation. If  
3.11 the appropriation for either year is insufficient,  
3.12 the appropriation for the other year is available  
3.13 for it.

3.14 If the commissioner of transportation  
3.15 determines that a balance remains in the state  
3.16 airports fund following the appropriations  
3.17 made in this article, and that the appropriations  
3.18 made are insufficient for advancing airport  
3.19 development and assistance projects, an  
3.20 amount necessary to advance the projects, not  
3.21 to exceed the balance in the state airports fund,  
3.22 is appropriated in each year to the  
3.23 commissioner and must be spent according to  
3.24 Minnesota Statutes, section 360.305,  
3.25 subdivision 4. Within two weeks of a  
3.26 determination under this contingent  
3.27 appropriation, the commissioner of  
3.28 transportation must notify the commissioner  
3.29 of management and budget and the chairs and  
3.30 ranking minority members of the legislative  
3.31 committees with jurisdiction over  
3.32 transportation finance concerning funds  
3.33 appropriated. Funds appropriated under this  
3.34 contingent appropriation do not adjust the base  
3.35 appropriation for fiscal years 2020 and 2021.

4.1	<b><u>(2) Aviation Support Services</u></b>	<u>6,790,000</u>	<u>6,934,000</u>
4.2	<u>Appropriations by Fund</u>		
4.3	<u>2018</u>	<u>2019</u>	
4.4	<u>Airports</u>	<u>5,311,000</u>	<u>5,311,000</u>
4.5	<u>Trunk Highway</u>	<u>1,479,000</u>	<u>1,623,000</u>
4.6	<u>\$80,000 in each year is from the state airports</u>		
4.7	<u>fund for the Civil Air Patrol.</u>		
4.8	<u>The base appropriation from the trunk</u>		
4.9	<u>highway fund is \$1,623,000 in fiscal year 2020</u>		
4.10	<u>and \$1,623,000 in fiscal year 2021.</u>		
4.11	<b><u>(3) State Plane Purchase</u></b>	<u>10,000,000</u>	<u>-0-</u>
4.12	<u>This is a onetime appropriation from the</u>		
4.13	<u>general fund to be used in conjunction with</u>		
4.14	<u>the proceeds of the sale of the existing planes</u>		
4.15	<u>for the replacement of two state airplanes.</u>		
4.16	<b><u>(b) Transit</u></b>	<u>18,091,000</u>	<u>18,188,000</u>
4.17	<u>Appropriations by Fund</u>		
4.18	<u>2018</u>	<u>2019</u>	
4.19	<u>General</u>	<u>17,245,000</u>	<u>17,245,000</u>
4.20	<u>Trunk Highway</u>	<u>846,000</u>	<u>873,000</u>
4.21	<u>Special Revenue</u>	<u>10,000,000</u>	<u>10,000,000</u>
4.22	<u>\$10,000,000 in each year is from the special</u>		
4.23	<u>revenue fund for transit grants under</u>		
4.24	<u>Minnesota Statutes, section 16A.88.</u>		
4.25	<u>\$250,000 in each year is from the general fund</u>		
4.26	<u>to pay administrative costs for the safe routes</u>		
4.27	<u>to school program under Minnesota Statutes,</u>		
4.28	<u>section 174.40.</u>		
4.29	<u>The base appropriation from the general fund</u>		
4.30	<u>is \$17,245,000 in fiscal year 2020 and</u>		
4.31	<u>\$17,245,000 in fiscal year 2021.</u>		

5.1 The base appropriation from the trunk

5.2 highway fund is \$873,000 in fiscal year 2020

5.3 and \$873,000 in fiscal year 2021.

5.4 **(c) Safe Routes to School**

2,750,000

2,750,000

5.5 Appropriations by Fund

5.6 2018 2019

5.7 General 500,000 500,000

5.8 Special Revenue 2,250,000 2,250,000

5.9 \$2,250,000 in each year is from the special

5.10 revenue fund for the safe routes to school

5.11 program under Minnesota Statutes, section

5.12 174.40.

5.13 **(d) Passenger Rail**

900,000

900,000

5.14 This appropriation is from the general fund

5.15 for passenger rail system planning, alternatives

5.16 analysis, environmental analysis, design, and

5.17 preliminary engineering under Minnesota

5.18 Statutes, sections 174.632 to 174.636.

5.19 **(e) Freight**

8,506,000

7,578,000

5.20 Appropriations by Fund

5.21 2018 2019

5.22 General 3,156,000 2,056,000

5.23 Trunk Highway 5,350,000 5,522,000

5.24 \$1,000,000 in the first year is from the general

5.25 fund for the Minnesota rail service

5.26 improvement program under Minnesota

5.27 Statutes, sections 222.49 and 222.50.

5.28 \$1,100,000 in the first year is from the general

5.29 fund for port development assistance program

5.30 grants under Minnesota Statutes, chapter

5.31 457A. Any improvements made with the

5.32 proceeds of these grants must be publicly

5.33 owned. This is a onetime appropriation and is

5.34 available in the second year.

6.1 The base appropriation from the general fund  
 6.2 is \$2,056,000 in fiscal year 2020 and  
 6.3 \$2,056,000 in fiscal year 2021.

6.4 The base appropriation from the trunk  
 6.5 highway fund is \$5,522,000 in fiscal year 2020  
 6.6 and \$5,522,000 in fiscal year 2021.

6.7 Subd. 3. **State Roads**

6.8	<u><b>(a) Operations and Maintenance</b></u>	<u>367,060,000</u>	<u>397,310,000</u>
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6.9 The base appropriation is \$399,543,000 in  
 6.10 fiscal year 2020 and \$403,104,000 in fiscal  
 6.11 year 2021.

6.12	<u><b>(b) Program Planning and Delivery</b></u>	<u>250,267,000</u>	<u>275,077,000</u>
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6.13 \$130,000 in each year is available for  
 6.14 administrative costs of the targeted group  
 6.15 business program.

6.16 \$266,000 in each year is available for grants  
 6.17 to metropolitan planning organizations outside  
 6.18 the seven-county metropolitan area.

6.19 \$900,000 in each year is available for grants  
 6.20 for transportation studies outside the  
 6.21 metropolitan area to identify critical concerns,  
 6.22 problems, and issues. These grants are  
 6.23 available: (1) to regional development  
 6.24 commissions; (2) in regions where no regional  
 6.25 development commission is functioning, to  
 6.26 joint powers boards established under  
 6.27 agreement of two or more political  
 6.28 subdivisions in the region to exercise the  
 6.29 planning functions of a regional development  
 6.30 commission; and (3) in regions where no  
 6.31 regional development commission or joint  
 6.32 powers board is functioning, to the Department  
 6.33 of Transportation district office for that region.

7.1 \$1,000,000 in each year is available for  
 7.2 management of contaminated and regulated  
 7.3 material on property owned by the Department  
 7.4 of Transportation, including mitigation of  
 7.5 property conveyances, facility acquisition or  
 7.6 expansion, chemical release at maintenance  
 7.7 facilities, and spills on the trunk highway  
 7.8 system where there is no known responsible  
 7.9 party. If the appropriation for either year is  
 7.10 insufficient, the appropriation for the other  
 7.11 year is available for it.

7.12 The base appropriation for program planning  
 7.13 and delivery is \$276,540,000 in fiscal year  
 7.14 2020 and \$279,304,000 in fiscal year 2021.

7.15	<u>(c) State Road Construction</u>	<u>1,066,159,000</u>	<u>1,095,647,000</u>
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7.16 This appropriation is for the actual  
 7.17 construction, reconstruction, and improvement  
 7.18 of trunk highways, including design-build  
 7.19 contracts, internal department costs associated  
 7.20 with delivering the construction program,  
 7.21 consultant usage to support these activities,  
 7.22 and the cost of actual payments to landowners  
 7.23 for lands acquired for highway rights-of-way,  
 7.24 payment to lessees, interest subsidies, and  
 7.25 relocation expenses.

7.26 An additional \$105,000,000 of federal  
 7.27 spending authority is available in fiscal year  
 7.28 2017 upon enactment of this language.

7.29 \$10,000,000 in each year is for the  
 7.30 transportation economic development program  
 7.31 under Minnesota Statutes, section 174.12.

7.32 The commissioner may expend up to one-half  
 7.33 of one percent of the federal appropriations  
 7.34 under this paragraph as grants to opportunity

8.1 industrialization centers and other nonprofit  
 8.2 job training centers for job training programs  
 8.3 related to highway construction.

8.4 The commissioner may transfer up to  
 8.5 \$15,000,000 each year to the transportation  
 8.6 revolving loan fund.

8.7 The commissioner may receive money  
 8.8 covering other shares of the cost of partnership  
 8.9 projects. These receipts are appropriated to  
 8.10 the commissioner for these projects.

8.11 <b><u>(d) Working Capital Loan Fund</u></b>	<u>1,500,000</u>	<u>-0-</u>
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8.12 This appropriation is available in the first year  
 8.13 from the general fund for loans to small  
 8.14 businesses from the working capital loan fund  
 8.15 under Minnesota Statutes, section 161.3212.  
 8.16 This is a onetime appropriation.

8.17 The base appropriation for state road  
 8.18 construction is \$1,085,209,000 in fiscal year  
 8.19 2020 and \$1,073,646,000 in fiscal year 2021.

8.20 <b><u>(e) Highway Debt Service</u></b>	<u>224,600,000</u>	<u>251,400,000</u>
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8.21 \$215,100,000 in fiscal year 2018 and  
 8.22 \$241,900,000 in fiscal year 2019 are for  
 8.23 transfer to the state bond fund. If this  
 8.24 appropriation is insufficient to make all  
 8.25 transfers required in the year for which it is  
 8.26 made, the commissioner of management and  
 8.27 budget must transfer the deficiency amount  
 8.28 under the statutory open appropriation and  
 8.29 notify the chairs and ranking minority  
 8.30 members of the legislative committees with  
 8.31 jurisdiction over transportation finance and  
 8.32 the chairs of the senate Finance Committee  
 8.33 and the house of representatives Ways and  
 8.34 Means Committee of the amount of the



9.1 deficiency. Any excess appropriation cancels  
 9.2 to the trunk highway fund.

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

9.4 Appropriations by Fund

9.5 2018 2019

9.6 General 3,000 3,000

9.7 Trunk Highway 5,645,000 5,826,000

9.8 \$3,000 in each year is from the general fund  
 9.9 to equip and operate the Roosevelt signal  
 9.10 tower for Lake of the Woods weather  
 9.11 broadcasting.

9.12 The base appropriation from the trunk  
 9.13 highway fund is \$5,826,000 in fiscal year 2020  
 9.14 and \$5,826,000 in fiscal year 2021.

9.15 **Subd. 4. Local Roads**

9.16 **(a) County State-Aid Roads** 825,660,000 928,130,000

9.17 This appropriation is from the county state-aid  
 9.18 highway fund under Minnesota Statutes,  
 9.19 section 161.081, and Minnesota Statutes,  
 9.20 chapter 162, and is available until spent.

9.21 If the commissioner of transportation  
 9.22 determines that a balance remains in the  
 9.23 county state-aid highway fund following the  
 9.24 appropriations and transfers made in this  
 9.25 paragraph, and that the appropriations made  
 9.26 are insufficient for advancing county state-aid  
 9.27 highway projects, an amount necessary to  
 9.28 advance the projects, not to exceed the balance  
 9.29 in the county state-aid highway fund, is  
 9.30 appropriated in each year to the commissioner.

9.31 Within two weeks of a determination under  
 9.32 this contingent appropriation, the  
 9.33 commissioner of transportation must notify  
 9.34 the commissioner of management and budget

10.1 and the chairs and ranking minority members  
 10.2 of the legislative committees with jurisdiction  
 10.3 over transportation finance concerning funds  
 10.4 appropriated. The commissioner must identify  
 10.5 in the next budget submission to the legislature  
 10.6 under Minnesota Statutes, section 16A.11, any  
 10.7 amount that is appropriated under this  
 10.8 paragraph.

10.9 <b><u>(b) Municipal State-Aid Roads</u></b>	<u>208,100,000</u>	<u>234,300,000</u>
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10.10 This appropriation is from the municipal  
 10.11 state-aid street fund under Minnesota Statutes,  
 10.12 chapter 162, and is available until spent.

10.13 If the commissioner of transportation  
 10.14 determines that a balance remains in the  
 10.15 municipal state-aid street fund following the  
 10.16 appropriations and transfers made in this  
 10.17 paragraph, and that the appropriations made  
 10.18 are insufficient for advancing municipal  
 10.19 state-aid street projects, an amount necessary  
 10.20 to advance the projects, not to exceed the  
 10.21 balance in the municipal state-aid street fund,  
 10.22 is appropriated in each year to the  
 10.23 commissioner. Within two weeks of a  
 10.24 determination under this contingent  
 10.25 appropriation, the commissioner of  
 10.26 transportation must notify the commissioner  
 10.27 of management and budget and the chairs and  
 10.28 ranking minority members of the legislative  
 10.29 committees with jurisdiction over  
 10.30 transportation finance concerning funds  
 10.31 appropriated. The commissioner must identify  
 10.32 in the next budget submission to the legislature  
 10.33 under Minnesota Statutes, section 16A.11, any  
 10.34 amount that is appropriated under this  
 10.35 paragraph.

11.1	<b><u>(c) Other Local Roads</u></b>	<u>44,500,000</u>	<u>44,500,000</u>
11.2	<u>\$19,000,000 in each year is from the special</u>		
11.3	<u>revenue fund for the small cities assistance</u>		
11.4	<u>program under Minnesota Statutes, section</u>		
11.5	<u>162.145.</u>		
11.6	<u>\$19,000,000 in each year is from the special</u>		
11.7	<u>revenue fund for the large cities assistance</u>		
11.8	<u>program under Minnesota Statutes, section</u>		
11.9	<u>162.146.</u>		
11.10	<u>\$2,500,000 in each year is from the special</u>		
11.11	<u>revenue fund for the tribal roads assistance</u>		
11.12	<u>program under Minnesota Statutes, section</u>		
11.13	<u>162.147.</u>		
11.14	<u>\$4,000,000 in each year is from the special</u>		
11.15	<u>revenue fund for Americans with Disabilities</u>		
11.16	<u>Act projects on local roads.</u>		
11.17	<b><u>Subd. 5. Agency Management</u></b>		
11.18	<b><u>(a) Agency Services</u></b>	<u>55,545,000</u>	<u>55,929,000</u>
11.19	<u>The base appropriation is \$53,029,000 in fiscal</u>		
11.20	<u>year 2020 and \$53,029,000 in fiscal year 2021.</u>		
11.21	<b><u>(b) Tribal Training</u></b>	<u>192,000</u>	<u>218,000</u>
11.22	<u>This appropriation is from the general fund to</u>		
11.23	<u>be used to facilitate tribal training for state</u>		
11.24	<u>agencies. The base appropriation from the</u>		
11.25	<u>general fund is \$200,000 in fiscal year 2020</u>		
11.26	<u>and \$200,000 in fiscal year 2021.</u>		
11.27	<b><u>(c) Buildings</u></b>	<u>37,085,000</u>	<u>37,939,000</u>
11.28	<u>Appropriations by Fund</u>		
11.29	<u>2018</u>	<u>2019</u>	
11.30	<u>General</u>	<u>54,000</u>	<u>54,000</u>
11.31	<u>Trunk Highway</u>	<u>37,031,000</u>	<u>37,885,000</u>
11.32	<u>Any money appropriated to the commissioner</u>		
11.33	<u>of transportation for building construction for</u>		

12.1 any fiscal year before the first year is available  
 12.2 to the commissioner during the biennium to  
 12.3 the extent that the commissioner spends the  
 12.4 money on the building construction projects  
 12.5 for which the money was originally  
 12.6 encumbered during the fiscal year for which  
 12.7 it was appropriated. If the appropriation for  
 12.8 either year is insufficient, the appropriation  
 12.9 for the other year is available for it.

12.10 The base appropriation from the trunk  
 12.11 highway fund is \$37,885,000 in fiscal year  
 12.12 2020 and \$37,885,000 in fiscal year 2021.

12.13	<u>(d) Tort Claims</u>	<u>600,000</u>	<u>600,000</u>
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12.14 If the appropriation for either year is  
 12.15 insufficient, the appropriation for the other  
 12.16 year is available for it.

12.17 Subd. 6. **Transfers**

12.18 With the approval of the commissioner of  
 12.19 management and budget, the commissioner  
 12.20 of transportation may transfer unencumbered  
 12.21 balances among the appropriations from the  
 12.22 trunk highway fund and the state airports fund  
 12.23 made in this section. No transfer may be made  
 12.24 from the appropriations for state road  
 12.25 construction or debt service. Transfers under  
 12.26 this rider must not be made between funds.  
 12.27 Transfers under this rider must be reported  
 12.28 immediately to the chairs and ranking minority  
 12.29 members of the legislative committees with  
 12.30 jurisdiction over transportation finance.

12.31 The commissioner of transportation must  
 12.32 transfer from the flexible highway account in  
 12.33 the county state-aid highway fund the entire  
 12.34 amount in each year to the county turnback

- 13.1 account in the county state-aid highway fund.
- 13.2 The funds transferred are for highway
- 13.3 turnback purposes under Minnesota Statutes,
- 13.4 section 161.081, subdivision 3.
- 13.5 **Subd. 7. Previous State Road Construction**
- 13.6 **Appropriations**
- 13.7 Any money appropriated to the commissioner
- 13.8 of transportation for state road construction
- 13.9 for any fiscal year before the first year is
- 13.10 available to the commissioner during the
- 13.11 biennium to the extent that the commissioner
- 13.12 spends the money on the state road
- 13.13 construction project for which the money was
- 13.14 originally encumbered during the fiscal year
- 13.15 for which it was appropriated.
- 13.16 **Subd. 8. Contingent Appropriations**
- 13.17 The commissioner of transportation, with the
- 13.18 approval of the governor and the written
- 13.19 approval of at least five members of a group
- 13.20 consisting of the members of the Legislative
- 13.21 Advisory Commission under Minnesota
- 13.22 Statutes, section 3.30, and the ranking minority
- 13.23 members of the legislative committees with
- 13.24 jurisdiction over transportation finance, may
- 13.25 transfer all or part of the unappropriated
- 13.26 balance in the trunk highway fund to an
- 13.27 appropriation: (1) for trunk highway design,
- 13.28 construction, or inspection that takes
- 13.29 advantage of an unanticipated receipt of
- 13.30 income to the trunk highway fund or federal
- 13.31 advanced construction funding; (2) for
- 13.32 emergency trunk highway maintenance; or (3)
- 13.33 to pay tort or environmental claims. Nothing
- 13.34 in this subdivision authorizes the
- 13.35 commissioner to increase the use of federal

14.1 advanced construction funding beyond  
 14.2 amounts specifically authorized. Any transfer  
 14.3 as a result of the use of federal advanced  
 14.4 construction funding must include an analysis  
 14.5 of the effects on the long-term trunk highway  
 14.6 fund balance. The amount transferred is  
 14.7 appropriated for the purpose of the account to  
 14.8 which it is transferred.

14.9 Sec. 4. **METROPOLITAN COUNCIL TRANSIT** \$ **67,400,000** \$ **75,400,000**  
 14.10 **Transit** 67,400,000 75,400,000  
 14.11 This appropriation is from the general fund  
 14.12 for transit system operations. The base  
 14.13 appropriation is \$83,400,000 in fiscal year  
 14.14 2020 and \$92,400,000 in fiscal year 2021.

14.15 Sec. 5. **PUBLIC SAFETY**

14.16 Subdivision 1. **Total Appropriation** \$ **200,822,000** \$ **201,421,000**

14.17 Appropriations by Fund

14.18		<u>2018</u>	<u>2019</u>
14.19	<u>General</u>	<u>14,741,000</u>	<u>14,026,000</u>
14.20	<u>Trunk Highway</u>	<u>111,344,000</u>	<u>111,333,000</u>
14.21	<u>Highway User</u>	<u>10,485,000</u>	<u>10,506,000</u>
14.22	<u>Special Revenue</u>	<u>64,252,000</u>	<u>65,556,000</u>

14.23 The amounts that may be spent for each  
 14.24 purpose are specified in the following  
 14.25 subdivisions.

14.26 Subd. 2. **Administration and Related Services** 13,513,000 13,812,000

14.27 Appropriations by Fund

14.28		<u>2018</u>	<u>2019</u>
14.29	<u>General</u>	<u>5,329,000</u>	<u>5,361,000</u>
14.30	<u>Trunk Highway</u>	<u>6,799,000</u>	<u>7,066,000</u>
14.31	<u>Highway User</u>	<u>1,385,000</u>	<u>1,385,000</u>

14.32 \$640,000 in each year is from the general fund  
 14.33 for payment of public safety officer survivor

15.1 benefits under Minnesota Statutes, section  
 15.2 299A.44. If the appropriation for either year  
 15.3 is insufficient, the appropriation for the other  
 15.4 year is available for it.

15.5 \$1,367,000 in each year is from the general  
 15.6 fund to be deposited in the public safety  
 15.7 officer's benefit account. This money is  
 15.8 available for reimbursements under Minnesota  
 15.9 Statutes, section 299A.465.

15.10 \$600,000 in each year is from the general fund  
 15.11 and \$100,000 in each year is from the trunk  
 15.12 highway fund for soft body armor  
 15.13 reimbursements under Minnesota Statutes,  
 15.14 section 299A.38.

15.15 Subd. 3. **State Patrol** 113,873,000 112,844,000

15.16 Appropriations by Fund

	<u>2018</u>	<u>2019</u>
15.17 <u>General</u>	<u>9,412,000</u>	<u>8,665,000</u>
15.18 <u>Trunk Highway</u>	<u>103,597,000</u>	<u>103,294,000</u>
15.19 <u>Highway User</u>	<u>864,000</u>	<u>885,000</u>

15.20 (a) **Patrolling Highways** 96,096,000 94,426,000

15.21 Appropriations by Fund

	<u>2018</u>	<u>2019</u>
15.22 <u>General</u>	<u>957,000</u>	<u>37,000</u>
15.23 <u>Trunk Highway</u>	<u>95,047,000</u>	<u>94,297,000</u>
15.24 <u>Highway User</u>	<u>92,000</u>	<u>92,000</u>

15.25 \$920,000 is appropriated from the general  
 15.26 fund and \$4,830,000 is appropriated from the  
 15.27 trunk highway fund in fiscal year 2018 to  
 15.28 purchase a helicopter for the State Patrol.

15.29 These are onetime appropriations.

15.30 (b) **Commercial Vehicle Enforcement** 8,550,000 8,997,000

15.31 (c) **Capitol Security** 8,455,000 8,628,000

15.32 This appropriation is from the general fund.

16.1 The commissioner must not (1) spend any  
 16.2 money from the trunk highway fund for  
 16.3 capitol security or (2) permanently transfer  
 16.4 any state trooper from the patrolling highways  
 16.5 activity to capitol security.

16.6 **(d) Vehicle Crimes Unit** 772,000 793,000

16.7 This appropriation is from the highway user  
 16.8 tax distribution fund to investigate:

16.9 (1) registration tax and motor vehicle sales tax  
 16.10 liabilities from individuals and businesses that  
 16.11 currently do not pay all taxes owed; and

16.12 (2) illegal or improper activity related to the  
 16.13 sale, transfer, titling, and registration of motor  
 16.14 vehicles.

16.15 **Subd. 4. Driver and Vehicle Services** 71,060,000 72,345,000

16.16 Appropriations by Fund

16.17		<u>2018</u>	<u>2019</u>
16.18	<u>Highway User</u>	<u>8,236,000</u>	<u>8,236,000</u>
16.19	<u>Special Revenue</u>	<u>62,824,000</u>	<u>64,109,000</u>

16.20 \$22,621,000 in fiscal year 2018 and  
 16.21 \$23,094,000 in fiscal year 2019 are  
 16.22 appropriated from the vehicle services  
 16.23 operating account in the special revenue fund  
 16.24 under Minnesota Statutes, section 299A.705,  
 16.25 subdivision 1.

16.26 \$32,203,000 in fiscal year 2018 and  
 16.27 \$33,015,000 in fiscal year 2019 are  
 16.28 appropriated from the driver services operating  
 16.29 account in the special revenue fund under  
 16.30 Minnesota Statutes, section 299A.705,  
 16.31 subdivision 2.

16.32 \$156,000 in each year is appropriated from  
 16.33 the driver services operating account in the  
 16.34 special revenue fund under Minnesota



- 17.1 Statutes, section 299A.705, subdivision 2, to  
 17.2 maintain the automated knowledge test  
 17.3 system.
- |      |                                       |                |                |
|------|---------------------------------------|----------------|----------------|
| 17.4 | <u>Subd. 5. <b>Traffic Safety</b></u> | <u>948,000</u> | <u>973,000</u> |
|------|---------------------------------------|----------------|----------------|
- 17.5 \$470,000 in each year is appropriated from  
 17.6 the trunk highway fund for maintenance of  
 17.7 the crash record system.
- |      |  |                  |                  |
|------|--|------------------|------------------|
| 17.8 | <u>Subd. 6. <b>Pipeline Safety</b></u> | <u>1,428,000</u> | <u>1,447,000</u> |
|------|--|------------------|------------------|
- 17.9 This appropriation is from the pipeline safety  
 17.10 account in the special revenue fund.
- |       |   |           |                |           |                |
|-------|---|-----------|----------------|-----------|----------------|
| 17.11 | Sec. 6. <u><b>DEPARTMENT OF REVENUE</b></u> | <u>\$</u> | <u>234,000</u> | <u>\$</u> | <u>222,000</u> |
| 17.12 | <u><b>Administration</b></u>                |           | <u>234,000</u> |           | <u>222,000</u> |
- 17.13 This appropriation is from the highway user  
 17.14 tax distribution fund to administer the motor  
 17.15 fuels gross receipts tax under Minnesota  
 17.16 Statutes, section 296A.085. The base  
 17.17 appropriation is \$222,000 in fiscal year 2020  
 17.18 and \$222,000 in fiscal year 2021.
- 17.19 Sec. 7. **APPROPRIATION CANCELLATION.**
- 17.20 \$1,100,000 of the appropriation for port development assistance under Laws 2015,  
 17.21 chapter 75, article 1, section 3, subdivision 2, paragraph (e), is canceled to the general fund  
 17.22 on June 30, 2017.
- 17.23 **EFFECTIVE DATE.** This section is effective the day following final enactment.
- 17.24 **ARTICLE 2**
- 17.25 **TRANSPORTATION BONDS**
- 17.26 Section 1. **BOND APPROPRIATIONS.**
- 17.27 The sums shown in the column under "Appropriations" are appropriated from the bond  
 17.28 proceeds account in the trunk highway fund to the state agencies or officials indicated, to  
 17.29 be spent for public purposes. Appropriations of bond proceeds must be spent as authorized  
 17.30 by the Minnesota Constitution, articles XI and XIV. Unless otherwise specified, money  
 17.31 appropriated in this article for a capital program or project may be used to pay state agency

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

18.3 **SUMMARY**

18.4	<u>Department of Transportation</u>	\$	<u>2,000,000,000</u>
18.5	<u>Department of Management and Budget</u>		<u>2,000,000</u>
18.6	<u><b>TOTAL</b></u>	\$	<u><b>2,002,000,000</b></u>

18.7 **APPROPRIATIONS**

18.8	<u><b>Sec. 2. DEPARTMENT OF</b></u>		
18.9	<u><b>TRANSPORTATION</b></u>	\$	<u><b>2,000,000,000</b></u>

18.10 (a) Of the appropriation in this section,  
18.11 \$200,000,000 each year for eight years is to  
18.12 the commissioner of transportation for the  
18.13 corridors of commerce program under  
18.14 Minnesota Statutes, section 161.088, and  
18.15 \$100,000,000 each year for four years is to  
18.16 the commissioner of transportation for the  
18.17 construction, reconstruction, and improvement  
18.18 of trunk highways, including design-build  
18.19 contracts and use of consultants to support  
18.20 these activities. In total, the appropriations  
18.21 under this section are available in the  
18.22 following amounts:

18.23 \$300,000,000 in fiscal year 2018;

18.24 \$300,000,000 in fiscal year 2019;

18.25 \$300,000,000 in fiscal year 2020;

18.26 \$300,000,000 in fiscal year 2021;

18.27 \$200,000,000 in fiscal year 2022;

18.28 \$200,000,000 in fiscal year 2023;

18.29 \$200,000,000 in fiscal year 2024; and

18.30 \$200,000,000 in fiscal year 2025.

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

19.1 (b) In any fiscal year covered by this  
19.2 appropriation, the commissioner may identify  
19.3 projects based on previous selection processes  
19.4 or may perform a new selection.

19.5 (c) The appropriation in this section cancels  
19.6 as specified under Minnesota Statutes, section  
19.7 16A.642, except that the commissioner of  
19.8 management and budget shall count the start  
19.9 of authorization for issuance of state bonds as  
19.10 the first day of the fiscal year during which  
19.11 the bonds are available to be issued as  
19.12 specified under paragraph (a), and not as the  
19.13 date of enactment of this section.

19.14 Sec. 3. **BOND SALE EXPENSES** **\$** **2,000,000**

19.15 This appropriation is to the commissioner of  
19.16 management and budget for bond sale  
19.17 expenses under Minnesota Statutes, sections  
19.18 16A.641, subdivision 8, and 167.50,  
19.19 subdivision 4, and is effective through 2026.

19.20 Sec. 4. **BOND SALE AUTHORIZATION.**

19.21 To provide the money appropriated in this  
19.22 article from the bond proceeds account in the  
19.23 trunk highway fund, the commissioner of  
19.24 management and budget shall sell and issue  
19.25 bonds of the state in amount up to  
19.26 \$2,002,000,000 in the manner, upon the terms,  
19.27 and with the effect prescribed by Minnesota  
19.28 Statutes, sections 167.50 to 167.52, and by the  
19.29 Minnesota Constitution, article XIV, section  
19.30 11, at the times and in the amounts requested  
19.31 by the commissioner of transportation. The  
19.32 proceeds of the bonds, except accrued interest  
19.33 and any premium received from the sale of

20.1 the bonds, must be deposited in the bond  
20.2 proceeds account in the trunk highway fund.

20.3 Sec. 5. **EFFECTIVE DATE.**

20.4 This article is effective July 1, 2017.

20.5 **ARTICLE 3**

20.6 **MOTOR FUELS GROSS RECEIPTS TAX**

20.7 Section 1. **[296A.085] MOTOR FUELS GROSS RECEIPTS TAX.**

20.8 Subdivision 1. **Imposition.** In addition to other taxes imposed on the use of motor fuels  
20.9 under this chapter, a motor fuels gross receipts tax is imposed on the first licensed distributor  
20.10 receiving motor fuel for use in motor vehicles. The motor fuels gross receipts tax is imposed  
20.11 at the rate of 6-1/2 percent of the average wholesale price of gasoline for Minnesota as  
20.12 calculated in subdivisions 3 and 4. The motor fuels gross receipts tax is imposed on all  
20.13 motor fuel, in either a liquid or gaseous form.

20.14 Subd. 2. **Exemptions.** Subdivision 1 does not apply to gasoline, denatured ethanol,  
20.15 special fuel, or alternative fuel purchased by an entity described in section 296A.07,  
20.16 subdivision 4, or 296A.08, subdivision 3.

20.17 Subd. 3. **Calculation of tax amount per gallon.** (a) The tax imposed under this section  
20.18 must be calculated by converting the motor fuels gross receipts tax amount into a tax rate  
20.19 per gallon. The commissioner of revenue must determine and publish the motor fuels gross  
20.20 receipts tax amount per gallon annually. The amount is determined by multiplying the  
20.21 previous calendar year's average wholesale gasoline price for Minnesota, for all grades of  
20.22 a gallon of gasoline, by 6-1/2 percent. The wholesale price used must not include any tax  
20.23 or fee that can be assessed by the state of Minnesota or the United States government. The  
20.24 wholesale price published by the United States Energy Information Administration must  
20.25 be used to determine the motor fuels gross receipts tax amount per gallon. The minimum  
20.26 average wholesale price used for this calculation is \$2.50 per gallon. By May 1 of each year,  
20.27 the commissioner must publish the upcoming fiscal year's motor fuels gross receipts tax  
20.28 amounts per gallon and the current gasoline excise tax amounts per gallon. The motor fuels  
20.29 gross receipts tax amount per gallon is effective for fuel received during the next fiscal year.  
20.30 All amounts will be stated in cents per gallon rounded to the nearest one-tenth of a cent,  
20.31 disregarding amounts less than 0.05 cents and increasing amounts of 0.05 cents to 0.099  
20.32 cents to the next highest one-tenth of a cent.

21.1 (b) For the period of October 1, 2017, through June 30, 2018, the motor fuels gross  
21.2 receipts tax amount per gallon of gasoline is 6-1/2 percent of the greater of \$2.50 or the  
21.3 average wholesale gasoline price for all grades of a gallon of gasoline in Minnesota for  
21.4 calendar year 2016, as published by the United States Energy Information Administration.  
21.5 The commissioner must publish the rates on or before August 1, 2017.

21.6 Subd. 4. **Calculation of tax amount per gallon for other motor fuels.** (a) The motor  
21.7 fuels gross receipts tax on other motor fuels must be computed at the following tax rate:

21.8 (1) the tax rate per gallon of E85 is 71 percent of the motor fuels gross receipts tax  
21.9 amount per gallon for gasoline, rounded to the nearest tenth of a cent per gallon;

21.10 (2) the tax rate per gallon of M85 is 57 percent of the motor fuels gross receipts tax  
21.11 amount per gallon for gasoline, rounded to the nearest tenth of a cent per gallon;

21.12 (3) the tax rate per gallon of liquefied petroleum gas (LPG) is 75 percent of the motor  
21.13 fuels gross receipts tax amount per gallon for gasoline, rounded to the nearest tenth of a  
21.14 cent per gallon;

21.15 (4) the tax rate per gallon of liquid natural gas (LNG) is 60 percent of the motor fuels  
21.16 gross receipts tax amount per gallon for gasoline, rounded to the nearest tenth of a cent per  
21.17 gallon; and

21.18 (5) the tax rate per thousand cubic feet of compressed natural gas (CNG) is the same as  
21.19 the motor fuels gross receipts tax amount per gallon of gasoline.

21.20 (b) The tax rate per gallon of all other special fuel used as a motor fuel is the same as  
21.21 the motor fuels gross receipts tax amount per gallon of gasoline.

21.22 Subd. 5. **Administrative provisions.** The motor fuels gross receipts tax must be paid  
21.23 and filed on a return, as prescribed by the commissioner, in the same manner and time as  
21.24 prescribed for gasoline tax as set forth in section 296A.15.

21.25 Subd. 6. **Deposit of revenues.** The commissioner must deposit the revenues from the  
21.26 motor fuels gross receipts tax into the highway user tax distribution fund.

21.27 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
21.28 applies to motor fuels received after September 30, 2017.

21.29 Sec. 2. Minnesota Statutes 2016, section 296A.11, is amended to read:

21.30 **296A.11 SELLER MAY COLLECT TAX.**

A person who directly or indirectly pays a gasoline or special fuel tax or motor fuels gross receipts tax as provided in this chapter and who does not in fact use the gasoline or special fuel in motor vehicles in this state or receive, store, or withdraw it from storage to be used personally for the purpose of producing or generating power for propelling aircraft, but sells or otherwise disposes of the same, except as provided in section 296A.16, subdivision 3, is hereby authorized to collect, from the person to whom the gasoline or special fuel is so sold or disposed of, the tax so paid, and is hereby required, upon request, to make, sign, and deliver to such person an invoice of such sale or disposition. The sums collected must be held as a special fund in trust for the state of Minnesota.

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

Sec. 3. Minnesota Statutes 2016, section 296A.12, is amended to read:

**296A.12 GASOLINE AND SPECIAL FUEL TAX AND MOTOR FUELS GROSS RECEIPTS TAX IN LIEU OF OTHER TAXES.**

Gasoline and special fuel excise taxes ~~shall be~~ and the motor fuels gross receipts tax are in lieu of all other taxes imposed upon the business of selling or dealing in gasoline or special fuel, whether imposed by the state or by any of its political subdivisions, but are in addition to all ad valorem taxes now imposed by law. Nothing in this chapter is construed as prohibiting the governing body of any city of this state from licensing and regulating ~~such a~~ business where its authority is conferred by state law or city charter.

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

Sec. 4. Minnesota Statutes 2016, section 296A.16, subdivision 1, is amended to read:

Subdivision 1. **Credit or refund of gasoline or special fuel tax paid.** The commissioner shall allow the distributor credit or refund of the excise and motor fuels gross receipts tax paid on gasoline and special fuel:

(1) exported or sold for export from the state, other than in the supply tank of a motor vehicle or of an aircraft;

(2) sold to the United States government to be used exclusively in performing its governmental functions and activities or to any "cost plus a fixed fee" contractor employed by the United States government on any national defense project;

(3) if the fuel is placed in a tank used exclusively for residential heating;

(4) destroyed by accident while in the possession of the distributor;

23.1 (5) in error;

23.2 (6) in the case of gasoline only, sold for storage in an on-farm bulk storage tank, if the  
23.3 tax was not collected on the sale; and

23.4 (7) in such other cases as the commissioner may permit, consistent with the provisions  
23.5 of this chapter and other laws relating to the gasoline and special fuel excise taxes.

23.6 **EFFECTIVE DATE.** This section is effective October 1, 2017.

23.7 Sec. 5. Minnesota Statutes 2016, section 296A.16, subdivision 2, is amended to read:

23.8 Subd. 2. **Fuel used in other vehicle; claim for refund.** Any person who buys and uses  
23.9 gasoline for a qualifying purpose other than use in motor vehicles, snowmobiles except as  
23.10 provided in clause (2), or motorboats, or special fuel for a qualifying purpose other than  
23.11 use in licensed motor vehicles, and who paid the excise and motor fuels gross receipts tax  
23.12 directly or indirectly through the amount of the tax being included in the price of the gasoline  
23.13 or special fuel, or otherwise, shall be reimbursed and repaid the amount of the tax paid upon  
23.14 filing with the commissioner a claim for refund in the form and manner prescribed by the  
23.15 commissioner, and containing the information the commissioner shall require. By signing  
23.16 any such claim which is false or fraudulent, the applicant shall be subject to the penalties  
23.17 provided in this chapter for knowingly making a false claim. The claim shall set forth the  
23.18 total amount of the gasoline so purchased and used by the applicant other than in motor  
23.19 vehicles, or special fuel purchased and used by the applicant other than in licensed motor  
23.20 vehicles, and shall state when and for what purpose it was used. When a claim contains an  
23.21 error in computation or preparation, the commissioner is authorized to adjust the claim in  
23.22 accordance with the evidence shown on the claim or other information available to the  
23.23 commissioner. The commissioner, on being satisfied that the claimant is entitled to the  
23.24 payments, shall approve the claim and transmit it to the commissioner of management and  
23.25 budget. The words "gasoline" or "special fuel" as used in this subdivision do not include  
23.26 aviation gasoline or special fuel for aircraft. Gasoline or special fuel bought and used for a  
23.27 "qualifying purpose" means:

23.28 (1) Gasoline or special fuel used in carrying on a trade or business, used on a farm  
23.29 situated in Minnesota, and used for a farming purpose. "Farm" and "farming purpose" have  
23.30 the meanings given them in section 6420(c)(2), (3), and (4) of the Internal Revenue Code  
23.31 as defined in section 289A.02, subdivision 7.

23.32 (2) Gasoline or special fuel used for off-highway business use.

24.1 (i) "Off-highway business use" means any use off the public highway by a person in  
24.2 that person's trade, business, or activity for the production of income.

24.3 (ii) Off-highway business use includes use of a passenger snowmobile off the public  
24.4 highways as part of the operations of a resort as defined in section 157.15, subdivision 11;  
24.5 and use of gasoline or special fuel to operate a power takeoff unit on a vehicle, but not  
24.6 including fuel consumed during idling time.

24.7 (iii) Off-highway business use does not include use as a fuel in a motor vehicle which,  
24.8 at the time of use, is registered or is required to be registered for highway use under the  
24.9 laws of any state or foreign country; or use of a licensed motor vehicle fuel tank in lieu of  
24.10 a separate storage tank for storing fuel to be used for a qualifying purpose, as defined in  
24.11 this section. Fuel purchased to be used for a qualifying purpose cannot be placed in the fuel  
24.12 tank of a licensed motor vehicle and must be stored in a separate supply tank.

24.13 (3) Gasoline or special fuel placed in the fuel tanks of new motor vehicles, manufactured  
24.14 in Minnesota, and shipped by interstate carrier to destinations in other states or foreign  
24.15 countries.

24.16 **EFFECTIVE DATE.** This section is effective October 1, 2017.

24.17 Sec. 6. Minnesota Statutes 2016, section 296A.16, subdivision 3, is amended to read:

24.18 Subd. 3. **Destruction by accident; refund to dealer.** Notwithstanding the provisions  
24.19 of subdivision 1, the commissioner shall allow a dealer a refund of:

24.20 (1) the excise and motor fuels gross receipts tax paid by the distributor on gasoline,  
24.21 undyed diesel fuel, or undyed kerosene destroyed by accident while in the possession of  
24.22 the dealer; or

24.23 (2) the excise and motor fuels gross receipts tax paid by a distributor or special fuels  
24.24 dealer on other special fuels destroyed by accident while in the possession of the dealer.

24.25 **EFFECTIVE DATE.** This section is effective October 1, 2017.

24.26 Sec. 7. Minnesota Statutes 2016, section 296A.16, subdivision 4, is amended to read:

24.27 Subd. 4. **Refrigerator units; refunds.** Notwithstanding the provisions of subdivision  
24.28 1, the commissioner shall allow a special fuel dealer a refund of the excise and motor fuels  
24.29 gross receipts tax paid on fuel sold directly into a supply tank of a refrigeration unit with a  
24.30 separate engine and used exclusively by that refrigeration unit. A claim for refund may be  
24.31 filed as provided in this section.



25.1 **EFFECTIVE DATE.** This section is effective October 1, 2017.

25.2 Sec. 8. Minnesota Statutes 2016, section 296A.16, subdivision 4a, is amended to read:

25.3 Subd. 4a. **Undyed kerosene; refunds.** Notwithstanding subdivision 1, the commissioner  
25.4 shall allow a refund of the excise and motor fuels gross receipts tax paid on undyed kerosene  
25.5 used exclusively for a purpose other than as fuel for a motor vehicle using the streets and  
25.6 highways. To obtain a refund, the person making the sale to an end user must meet the  
25.7 Internal Revenue Service requirements for sales from a blocked pump. A claim for a refund  
25.8 may be filed as provided in this section.

25.9 **EFFECTIVE DATE.** This section is effective October 1, 2017.

25.10 Sec. 9. Minnesota Statutes 2016, section 296A.16, subdivision 4b, is amended to read:

25.11 Subd. 4b. **Racing gasoline; refunds.** Notwithstanding subdivision 1, the commissioner  
25.12 shall allow a licensed distributor a refund of the excise and motor fuels gross receipts tax  
25.13 paid on leaded gasoline of 110 octane or more that does not meet ASTM specification  
25.14 D4814 for gasoline and that is sold in bulk for use in nonregistered motor vehicles. A claim  
25.15 for a refund may be filed as provided for in this section.

25.16 **EFFECTIVE DATE.** This section is effective October 1, 2017.

25.17 Sec. 10. Minnesota Statutes 2016, section 296A.16, subdivision 5, is amended to read:

25.18 Subd. 5. **Qualifying service station credit.** Notwithstanding any other provision of law  
25.19 to the contrary, the combined excise and motor fuels gross receipts tax imposed on gasoline,  
25.20 undyed diesel fuel, or undyed kerosene delivered to a qualified service station may not  
25.21 exceed, or must be reduced to, a rate not more than three cents per gallon above the state  
25.22 tax rate imposed on such products sold by a service station in a contiguous state located  
25.23 within the distance indicated in this subdivision. A distributor shall be allowed a credit or  
25.24 refund for the amount of reduction computed in accordance with this subdivision. For  
25.25 purposes of this subdivision, a "qualifying service station" means a service station located  
25.26 within 7.5 miles, measured by the shortest route by public road, from a service station selling  
25.27 like product in the contiguous state.

25.28 **EFFECTIVE DATE.** This section is effective October 1, 2017.

26.1 Sec. 11. Minnesota Statutes 2016, section 296A.18, subdivision 2, is amended to read:

26.2 Subd. 2. **Motorboat.** Approximately 1-1/2 percent of all gasoline received in this state  
26.3 and 1-1/2 percent of all gasoline produced or brought into this state, except gasoline used  
26.4 for aviation purposes, is being used as fuel for the operation of motorboats on the waters  
26.5 of this state and of the total revenue derived from the imposition of the gasoline fuel tax  
26.6 and motor fuels gross receipts tax on gasoline for uses other than for aviation purposes,  
26.7 1-1/2 percent of the revenue is the amount of tax on fuel used in motorboats operated on  
26.8 the waters of this state. The amount of unrefunded tax paid on gasoline used for motor boat  
26.9 purposes as computed in this chapter shall be paid into the state treasury and credited to a  
26.10 water recreation account in the special revenue fund for acquisition, development,  
26.11 maintenance, and rehabilitation of sites for public access and boating facilities on public  
26.12 waters; lake and river improvement; and boat and water safety.

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

26.14 Sec. 12. Minnesota Statutes 2016, section 296A.18, subdivision 3, is amended to read:

26.15 Subd. 3. **Snowmobile.** Approximately one percent of all gasoline received in and  
26.16 produced or brought into this state, except gasoline used for aviation purposes, is being used  
26.17 as fuel for the operation of snowmobiles in this state, and of the total revenue derived from  
26.18 the imposition of the gasoline fuel tax and motor fuels gross receipts tax on gasoline for  
26.19 uses other than for aviation purposes, one percent of such revenues is the amount of tax on  
26.20 fuel used in snowmobiles operated in this state.

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

26.22 Sec. 13. Minnesota Statutes 2016, section 296A.18, subdivision 4, is amended to read:

26.23 Subd. 4. **All-terrain vehicle.** Approximately 0.27 of one percent of all gasoline received  
26.24 in or produced or brought into this state, except gasoline used for aviation purposes, is being  
26.25 used for the operation of all-terrain vehicles in this state, and of the total revenue derived  
26.26 from the imposition of the gasoline fuel tax and motor fuels gross receipts tax on gasoline,  
26.27 0.27 of one percent is the amount of tax on fuel used in all-terrain vehicles operated in this  
26.28 state.

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

27.1 Sec. 14. Minnesota Statutes 2016, section 296A.18, subdivision 5, is amended to read:

27.2 Subd. 5. **Off-highway motorcycles.** Approximately 0.046 of one percent of all gasoline  
27.3 received or produced in or brought into this state, except gasoline used for aviation purposes,  
27.4 is being used for the operation of off-highway motorcycles in this state, and of the total  
27.5 revenue derived from the imposition of the gasoline fuel tax and motor fuels gross receipts  
27.6 tax on gasoline for uses other than for aviation purposes, 0.046 of one percent is the amount  
27.7 of tax on fuel used in off-highway motorcycles operated in this state.

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

27.9 Sec. 15. Minnesota Statutes 2016, section 296A.18, subdivision 6, is amended to read:

27.10 Subd. 6. **Off-road vehicle.** Approximately 0.164 of one percent of all gasoline received  
27.11 or produced in or brought into this state, except gasoline used for aviation purposes, is being  
27.12 used for the off-road operation of off-road vehicles, as defined in section 84.797, in this  
27.13 state, and of the total revenue derived from the imposition of the gasoline fuel tax and motor  
27.14 fuels gross receipts tax on gasoline for uses other than aviation purposes, 0.164 of one  
27.15 percent is the amount of tax on fuel used for off-road operation of off-road vehicles in this  
27.16 state.

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

27.18 Sec. 16. Minnesota Statutes 2016, section 296A.18, subdivision 7, is amended to read:

27.19 Subd. 7. **Forest road.** Approximately 0.116 percent of the total annual unrefunded  
27.20 revenue from the gasoline fuel tax and motor fuels gross receipts tax on all gasoline and  
27.21 special fuel received in, produced, or brought into this state, except gasoline and special  
27.22 fuel used for aviation purposes, is derived from the operation of motor vehicles on state  
27.23 forest roads and county forest access roads. This revenue, together with interest and penalties  
27.24 for delinquency in payment, paid or collected pursuant to the provisions of this chapter, is  
27.25 appropriated from the highway user tax distribution fund and must be transferred and credited  
27.26 in equal installments on July 1 and January 1 to the state forest road account established in  
27.27 section 89.70. Of this amount, 0.0605 percent is annually derived from motor vehicles  
27.28 operated on state forest roads and 0.0555 percent is annually derived from motor vehicles  
27.29 operated on county forest access roads in this state. An amount equal to 0.0555 percent of  
27.30 the unrefunded revenue must be annually transferred to counties for the management and  
27.31 maintenance of county forest roads.

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

28.1 **ARTICLE 4**

28.2 **METROPOLITAN AREA TRANSIT SALES AND USE TAX**

28.3 Section 1. Minnesota Statutes 2016, section 297A.99, subdivision 1, is amended to read:

28.4 Subdivision 1. **Authorization; scope.** (a) A political subdivision of this state may impose  
28.5 a general sales tax (1) under section 297A.992, (2) under section 297A.9925, (3) under  
28.6 section 297A.993, ~~(3)~~ (4) if permitted by special law, or ~~(4)~~ (5) if the political subdivision  
28.7 enacted and imposed the tax before January 1, 1982, and its predecessor provision.

28.8 (b) This section governs the imposition of a general sales tax by the political subdivision.  
28.9 The provisions of this section preempt the provisions of any special law:

28.10 (1) enacted before June 2, 1997, or

28.11 (2) enacted on or after June 2, 1997, that does not explicitly exempt the special law  
28.12 provision from this section's rules by reference.

28.13 (c) This section does not apply to or preempt a sales tax on motor vehicles or a special  
28.14 excise tax on motor vehicles.

28.15 (d) A political subdivision may not advertise or expend funds for the promotion of a  
28.16 referendum to support imposing a local option sales tax.

28.17 (e) Notwithstanding paragraph (d), a political subdivision may expend funds to:

28.18 (1) conduct the referendum;

28.19 (2) disseminate information included in the resolution adopted under subdivision 2;

28.20 (3) provide notice of, and conduct public forums at which proponents and opponents on  
28.21 the merits of the referendum are given equal time to express their opinions on the merits of  
28.22 the referendum;

28.23 (4) provide facts and data on the impact of the proposed sales tax on consumer purchases;  
28.24 and

28.25 (5) provide facts and data related to the programs and projects to be funded with the  
28.26 sales tax.

28.27 **EFFECTIVE DATE.** This section is effective for sales and purchases made after  
28.28 September 30, 2017.

29.1       Sec. 2. **[297A.9925] METROPOLITAN AREA TRANSIT SALES AND USE TAX;**  
29.2       **RATE; IMPOSITION; USES; PRIORITIES.**

29.3       Subdivision 1. **Definitions.** (a) For purposes of this section, the terms defined in this  
29.4       subdivision have the meanings given.

29.5       (b) "Local governmental unit" means any county, city, town, school district, special  
29.6       district, or other political subdivision or public corporation, other than the council or a  
29.7       metropolitan agency, located in whole or in part within the metropolitan area.

29.8       (c) "Metropolitan area" or "area" has the meaning given in section 473.121, subdivision  
29.9       2.

29.10      (d) "Metropolitan Council" or "council" means the Metropolitan Council established by  
29.11      section 473.123.

29.12      Subd. 2. **Metropolitan area transit sales tax imposition; rate.** Notwithstanding sections  
29.13      297A.99, subdivisions 1, 2, and 3, and 477A.016, or any other law, a metropolitan area  
29.14      transit sales and use tax is imposed at a rate of one-half of one percent on retail sales and  
29.15      uses taxable under this chapter occurring within the metropolitan area.

29.16      Subd. 3. **Administration; collection; enforcement.** Except as otherwise provided in  
29.17      this section, the provisions of section 297A.99, subdivisions 4 and 6 to 12a, govern the  
29.18      administration, collection, and enforcement of the tax authorized under this section.

29.19      Subd. 4. **Uses; consistency with transportation policy plan.** (a) The Metropolitan  
29.20      Council must use the proceeds of the metropolitan area transit sales and use tax imposed  
29.21      under subdivision 2 for transit purposes within the metropolitan area. This may include but  
29.22      is not limited to transit operations, capital improvements, design, engineering and  
29.23      environmental work, acquisition of real property, planning and feasibility studies, and grants  
29.24      to local governmental units for transit purposes or bicycle and pedestrian projects specified  
29.25      under subdivision 5.

29.26      (b) Projects funded with the metropolitan area transit sales and use tax proceeds must  
29.27      be consistent with the long-range transportation policy plan adopted by the council under  
29.28      section 473.146.

29.29      Subd. 5. **Priorities.** (a) The council must allocate revenues from the taxes imposed under  
29.30      this section in a manner consistent with the transit system development and financial plan  
29.31      required under section 473.1462, and in the following priority order:

29.32      (1) payment of debt service necessary on bonds or other obligations issued under  
29.33      subdivision 6;

30.1 (2) operating and capital costs to preserve existing bus services that conform with regional  
 30.2 transit performance standards specified in the council's transportation policy plan;

30.3 (3) 100 percent of the net operating costs of existing arterial bus rapid transit lines and  
 30.4 50 percent of the net operating costs of other existing transitways;

30.5 (4) grants required under paragraph (b);

30.6 (5) operating and capital costs for the expansion and modernization of regional bus  
 30.7 services, including replacement services provided under section 473.388, under the regional  
 30.8 service improvement plan adopted by the council;

30.9 (6) operating and capital costs for expansion and improvement of regional transitways;  
 30.10 and

30.11 (7) any other costs payable under subdivision 4.

30.12 (b) After accounting for the amounts necessary for paragraph (a), clauses (1), (2), and  
 30.13 (3), the council must make five percent of the remaining revenues available through grants  
 30.14 to local units of government within the metropolitan area for bicycle and pedestrian projects.  
 30.15 The council must establish a grant program, criteria, and oversight procedures for regional  
 30.16 bicycle and pedestrian project grants at least once every two years.

30.17 Subd. 6. **Revenue bonds.** (a) In addition to other authority granted in this section, the  
 30.18 council may, by resolution, authorize the sale and issuance of revenue bonds, notes, or other  
 30.19 obligations to provide funds to (1) implement the council's regional transit system  
 30.20 development and financial plan, and (2) refund bonds issued under this subdivision.

30.21 (b) The bonds are payable from and secured by a pledge of the revenues identified in  
 30.22 the transit system development and financial plan, including without limitation all or any  
 30.23 part of revenues received from the metropolitan area transit sales and use tax imposed under  
 30.24 subdivision 2 and associated investment earnings on debt proceeds. The council may by  
 30.25 resolution authorize the issuance of the bonds as general obligations of the council. The  
 30.26 bonds must be sold, issued, and secured in the manner provided in chapter 475, and the  
 30.27 council has the same powers and duties as a municipality and its governing body in issuing  
 30.28 bonds under chapter 475, except that no election is required and the net debt limitations in  
 30.29 chapter 475 do not apply to such bonds. The proceeds of the bonds may also be used to  
 30.30 fund necessary reserves and to pay credit enhancement fees, issuance costs, and other  
 30.31 financing costs during the life of the debt.

30.32 (c) The bonds may be secured by a bond resolution, or a trust indenture entered into by  
 30.33 the council with a corporate trustee within or outside the state, which must define the

31.1 revenues and bond proceeds pledged for the payment and security of the bonds. The pledge  
 31.2 must be a valid charge on the revenues received under section 297A.99, subdivision 11.  
 31.3 Neither the state, nor any municipality or political subdivision except the council, nor any  
 31.4 member or officer or employee of the council, is liable on the obligations. No mortgage or  
 31.5 security interest in any tangible real or personal property shall be granted to the bondholders  
 31.6 or the trustee, but they shall have a valid security interest in the revenues and bond proceeds  
 31.7 received by the council and pledged to the payment of the bonds. In the bond resolution or  
 31.8 trust indenture, the council may make such covenants as it determines to be reasonable for  
 31.9 the protection of the bondholders.

31.10 **EFFECTIVE DATE.** This section is effective for sales and purchases made after  
 31.11 September 30, 2017, and applies in the counties of Anoka, Carver, Dakota, Hennepin,  
 31.12 Ramsey, Scott, and Washington.

31.13 Sec. 3. **[473.1462] REGIONAL TRANSIT SYSTEM DEVELOPMENT AND**  
 31.14 **FINANCIAL PLAN.**

31.15 Subdivision 1. **Annual regional transit system development and financial plan.** By  
 31.16 December 15, 2017, and annually thereafter, the council must prepare and adopt a  
 31.17 comprehensive regional transit system development and financial plan that identifies and  
 31.18 describes the transit system operating and capital investments planned to occur over at least  
 31.19 the following ten calendar years. The council's adopted annual transit operating and capital  
 31.20 budgets must be consistent with the transit system development and financial plan. The  
 31.21 transit system development and financial plan may be amended as needed. The council must  
 31.22 annually submit the plan for review by the Legislative Commission on Metropolitan  
 31.23 Government under section 3.8841.

31.24 Subd. 2. **Details on transit operations and capital investments; transit revenues.**  
 31.25 The regional transit system development and financial plan must detail the transit operations  
 31.26 and capital investments expected for all regional public transit services funded in whole or  
 31.27 in part by the council, including but not limited to regular route bus services operated by  
 31.28 the council, regular route bus services operated by replacement service providers under  
 31.29 section 473.388, Metro Mobility special transportation services provided under section  
 31.30 473.386, other dial-a-ride and vanpool services provided by the council, and all regional  
 31.31 transitway operations and capital investments, with detail provided for each existing or new  
 31.32 transitway line. The plan must also account for all transit revenues expected to be available  
 31.33 to the council, including but not limited to metropolitan area transit sales and use tax revenue  
 31.34 available from the tax imposed under section 297A.9925, subdivision 2, transit fare revenues,

metropolitan area transit state general fund appropriations, motor vehicle sales tax revenues available through the metropolitan transit assistance account under section 16A.88, subdivision 2, federal transit funds, regional transit capital bonds issued by the council under section 473.39, and sales tax revenues allocated to the council by the joint powers board under section 297A.992. The regional transit system development and financial plan must be consistent with the adopted regional transportation policy plan, and must detail the specific transit operations and capital investments expected in each year of the plan. The plan may account for the use of debt financing and the issuance of bonds as authorized under section 297A.9925, subdivision 6.

**EFFECTIVE DATE.** This section is effective July 1, 2017, and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 4. **REPEALER.**

Minnesota Statutes 2016, section 473.4051, subdivision 2, is repealed.

**EFFECTIVE DATE.** This section is effective July 1, 2017.

**ARTICLE 5**

**TRANSPORTATION POLICY AND FINANCE**

Section 1. Minnesota Statutes 2016, section 115A.908, is amended to read:

**115A.908 MOTOR VEHICLE TRANSFER FEE.**

Subdivision 1. **Fee charged.** (a) A fee of \$10 ~~shall be~~ is charged on the initial registration and each subsequent transfer of title within the state, other than transfers for resale purposes, of every motor vehicle weighing more than 1,000 pounds. The fee shall be collected by the commissioner of public safety. Registration plates or certificates of title may not be issued by the commissioner of public safety for the ownership or operation of a motor vehicle subject to the transfer fee unless the fee is paid. The fee may not be charged on the transfer of:

(1) previously registered vehicles if the transfer is to the same person;

(2) vehicles subject to the conditions specified in section 297A.70, subdivision 2; or

(3) vehicles purchased in another state by a resident of another state if more than 60 days have elapsed after the date of purchase and the purchaser is transferring title to this state and has become a resident of this state after the purchase.

(b) A surcharge of \$10 is imposed on each fee charged under paragraph (a).



33.1 Subd. 2. **Deposit of revenue.** (a) Fee revenue collected under this section shall  
33.2 subdivision 1, paragraph (a), must be credited to the environmental fund.

33.3 (b) The commissioner must deposit the proceeds of the surcharge under subdivision 1,  
33.4 paragraph (b), to the following accounts, in amounts as determined by the commissioner  
33.5 of transportation:

33.6 (1) the small city streets and bridges account under section 162.145, subdivision 2;

33.7 (2) the large city streets and bridges account under section 162.146, subdivision 2;

33.8 (3) the safe routes to school program, for both infrastructure and noninfrastructure grants,  
33.9 under section 174.40; and

33.10 (4) the tribal roads account under section 162.147, subdivision 1.

33.11 (c) Surcharges deposited under paragraph (b) are annually appropriated to the  
33.12 commissioner for the purposes of the account the surcharge is deposited in.

33.13 Sec. 2. **[160.801] HIGHWAY SPONSORSHIP PROGRAM.**

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

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

33.22 (c) The commissioner may provide assistance to enhance the safety and comfort of  
33.23 volunteers and facilitate the implementation and administration of the sponsorship program.

33.24 Subd. 2. **Agreements.** The commissioner may enter into agreements with businesses,  
33.25 civic groups, or individuals to volunteer support to maintain and make improvements to  
33.26 real property included in the trunk highway system. All sponsorship activities must have  
33.27 prior approval of the commissioner. Agreements under this section are not subject to section  
33.28 161.32. The volunteer support activities include but are not limited to:

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

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

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

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

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

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

34.9 Subd. 3. **Acknowledgment of sponsors.** The commissioner may publicly recognize and  
34.10 express appreciation to businesses, civic groups, and individuals that provide volunteer  
34.11 funding or services under the sponsorship program. The recognition may include signs  
34.12 acknowledging the sponsorship.

34.13 Subd. 4. **Revenue.** Funds received under this section must be deposited in the trunk  
34.14 highway fund and are annually appropriated to the commissioner for the purpose specified  
34.15 by the donation.

34.16 Subd. 5. **Prohibition.** The commissioner must not take action under this section that  
34.17 would result in the loss of federal highway funds or require payment of highway funds to  
34.18 the federal government.

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

34.20 Subd. 3. **Flexible highway account; turnback accounts.** (a) The flexible highway  
34.21 account is created in the state treasury. Money in the account shall be used:

34.22 ~~(1) in fiscal years 2009 and 2010, 100 percent of the excess sum, as calculated in~~  
34.23 ~~paragraph (i), and in fiscal years 2011 and thereafter, 50 percent of the excess sum, as~~  
34.24 ~~calculated in paragraph (i), for counties in the metropolitan area, as defined in section~~  
34.25 ~~473.121, subdivision 4, but for the purposes of the calculation cities of the first class will~~  
34.26 ~~be excluded in the metropolitan area; and~~

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

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

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

35.3 (iii) routes of regional significance.

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

35.8 (c) The commissioner shall review the need for funds to restore highways that have been  
35.9 or will be turned back. The commissioner shall determine, on a biennial basis, the percentage  
35.10 of funds in the flexible highway account to be distributed to each district, and within each  
35.11 district the percentage to be used for each of the purposes specified in paragraph (a). Money  
35.12 in the account may be used for safety improvements and routes of regional significance  
35.13 only after money is set aside to restore the identified turnbacks. The commissioner shall  
35.14 make these determinations only after meeting and holding discussions with committees  
35.15 selected by the statewide associations of both county commissioners and municipal officials.  
35.16 The commissioner shall, to the extent feasible, annually allocate 50 percent of the funds in  
35.17 the flexible highway account to the department's metropolitan district, and 50 percent to  
35.18 districts in greater Minnesota.

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

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

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

35.30 (g) Money that will be used for routes of regional significance must be deposited in the  
35.31 routes of regional significance account, which is created in the state treasury, and used as  
35.32 grants to statutory or home rule charter cities, towns, and counties to assist in paying the  
35.33 costs of constructing or reconstructing city streets, county highways, or town roads with

36.1 statewide or regional significance that have not been fully funded through other state, federal,  
36.2 or local funding sources.

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

36.8 (i) The excess sum is calculated as the sum of revenue 32 percent of the distribution  
36.9 amount within the flexible highway account.

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

36.15 ~~(2) attributed to a change in the passenger vehicle registration tax under section 168.013,~~  
36.16 ~~imposed on or after July 1, 2008, that exceeds (i) the amount collected in fiscal year 2008,~~  
36.17 ~~multiplied by (ii) the annual average United States Consumer Price Index for the calendar~~  
36.18 ~~year previous to the current calendar year, divided by the annual average United States~~  
36.19 ~~Consumer Price Index for calendar year 2007; and~~

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

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

36.25 Sec. 4. Minnesota Statutes 2016, section 161.3212, is amended to read:

36.26 **161.3212 WORKING CAPITAL FUND.**

36.27 (a) The commissioner, to the extent allowed by other law or contract, may grant available  
36.28 money that has been appropriated for socially or economically disadvantaged business  
36.29 programs to a guaranty fund administered by a nonprofit organization that makes or  
36.30 guarantees working capital loans to small business concerns owned and operated by socially  
36.31 and economically disadvantaged individuals. "Small business concern" and "socially and  
36.32 economically disadvantaged individual" have the meanings given them in Code of Federal  
36.33 Regulations, title 49, section 26.5. The purpose of loans made or guaranteed by the

organization must be to provide short-term working capital to enable eligible businesses to be awarded contracts for goods and services or for construction-related services from government agencies.

(b) Money contributed from a constitutionally or statutorily dedicated fund must be used only for purposes consistent with the purposes of the dedicated fund. Notwithstanding section 16A.28, money deposited in the fund does not lapse and is available until expended.

Sec. 5. Minnesota Statutes 2016, section 161.46, subdivision 2, is amended to read:

Subd. 2. **Relocation of facilities; reimbursement.** (a) Whenever the commissioner shall determine the relocation of any utility facility is necessitated by the construction of a project on the routes of federally aided state trunk highways, including urban extensions thereof, which routes are included within the National System of Interstate Highways, the owner or operator of such utility facility shall relocate the same in accordance with the order of the commissioner. After the completion of such relocation the cost thereof shall be ascertained and paid by the state out of trunk highway funds; provided, however, the amount to be paid by the state for such reimbursement shall not exceed the amount on which the federal government bases its reimbursement for said interstate system.

(b) Notwithstanding paragraph (a), any utility facility installed after August 1, 2017, is not eligible for relocation reimbursement.

Sec. 6. **[162.146] LARGE CITIES ASSISTANCE.**

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

(b) "Eligible city" means a statutory or home rule charter city that receives municipal state aid under sections 162.09 to 162.14 in the calendar year in which funds are distributed under this section.

(c) "Population" means the most recent population estimated or established as of 30 days before the date of an allocation under subdivision 4, of: (1) the most recent federal census, (2) a special census conducted under contract with the United States Census Bureau, (3) a population estimate made by the Metropolitan Council under section 473.24, or (4) a population estimate of the state demographer made under section 4A.02.

(d) "Total population" means the sum of populations of all eligible cities.

Subd. 2. **Large cities assistance account.** A large cities assistance account is created in the special revenue fund. The account consists of funds as provided by law, and any other

38.1 money donated, allotted, transferred, or otherwise provided to the account. Money in the  
38.2 account may only be expended as provided under this section.

38.3 Subd. 3. **Administration.** (a) Subject to funds made available by law, the commissioner  
38.4 must allocate all funds as provided in subdivision 4 and must notify the commissioner of  
38.5 revenue.

38.6 (b) Following notification from the commissioner of transportation, the commissioner  
38.7 of revenue must distribute the specified funds to cities in the same manner as local  
38.8 government aid under chapter 477A. An appropriation to the commissioner of transportation  
38.9 under this section is available to the commissioner of revenue for the purposes specified in  
38.10 this paragraph.

38.11 (c) Notwithstanding any other law to the contrary, a city must conform to the standards  
38.12 in section 477A.017, subdivision 2, to be eligible to receive distributions under this section.  
38.13 A city that receives funds under this section must make and preserve records necessary to  
38.14 show that fund expenditures comply with subdivision 4.

38.15 Subd. 4. **Distribution formula.** In each fiscal year in which funds are available under  
38.16 this section, the commissioner shall allocate funds to eligible cities as follows:

38.17 (1) 50 percent of the funds allocated proportionally based on each city's share of  
38.18 population compared to total population of all eligible cities; and

38.19 (2) 50 percent of the funds allocated based on each city's share of money needs, as  
38.20 determined by the commissioner under section 162.13, subdivision 3, compared to the total  
38.21 money needs of all eligible cities.

38.22 Subd. 5. **Use of funds.** (a) Funds distributed under this section are available only for  
38.23 construction, improvement, and maintenance of roads and bridges located within the city,  
38.24 including but not limited to:

38.25 (1) land acquisition, environmental analysis, design, engineering, construction,  
38.26 reconstruction, and maintenance;

38.27 (2) road projects partially located within the city; and

38.28 (3) cost participation on road projects under the jurisdiction of another unit of government.

38.29 (b) Funds distributed under this section are not subject to state-aid requirements under  
38.30 this chapter, including but not limited to engineering standards adopted by the commissioner  
38.31 in administrative rules.

39.1 Sec. 7. [162.147] TRIBAL ROADS ASSISTANCE.

39.2 Subdivision 1. Tribal roads assistance account. A tribal roads assistance account is  
39.3 created in the special revenue fund. The account consists of funds as provided by law, and  
39.4 any other money donated, allotted, transferred, or otherwise provided to the account. Money  
39.5 in the account may only be expended as provided under this section.

39.6 Subd. 2. Distribution of funds. The commissioner, in consultation with the advocacy  
39.7 council on tribal transportation, must devise a formula to distribute the funds to all 11  
39.8 federally recognized tribal nations in Minnesota.

39.9 Sec. 8. Minnesota Statutes 2016, section 168.013, subdivision 1a, is amended to read:

39.10 Subd. 1a. **Passenger automobile; hearse.** (a) On passenger automobiles as defined in  
39.11 section 168.002, subdivision 24, and hearses, except as otherwise provided, the tax shall be  
39.12 an amount equal to a combination of the following:

39.13 (1) \$10 for vehicles with registration periods beginning on or before June 30, 2020, and  
39.14 \$20 for vehicles with registration periods beginning on or after July 1, 2020, plus

39.15 (2) an additional tax equal to the following:

39.16 (i) 1.25 percent of the base value- for vehicles with registration periods ending on or  
39.17 before December 31, 2017;

39.18 (ii) 1.35 percent of the base value for vehicles with registration periods beginning on or  
39.19 after January 1, 2018, and before July 1, 2018;

39.20 (iii) 1.45 percent of the base value for vehicles with registration periods beginning on  
39.21 or after July 1, 2018, and before July 1, 2019; and

39.22 (iv) 1.50 percent of the base value for vehicles with registration periods beginning on  
39.23 or after July 1, 2019.

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

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

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

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

FROM	TO
\$ 0	\$ 199.99
\$ 200	\$ 399.99

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

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

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

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

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

~~(j) For any vehicle previously registered in Minnesota, the annual additional tax due under this subdivision must not exceed the smallest amount of annual additional tax previously paid or due on the vehicle.~~



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

41.2 Sec. 9. Minnesota Statutes 2016, section 168.33, subdivision 7, is amended to read:

41.3 Subd. 7. **Filing fees; allocations.** (a) In addition to all other statutory fees and taxes, ~~a~~  
41.4 ~~filing fee of:~~

41.5 (1) a \$6 filing fee is imposed on every vehicle registration renewal, excluding pro rate  
41.6 transactions; ~~and~~

41.7 (2) a \$10 surcharge is imposed on the fee for every vehicle registration renewal, excluding  
41.8 pro rate transactions; and

41.9 ~~(2)~~ (3) a \$10 filing fee is imposed on every other type of vehicle transaction, including  
41.10 motor carrier fuel licenses under sections 168D.05 and 168D.06, and pro rate transactions.

41.11 (b) Notwithstanding paragraph (a):

41.12 (1) a filing fee may not be charged for a document returned for a refund or for a correction  
41.13 of an error made by the Department of Public Safety, a dealer, or a deputy registrar; and

41.14 (2) no filing fee or other fee may be charged for the permanent surrender of a title for a  
41.15 vehicle.

41.16 (c) The filing fee must be shown as a separate item on all registration renewal notices  
41.17 sent out by the commissioner.

41.18 (d) The statutory fees and taxes, and the filing fees imposed under paragraph (a) may  
41.19 be paid by credit card or debit card. The deputy registrar may collect a surcharge on the  
41.20 statutory fees, taxes, and filing fee not greater than the cost of processing a credit card or  
41.21 debit card transaction, in accordance with emergency rules established by the commissioner  
41.22 of public safety. The surcharge must be used to pay the cost of processing credit and debit  
41.23 card transactions.

41.24 (e) The fees collected under this subdivision by the department must be allocated as  
41.25 follows:

41.26 (1) of the fees collected under paragraph (a), clause (1):

41.27 (i) \$4.50 must be deposited in the vehicle services operating account; and

41.28 (ii) \$1.50 must be deposited:

41.29 (A) in the driver and vehicle services technology account until sufficient funds have  
41.30 been deposited in that account to cover all costs of administration, development, and initial  
41.31 full deployment of the driver and vehicle services information system; and

42.1 (B) after completion of the deposit of funds under subitem (A) in the vehicle services  
42.2 operating account; ~~and~~

42.3 (2) of the fees collected under paragraph (a), clause (2):

42.4 (i) \$3.50 must be deposited in the general fund;

42.5 (ii) \$5.00 must be deposited in the vehicle services operating account; and

42.6 (iii) \$1.50 must be deposited:

42.7 (A) in the driver and vehicle services technology account until sufficient funds have  
42.8 been deposited in that account to cover all costs of administration, development, and initial  
42.9 full deployment of the driver and vehicle services information system; and

42.10 (B) after completion of the deposit of funds under subitem (A) in the vehicle services  
42.11 operating account; and

42.12 (3) of the surcharge collected under paragraph (a), clause (2), amounts must be determined  
42.13 by the commissioner of transportation and deposited in:

42.14 (i) the small city streets and bridges account under section 162.145, subdivision 1;

42.15 (ii) the larger city streets and bridges account under section 162.146;

42.16 (iii) the safe routes to school program, for both infrastructure and noninfrastructure  
42.17 grants, under section 174.40; and

42.18 (iv) the tribal roads account under section 162.147.

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

42.20 Sec. 10. Minnesota Statutes 2016, section 169.86, subdivision 5, is amended to read:

42.21 Subd. 5. **Fees; proceeds deposited; appropriation.** The commissioner, with respect to  
42.22 highways under the commissioner's jurisdiction, may charge a fee for each permit issued.  
42.23 ~~The fee for an annual permit that expires by law on the date of the vehicle registration~~  
42.24 ~~expiration must be based on the proportion of the year that remains until the expiration date.~~  
42.25 Unless otherwise specified, all fees for permits issued by the commissioner of transportation  
42.26 must be deposited in the state treasury and credited to the trunk highway fund. Except for  
42.27 those annual permits for which the permit fees are specified elsewhere in this chapter, the  
42.28 fees are:

42.29 (a) \$15 for each single trip permit.

43.1 (b) \$36 for each job permit. A job permit may be issued for like loads carried on a specific  
43.2 route for a period not to exceed two months. "Like loads" means loads of the same product,  
43.3 weight, and dimension.

43.4 (c) \$60 for an annual permit to be issued for a period not to exceed 12 consecutive  
43.5 months. Annual permits may be issued for:

43.6 (1) motor vehicles used to alleviate a temporary crisis adversely affecting the safety or  
43.7 well-being of the public;

43.8 (2) motor vehicles that travel on interstate highways and carry loads authorized under  
43.9 subdivision 1a;

43.10 (3) motor vehicles operating with gross weights authorized under section 169.826,  
43.11 subdivision 1a;

43.12 (4) special pulpwood vehicles described in section 169.863;

43.13 (5) motor vehicles bearing snowplow blades not exceeding ten feet in width;

43.14 (6) noncommercial transportation of a boat by the owner or user of the boat; and

43.15 (7) motor vehicles carrying bales of agricultural products authorized under section  
43.16 169.862.

43.17 (d) \$120 for an oversize annual permit to be issued for a period not to exceed 12  
43.18 consecutive months. Annual permits may be issued for:

43.19 (1) mobile cranes;

43.20 (2) construction equipment, machinery, and supplies;

43.21 (3) manufactured homes and manufactured storage buildings;

43.22 (4) implements of husbandry;

43.23 (5) double-deck buses;

43.24 (6) commercial boat hauling and transporting waterfront structures, including, but not  
43.25 limited to, portable boat docks and boat lifts;

43.26 (7) three-vehicle combinations consisting of two empty, newly manufactured trailers  
43.27 for cargo, horses, or livestock, not to exceed 28-1/2 feet per trailer; provided, however, the  
43.28 permit allows the vehicles to be moved from a trailer manufacturer to a trailer dealer only  
43.29 while operating on twin-trailer routes designated under section 169.81, subdivision 3,  
43.30 paragraph (c); and

44.1 (8) vehicles operating on that portion of marked Trunk Highway 36 described in section  
44.2 169.81, subdivision 3, paragraph (e).

44.3 (e) For vehicles that have axle weights exceeding the weight limitations of sections  
44.4 169.823 to 169.829, an additional cost added to the fees listed above. However, this paragraph  
44.5 applies to any vehicle described in section 168.013, subdivision 3, paragraph (b), but only  
44.6 when the vehicle exceeds its gross weight allowance set forth in that paragraph, and then  
44.7 the additional cost is for all weight, including the allowance weight, in excess of the permitted  
44.8 maximum axle weight. The additional cost is equal to the product of the distance traveled  
44.9 times the sum of the overweight axle group cost factors shown in the following chart:

44.10 Overweight Axle Group Cost Factors

44.11	Weight (pounds)	Cost Per Mile For Each Group Of:		
44.12	exceeding weight	Two	Three	
44.13	limitations on axles	consecutive	consecutive	
44.14		axles spaced	axles spaced	Four consecutive
44.15		within 8 feet	within 9 feet	axles spaced within
44.16		or less	or less	14 feet or less
44.17	0-2,000	.12	.05	.04
44.18	2,001-4,000	.14	.06	.05
44.19	4,001-6,000	.18	.07	.06
44.20	6,001-8,000	.21	.09	.07
44.21	8,001-10,000	.26	.10	.08
44.22	10,001-12,000	.30	.12	.09
44.23		Not		
44.24	12,001-14,000	permitted	.14	.11
44.25		Not		
44.26	14,001-16,000	permitted	.17	.12
44.27		Not		
44.28	16,001-18,000	permitted	.19	.15
44.29		Not	Not	
44.30	18,001-20,000	permitted	permitted	.16
44.31		Not	Not	
44.32	20,001-22,000	permitted	permitted	.20

44.33 The amounts added are rounded to the nearest cent for each axle or axle group. The additional  
44.34 cost does not apply to paragraph (c), clauses (1) and (3).

44.35 For a vehicle found to exceed the appropriate maximum permitted weight, a cost-per-mile  
44.36 fee of 22 cents per ton, or fraction of a ton, over the permitted maximum weight is imposed  
44.37 in addition to the normal permit fee. Miles must be calculated based on the distance already  
44.38 traveled in the state plus the distance from the point of detection to a transportation loading  
44.39 site or unloading site within the state or to the point of exit from the state.

(f) As an alternative to paragraph (e), an annual permit may be issued for overweight, or oversize and overweight, mobile cranes; construction equipment, machinery, and supplies; implements of husbandry; and commercial boat hauling. The fees for the permit are as follows:

Gross Weight (pounds) of Vehicle	Annual Permit Fee
90,000 or less	\$200
90,001 - 100,000	\$300
100,001 - 110,000	\$400
110,001 - 120,000	\$500
120,001 - 130,000	\$600
130,001 - 140,000	\$700
140,001 - 145,000	\$800
145,001 - 155,000	\$900

If the gross weight of the vehicle is more than 155,000 pounds the permit fee is determined under paragraph (e).

(g) For vehicles which exceed the width limitations set forth in section 169.80 by more than 72 inches, an additional cost equal to \$120 added to the amount in paragraph (a) when the permit is issued while seasonal load restrictions pursuant to section 169.87 are in effect.

(h) \$85 for an annual permit to be issued for a period not to exceed 12 months, for refuse-compactor vehicles that carry a gross weight of not more than: 22,000 pounds on a single rear axle; 38,000 pounds on a tandem rear axle; or, subject to section 169.828, subdivision 2, 46,000 pounds on a tridem rear axle. A permit issued for up to 46,000 pounds on a tridem rear axle must limit the gross vehicle weight to not more than 62,000 pounds.

(i) \$300 for a motor vehicle described in section 169.8261. The fee under this paragraph must be deposited as follows:

(1) the first \$50,000 in each fiscal year must be deposited in the trunk highway fund for costs related to administering the permit program and inspecting and posting bridges; and

(2) all remaining money in each fiscal year must be deposited in the bridge inspection and signing account as provided under subdivision 5b.

(j) ~~Beginning August 1, 2006,~~ \$200 for an annual permit for a vehicle operating under authority of section 169.824, subdivision 2, clause (2).

46.1 Sec. 11. Minnesota Statutes 2016, section 169.865, subdivision 1, is amended to read:

46.2 Subdivision 1. **Six-axle vehicles.** (a) A road authority may issue an annual permit  
46.3 authorizing a vehicle or combination of vehicles with a total of six or more axles to haul  
46.4 raw or unprocessed agricultural products and be operated with a gross vehicle weight of up  
46.5 to:

46.6 (1) 90,000 pounds; and

46.7 (2) 99,000 pounds during the period set by the commissioner under section 169.826,  
46.8 subdivision 1.

46.9 (b) Notwithstanding subdivision 3, paragraph (a), clause (4), a vehicle or combination  
46.10 of vehicles operated under this subdivision and transporting only sealed intermodal containers  
46.11 may be operated on an interstate highway if allowed by the United States Department of  
46.12 Transportation.

46.13 (c) The fee for a permit issued under this subdivision is \$300, ~~or a proportional amount~~  
46.14 ~~as provided in section 169.86, subdivision 5.~~

46.15 Sec. 12. Minnesota Statutes 2016, section 169.865, subdivision 2, is amended to read:

46.16 Subd. 2. **Seven-axle vehicles.** (a) A road authority may issue an annual permit authorizing  
46.17 a vehicle or combination of vehicles with a total of seven or more axles to haul raw or  
46.18 unprocessed agricultural products and be operated with a gross weight of up to:

46.19 (1) 97,000 pounds; and

46.20 (2) 99,000 pounds during the period set by the commissioner under section 169.826,  
46.21 subdivision 1.

46.22 (b) Drivers of vehicles operating under this subdivision must comply with driver  
46.23 qualification requirements adopted under section 221.0314, subdivisions 2 to 5, and Code  
46.24 of Federal Regulations, title 49, parts 40 and 382, unless exempt under section 221.031,  
46.25 subdivision 2c.

46.26 (c) The fee for a permit issued under this subdivision is \$500, ~~or a proportional amount~~  
46.27 ~~as provided in section 169.86, subdivision 5.~~

46.28 Sec. 13. Minnesota Statutes 2016, section 169.866, subdivision 3, is amended to read:

46.29 Subd. 3. **Permit fee; appropriation.** Vehicle permits issued under subdivision 1 must  
46.30 be annual permits. The fee is \$850 for each vehicle, ~~or a proportional amount as provided~~  
46.31 ~~in section 169.86, subdivision 5,~~ and must be deposited in the trunk highway fund. An

47.1 amount sufficient to administer the permit program is appropriated from the trunk highway  
47.2 fund to the commissioner for the costs of administering the permit program.

47.3 Sec. 14. [174.57] SNOW AND ICE CONTROL.

47.4 The commissioner of transportation, upon written notification to the commissioner of  
47.5 management and budget and the chairs and ranking minority members of the house of  
47.6 representatives and senate committees having jurisdiction over transportation finance, may  
47.7 transfer all or part of the unappropriated balance in the trunk highway fund to pay for snow  
47.8 and ice management expenditures if the Department of Transportation spends more than  
47.9 110 percent of its biennial targeted investment level for snow and ice management. The  
47.10 amount transferred is appropriated for the purposes of the account to which it is transferred.

47.11 Sec. 15. Minnesota Statutes 2016, section 219.015, subdivision 1, is amended to read:

47.12 Subdivision 1. **Positions established; duties.** (a) The commissioner of transportation  
47.13 shall establish ~~three~~ a state rail safety ~~inspector positions in the Office of Freight and~~  
47.14 ~~Commercial Vehicle Operations of the Minnesota Department of Transportation. On or~~  
47.15 ~~after July 1, 2015, the commissioner may establish a fourth state rail safety inspector position~~  
47.16 ~~following consultation with railroad companies.~~ inspection program, consisting of up to  
47.17 nine positions. The commissioner shall apply to and enter into agreements with the Federal  
47.18 Railroad Administration (FRA) of the United States Department of Transportation to  
47.19 participate in the federal State Rail Safety Participation Program for training and certification  
47.20 of ~~an inspector~~ inspectors under authority of United States Code, title 49, sections 20103,  
47.21 20105, 20106, and 20113, and Code of Federal Regulations, title 49, part 212.

47.22 (b) A state rail safety inspector ~~shall~~ may: (1) inspect mainline track, secondary track,  
47.23 and yard and industry track; (2) inspect railroad right-of-way, including adjacent or  
47.24 intersecting drainage, culverts, bridges, overhead structures, and traffic and other public  
47.25 crossings; (3) inspect yards ~~and~~ physical plants, and train equipment; (4) review and enforce  
47.26 safety requirements; (5) review maintenance and repair records; and (6) review railroad  
47.27 security measures.

47.28 (c) A state rail safety inspector may perform, but is not limited to, the duties described  
47.29 in the federal State Rail Safety Participation Program. An inspector may train, be certified,  
47.30 and participate in any of the federal State Rail Safety Participation Program disciplines,  
47.31 including: track, signal and train control, motive power and equipment, operating practices  
47.32 compliance, hazardous materials, and highway-rail grade crossings.

(d) To the extent delegated by the Federal Railroad Administration and authorized by the commissioner, an inspector may issue citations for violations of this chapter, or to ensure railroad employee and public safety and welfare.

Sec. 16. Minnesota Statutes 2016, section 219.015, subdivision 2, is amended to read:

Subd. 2. **Railroad company assessment; account; appropriation.** (a) As provided in this subdivision, the commissioner shall annually assess railroad companies that are: (1) defined as common carriers under section 218.011; (2) classified by federal law or regulation as Class I Railroads, Class I Rail Carriers, Class II Railroads, or Class II Carriers; and (3) operating in this state.

(b) The assessment must be by a division of allocate state rail safety ~~inspector~~ inspection program costs ~~in equal proportion between~~ proportionally among carriers based on route miles operated in Minnesota, ~~assessed in equal amounts for 365 days of the calendar year at the time of the assessment.~~ The commissioner ~~shall~~ must assess for all start-up or re-establishment costs, all related costs of initiating costs of the state rail safety inspector program, ~~and ongoing state rail inspector duties~~ including but not limited to administration, supervision, travel, equipment, and training.

(c) ~~The~~ A state rail safety inspection account is created in the special revenue fund. The account consists of funds as provided by law, and any other money donated, allotted, transferred, or otherwise provided to the account. Assessments collected under this subdivision must be deposited in ~~a special account in the special revenue fund, to be known as~~ the state rail safety inspection account. Money in the account is appropriated to the commissioner for the establishment and ongoing responsibilities of the state rail safety ~~inspector~~ inspection program.

Sec. 17. **[219.016] CRUDE OIL AND HAZARDOUS MATERIALS RAIL SAFETY ASSESSMENT.**

Subdivision 1. **Assessment.** (a) As provided in this section, the commissioner shall annually assess railroad companies that are: (1) defined as common carriers under section 218.011; (2) classified by federal law or regulation as Class I Railroads or Class I Rail Carriers; and (3) operating in this state. The total assessment amount under this section must not exceed \$32,500,000 annually.

(b) The assessment must be allocated proportionally among carriers based on route miles operated in Minnesota at the time of the assessment.



49.1 Subd. 2. **Account created; appropriation.** (a) A crude oil and hazardous materials rail  
49.2 safety account is created in the special revenue fund. The account consists of funds as  
49.3 provided by law, and any other money donated, allotted, transferred, or otherwise provided  
49.4 to the account. Assessments collected under this section must be deposited in the crude oil  
49.5 and hazardous materials rail safety account.

49.6 (b) Money in the account is appropriated to the commissioner for the planning,  
49.7 engineering, administration, and construction of highway-rail grade crossing improvements  
49.8 on rail corridors transporting crude oil and other hazardous materials. Improvements may  
49.9 include upgrades to existing protection systems, the closing of crossings and necessary  
49.10 roadwork, and reconstruction of at-grade crossings to full grade separations. Funds in the  
49.11 account are available until expended.

49.12 Sec. 18. Minnesota Statutes 2016, section 219.1651, is amended to read:

49.13 **219.1651 GRADE CROSSING SAFETY ACCOUNT.**

49.14 A Minnesota grade crossing safety account is created in the special revenue fund;  
49.15 ~~consisting of money credited to the account by law.~~ The account consists of funds as provided  
49.16 by law, and any other money donated, allotted, transferred, or otherwise provided to the  
49.17 account. Money in the account is appropriated to the commissioner of transportation for  
49.18 rail-highway grade crossing safety projects on public streets and highways, including  
49.19 planning, engineering, and other costs associated with the administration and delivery of  
49.20 grade crossing safety projects. At the discretion of the commissioner of transportation,  
49.21 money in the account at the end of each biennium may cancel to the trunk highway fund.

49.22 Sec. 19. Minnesota Statutes 2016, section 222.49, is amended to read:

49.23 **222.49 RAIL SERVICE IMPROVEMENT ACCOUNT; APPROPRIATION.**

49.24 The rail service improvement account is created in the special revenue fund ~~in the state~~  
49.25 ~~treasury.~~ The commissioner shall deposit in this account all consists of funds as provided  
49.26 by law, and any other money appropriated to or received by the department for the purpose  
49.27 of rail service improvement donated, allotted, transferred, or otherwise provided to the  
49.28 account, excluding bond proceeds as authorized by article XI, section 5, clause (i)<sub>2</sub> of the  
49.29 Minnesota Constitution. All money so deposited is appropriated to the department for  
49.30 expenditure for rail service improvement in accordance with applicable state and federal  
49.31 law. This appropriation shall not lapse but shall be available until the purpose for which it  
49.32 was appropriated has been accomplished. ~~No money appropriated to the department for the~~  
49.33 ~~purposes of administering the rail service improvement program shall be deposited in the~~

50.1 ~~rail service improvement account nor shall such administrative costs be paid from the~~  
50.2 ~~account.~~

50.3 Sec. 20. Minnesota Statutes 2016, section 222.50, subdivision 6, is amended to read:

50.4 Subd. 6. **Grants.** The commissioner may approve grants from the rail service  
50.5 improvement account for ~~payment of up to 50 percent of the nonfederal share of the cost~~  
50.6 ~~of any rail line project under the federal rail service continuation program~~ freight rail service  
50.7 improvements that support economic development.

50.8 Sec. 21. Minnesota Statutes 2016, section 222.50, subdivision 7, is amended to read:

50.9 Subd. 7. **Expenditures.** (a) The commissioner may expend money from the rail service  
50.10 improvement account for the following purposes:

50.11 (1) to make transfers as provided under section 222.57 or to pay interest adjustments on  
50.12 loans guaranteed under the state rail user and rail carrier loan guarantee program;

50.13 (2) to pay a portion of the costs of capital improvement projects designed to improve  
50.14 rail service of a rail user or a rail carrier;

50.15 (3) to pay a portion of the costs of rehabilitation projects designed to improve rail service  
50.16 of a rail user or a rail carrier;

50.17 (4) to acquire, maintain, manage, and dispose of railroad right-of-way pursuant to the  
50.18 state rail bank program;

50.19 (5) to provide for aerial photography survey of proposed and abandoned railroad tracks  
50.20 for the purpose of recording and reestablishing by analytical triangulation the existing  
50.21 alignment of the in-place track;

50.22 (6) to pay a portion of the costs of acquiring a rail line by a regional railroad authority  
50.23 established pursuant to chapter 398A;

50.24 (7) to pay the state matching portion of federal grants for rail-highway grade crossing  
50.25 improvement projects;

50.26 (8) ~~for expenditures made before July 1, 2017, to pay the state matching portion of grants~~  
50.27 ~~under the federal Transportation Investment Generating Economic Recovery (TIGER)~~  
50.28 ~~program of the United States Department of Transportation to pay the state matching portion~~  
50.29 of federal grants for freight rail projects;

50.30 (9) to fund rail planning ~~studies~~ activities and other administrative and program expenses;  
50.31 and

51.1 (10) to pay a portion of the costs of capital improvement projects designed to improve  
51.2 capacity or safety at rail yards.

51.3 (b) All money derived by the commissioner from the disposition of railroad right-of-way  
51.4 or of any other property acquired pursuant to sections 222.46 to 222.62 shall be deposited  
51.5 in the rail service improvement account.

51.6 Sec. 22. Minnesota Statutes 2016, section 299D.03, subdivision 5, is amended to read:

51.7 Subd. 5. **Traffic fines and forfeited bail money.** (a) All fines and forfeited bail money  
51.8 collected from persons apprehended or arrested by officers of the State Patrol shall be  
51.9 transmitted by the person or officer collecting the fines, forfeited bail money, or installments  
51.10 thereof, on or before the tenth day after the last day of the month in which these moneys  
51.11 were collected, to the commissioner of management and budget. Except where a different  
51.12 disposition is required in this subdivision or section 387.213, or otherwise provided by law,  
51.13 three-eighths of these receipts must be deposited in the state treasury and credited to the  
51.14 state general fund. The other five-eighths of these receipts must be deposited in the state  
51.15 treasury and credited as follows: ~~(1) the first \$1,000,000 in each fiscal year must be credited~~  
51.16 ~~to the Minnesota grade crossing safety account in the special revenue fund, and (2) remaining~~  
51.17 ~~receipts must be credited to the state trunk highway fund.~~ If, however, the violation occurs  
51.18 within a municipality and the city attorney prosecutes the offense, and a plea of not guilty  
51.19 is entered, one-third of the receipts shall be deposited in the state treasury and credited to  
51.20 the state general fund, one-third of the receipts shall be paid to the municipality prosecuting  
51.21 the offense, and one-third shall be deposited in the state treasury and credited to the  
51.22 Minnesota grade crossing safety account or the state trunk highway fund as provided in this  
51.23 paragraph. When section 387.213 also is applicable to the fine, section 387.213 shall be  
51.24 applied before this paragraph is applied. All costs of participation in a nationwide police  
51.25 communication system chargeable to the state of Minnesota shall be paid from appropriations  
51.26 for that purpose.

51.27 (b) All fines and forfeited bail money from violations of statutes governing the maximum  
51.28 weight of motor vehicles, collected from persons apprehended or arrested by employees of  
51.29 the state of Minnesota, by means of stationary or portable scales operated by these employees,  
51.30 shall be transmitted by the person or officer collecting the fines or forfeited bail money, on  
51.31 or before the tenth day after the last day of the month in which the collections were made,  
51.32 to the commissioner of management and budget. Five-eighths of these receipts shall be  
51.33 deposited in the state treasury and credited to the state highway user tax distribution fund.

52.1 Three-eighths of these receipts shall be deposited in the state treasury and credited to the  
52.2 state general fund.

52.3 Sec. 23. **REPEALER.**

52.4 Minnesota Statutes 2016, sections 169.826, subdivision 7; 169.8261, subdivision 3;  
52.5 169.86, subdivision 5a; 169.863, subdivision 3; 169.865, subdivision 5; and 169.866,  
52.6 subdivision 4, and Laws 2012, chapter 287, article 1, section 1, subdivision 6, are repealed.

52.7 **ARTICLE 6**

52.8 **PUBLIC SAFETY POLICY AND FINANCE**

52.9 Section 1. Minnesota Statutes 2016, section 168.33, subdivision 7, is amended to read:

52.10 Subd. 7. **Filing fees; allocations.** (a) In addition to all other statutory fees and taxes, a  
52.11 filing fee of:

52.12 (1) \$6 is imposed on every vehicle registration renewal, excluding pro rate transactions;  
52.13 and

52.14 (2) \$10 is imposed on every other type of vehicle transaction, including motor carrier  
52.15 fuel licenses under sections 168D.05 and 168D.06, and pro rate transactions.

52.16 (b) Notwithstanding paragraph (a):

52.17 (1) a filing fee may not be charged for a document returned for a refund or for a correction  
52.18 of an error made by the Department of Public Safety, a dealer, or a deputy registrar; and

52.19 (2) no filing fee or other fee may be charged for the permanent surrender of a title for a  
52.20 vehicle.

52.21 (c) The filing fee must be shown as a separate item on all registration renewal notices  
52.22 sent out by the commissioner.

52.23 (d) The statutory fees and taxes, and the filing fees imposed under paragraph (a) may  
52.24 be paid by credit card or debit card. The deputy registrar may collect a surcharge on the  
52.25 statutory fees, taxes, and filing fee not greater than the cost of processing a credit card or  
52.26 debit card transaction, in accordance with emergency rules established by the commissioner  
52.27 of public safety. The surcharge must be used to pay the cost of processing credit and debit  
52.28 card transactions.

52.29 (e) The fees collected under this subdivision by the department must be allocated as  
52.30 follows:

53.1 (1) of the fees collected under paragraph (a), clause (1):

53.2 (i) \$4.50 must be deposited in the vehicle services operating account; and

53.3 (ii) \$1.50 must be deposited:

53.4 (A) in the driver and vehicle services technology account until sufficient funds have  
53.5 been deposited in that account to cover all costs of administration, development, and initial  
53.6 full deployment of the driver and vehicle services information system; and

53.7 (B) after completion of the deposit of funds under subitem (A) in the vehicle services  
53.8 operating account; and

53.9 (2) of the fees collected under paragraph (a), clause (2):

53.10 (i) \$3.50 must be deposited in the general fund;

53.11 (ii) \$5.00 must be deposited in the vehicle services operating account; and

53.12 (iii) \$1.50 must be deposited:

53.13 (A) in the driver and vehicle services technology account until sufficient funds have  
53.14 been deposited in that account to cover all costs of administration, development, and initial  
53.15 full deployment of the driver and vehicle services information system; and

53.16 (B) after completion of the deposit of funds under subitem (A) in the vehicle services  
53.17 operating account.

53.18 Sec. 2. Minnesota Statutes 2016, section 168A.29, subdivision 1, is amended to read:

53.19 Subdivision 1. **Amounts.** (a) The department must be paid the following fees:

53.20 (1) for filing an application for and the issuance of an original certificate of title, the  
53.21 sum of:

53.22 ~~(i) until December 31, 2016, \$6.25 of which \$3.25 must be paid into the vehicle services~~  
53.23 ~~operating account of the special revenue fund under section 299A.705, and from July 1,~~  
53.24 ~~2012, to June 30, 2016, a surcharge of \$1 must be added to the fee and credited to the driver~~  
53.25 ~~and vehicle services technology account; and~~

53.26 ~~(ii) on and after January 1, 2017, \$8.25 of which \$4.15 must be paid into the vehicle~~  
53.27 ~~services operating account;~~

53.28 (2) for each security interest when first noted upon a certificate of title, including the  
53.29 concurrent notation of any assignment thereof and its subsequent release or satisfaction, the

54.1 sum of \$2, except that no fee is due for a security interest filed by a public authority under  
 54.2 section 168A.05, subdivision 8;

54.3 ~~(3) until December 31, 2016, for the transfer of the interest of an owner and the issuance~~  
 54.4 ~~of a new certificate of title, the sum of \$5.50 of which \$2.50 must be paid into the vehicle~~  
 54.5 ~~services operating account of the special revenue fund under section 299A.705, and from~~  
 54.6 ~~July 1, 2012, to June 30, 2016, a surcharge of \$1 must be added to the fee and credited to~~  
 54.7 ~~the driver and vehicle services technology account;~~

54.8 (4) for each assignment of a security interest when first noted on a certificate of title,  
 54.9 unless noted concurrently with the security interest, the sum of \$1; and

54.10 (5) for issuing a duplicate certificate of title, the sum of \$7.25 of which \$3.25 must be  
 54.11 paid into the vehicle services operating account of the special revenue fund under section  
 54.12 299A.705; ~~from July 1, 2012, to June 30, 2016, a surcharge of \$1 must be added to the fee~~  
 54.13 ~~and credited to the driver and vehicle services technology account.~~

54.14 (b) In addition to the fee required under paragraph (a), clause (1), the department must  
 54.15 be paid \$3.50. The additional \$3.50 fee collected under this paragraph must be deposited  
 54.16 in the special revenue fund and credited to the public safety motor vehicle account established  
 54.17 in section 299A.70.

54.18 Sec. 3. Minnesota Statutes 2016, section 171.06, subdivision 2, is amended to read:

54.19 Subd. 2. **Fees.** (a) The fees for a license and Minnesota identification card are as follows:

54.20	Classified Driver's License	D-\$17.25	C-\$21.25	B-\$28.25	A-\$36.25
54.21	Classified Under-21 D.L.	D-\$17.25	C-\$21.25	B-\$28.25	A-\$16.25
54.22	Enhanced Driver's License	D-\$32.25	C-\$36.25	B-\$43.25	A-\$51.25
54.23	Instruction Permit				\$5.25
54.24	Enhanced Instruction				
54.25	Permit				\$20.25
54.26	Commercial Learner's				
54.27	Permit				\$2.50
54.28	Provisional License				\$8.25
54.29	Enhanced Provisional				
54.30	License				\$23.25
54.31	Duplicate License or				
54.32	duplicate identification card				\$6.75
54.33	Enhanced Duplicate				
54.34	License or enhanced				
54.35	duplicate identification card				\$21.75
54.36	Minnesota identification				
54.37	card or Under-21				\$11.25

55.1 Minnesota identification  
 55.2 card, other than duplicate,  
 55.3 except as otherwise  
 55.4 provided in section 171.07,  
 55.5 subdivisions 3 and 3a

55.6 Enhanced Minnesota  
 55.7 identification card \$26.25

55.8 ~~In addition to each fee required in this paragraph, the commissioner shall collect a surcharge~~  
 55.9 ~~of: (1) \$1.75 until June 30, 2012; and (2) \$1.00 from July 1, 2012, to June 30, 2016.~~

55.10 ~~Surcharges collected under this paragraph must be credited to the driver and vehicle services~~  
 55.11 ~~technology account in the special revenue fund under section 299A.705.~~

55.12 (b) Notwithstanding paragraph (a), an individual who holds a provisional license and  
 55.13 has a driving record free of (1) convictions for a violation of section 169A.20, 169A.33,  
 55.14 169A.35, or sections 169A.50 to 169A.53, (2) convictions for crash-related moving  
 55.15 violations, and (3) convictions for moving violations that are not crash related, shall have  
 55.16 a \$3.50 credit toward the fee for any classified under-21 driver's license. "Moving violation"  
 55.17 has the meaning given it in section 171.04, subdivision 1.

55.18 (c) In addition to the driver's license fee required under paragraph (a), the commissioner  
 55.19 shall collect an additional \$4 processing fee from each new applicant or individual renewing  
 55.20 a license with a school bus endorsement to cover the costs for processing an applicant's  
 55.21 initial and biennial physical examination certificate. The department shall not charge these  
 55.22 applicants any other fee to receive or renew the endorsement.

55.23 (d) In addition to the fee required under paragraph (a), a driver's license agent may charge  
 55.24 and retain a filing fee as provided under section 171.061, subdivision 4.

55.25 (e) In addition to the fee required under paragraph (a), the commissioner shall charge a  
 55.26 filing fee at the same amount as a driver's license agent under section 171.061, subdivision  
 55.27 4. Revenue collected under this paragraph must be deposited in the driver services operating  
 55.28 account.

55.29 (f) An application for a Minnesota identification card, instruction permit, provisional  
 55.30 license, or driver's license, including an application for renewal, must contain a provision  
 55.31 that allows the applicant to add to the fee under paragraph (a), a \$2 donation for the purposes  
 55.32 of public information and education on anatomical gifts under section 171.075.

55.33 Sec. 4. Minnesota Statutes 2016, section 299A.705, subdivision 3, is amended to read:

55.34 Subd. 3. **Driver and vehicle services technology account; technology surcharge.** (a)  
 55.35 The driver and vehicle services technology account is created in the special revenue fund;

~~consisting.~~ The account consists of ~~the~~: (1) a technology surcharge equaling \$1 collected as specified in chapters ~~for each vehicle registration renewal transaction under chapter 168; 168A, and 171;~~ (2) the filing fee revenue collected and allocated under section 168.33, subdivision 7; (3) a technology surcharge equaling \$1 for transactions under section 168A.29, subdivision 1, paragraph (a), clauses (1), (3), and (5); (4) a technology surcharge equaling \$1 for transactions under section 171.06, subdivision 2, paragraph (a); and (5) any other money otherwise donated, allotted, appropriated, or legislated to ~~this~~ the account.

(b) Money in the account is annually appropriated to the commissioner of public safety to support the research, development, deployment, and maintenance of a driver and vehicle services information system.

~~(c) Following completion of the deposit of filing fee revenue into the driver and vehicle services technology account as provided under section 168.33, subdivision 7, the commissioner shall submit a notification to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance concerning driver and vehicle services information system implementation, which must include information on (1) total revenue deposited in the driver and vehicle services technology account, with a breakdown by sources of funds; (2) total project costs incurred, with a breakdown by key project components; and (3) an estimate of ongoing system maintenance costs.~~

Sec. 5. **REPEALER.**

Minnesota Statutes 2016, section 168.013, subdivision 21, is repealed.



APPENDIX  
Article locations in 17-2522

ARTICLE 1	TRANSPORTATION AND PUBLIC SAFETY APPROPRIATIONS .	Page.Ln 1.20
ARTICLE 2	TRANSPORTATION BONDS .....	Page.Ln 17.24
ARTICLE 3	MOTOR FUELS GROSS RECEIPTS TAX .....	Page.Ln 20.5
ARTICLE 4	METROPOLITAN AREA TRANSIT SALES AND USE TAX .....	Page.Ln 28.1
ARTICLE 5	TRANSPORTATION POLICY AND FINANCE .....	Page.Ln 32.15
ARTICLE 6	PUBLIC SAFETY POLICY AND FINANCE .....	Page.Ln 52.7

**168.013 VEHICLE REGISTRATION TAXES.**

Subd. 21. **Technology surcharge.** For every vehicle registration renewal required under this chapter, the commissioner shall collect a surcharge of: (1) \$1.75 until June 30, 2012; and (2) \$1 from July 1, 2012, to June 30, 2016. Surcharges collected under this subdivision must be credited to the driver and vehicle services technology account in the special revenue fund under section 299A.705.

**169.826 GROSS WEIGHT SEASONAL INCREASES.**

Subd. 7. **Expiration date.** Upon request of the permit applicant, the expiration date for a permit issued under this section must be the same as the expiration date of the permitted vehicle's registration.

**169.8261 GROSS WEIGHT LIMITATIONS; FOREST PRODUCTS.**

Subd. 3. **Expiration date.** Upon request of the permit applicant, the expiration date for a permit issued under this section must be the same as the expiration date of the permitted vehicle's registration.

**169.86 SPECIAL PERMIT TO EXCEED HEIGHT, WIDTH, OR LOAD; FEES.**

Subd. 5a. **Additional tax for excessive gross weight.** When a special permit is issued under this chapter, the commissioner shall collect in addition to the permit fee an additional tax for excessive gross weight, if the weight allowed under the permit is greater than the gross weight for which the vehicle is registered under section 168.013. The tax shall be calculated as the difference between the registration tax paid under section 168.013, subdivision 1e, and the additional tax that would be due under section 168.013, subdivision 1e, at the gross weight allowed under the permit, prorated by the number of days for which the permit is effective. Proceeds of the surcharge must be deposited in the state treasury and credited to the highway user tax distribution fund.

**169.863 SPECIAL PULPWOOD VEHICLE PERMIT.**

Subd. 3. **Expiration date.** Upon request of the permit applicant, the expiration date for a permit issued under this section must be the same as the expiration date of the permitted vehicle's registration.

**169.865 SPECIAL FARM PRODUCTS PERMITS.**

Subd. 5. **Expiration date.** Upon request of the permit applicant, the expiration date for a permit issued under this section must be the same as the expiration date of the permitted vehicle's registration.

**169.866 SPECIAL CANOLA-HAULING VEHICLE PERMIT.**

Subd. 4. **Expiration date.** Upon request of the permit applicant, the expiration date for a permit issued under this section must be the same as the expiration date of the permitted vehicle's registration.

**473.4051 LIGHT RAIL TRANSIT CONSTRUCTION AND OPERATION.**

Subd. 2. **Operating costs.** After operating revenue and federal money have been used to pay for light rail transit operations, 50 percent of the remaining operating costs must be paid by the state.

APPENDIX  
Repealed Minnesota Session Laws: 17-2522

*Laws 2012, chapter 287, article 1, section 1, subdivision 6*

Section 1. TRUNK HIGHWAY  
APPROPRIATIONS \$ 17,530,000

Subd. 6.Overweight Motor Vehicle Registration  
Collection 30,000

To modify Department of Transportation permit system to allow the department to collect additional registration taxes for overweight motor vehicles.  
This appropriation is only available if legislation is enacted in the 2012 legislative session authorizing the commissioner to collect a surcharge or additional registration tax on motor vehicles.