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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. **2214**

02/25/2014 Authored by Sawatzky

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

1.1 A bill for an act
1.2 relating to transportation; making technical changes to provisions affecting the
1.3 Department of Transportation; clarifying contracting requirements; modifying
1.4 U-turn rules; providing bridge inspection authority in certain instances;
1.5 modifying reporting requirements; modifying appropriations; amending
1.6 Minnesota Statutes 2012, sections 16A.124, subdivision 5; 161.32, subdivisions
1.7 1f, 5; 161.3209, subdivision 2; 161.3420, subdivision 4; 161.3426, subdivisions
1.8 1, 4; 162.06, subdivision 1; 162.12, subdivision 1; 165.03, subdivision 3;
1.9 165.12, subdivision 1; 169.19, subdivision 2; 169.781, subdivision 10; 169.782,
1.10 subdivision 4; 169.865, subdivision 2; 171.02, subdivision 2; 171.03; 174.37,
1.11 subdivision 6; 221.031, by adding subdivisions; Minnesota Statutes 2013
1.12 Supplement, sections 161.44, subdivision 1a; 169.19, subdivision 1; 174.12,
1.13 subdivision 2; Laws 2010, chapter 189, section 15, subdivision 12; Laws 2012,
1.14 chapter 287, article 2, section 1; Laws 2012, First Special Session chapter 1,
1.15 article 1, section 28; Laws 2013, chapter 127, section 67; repealing Minnesota
1.16 Statutes 2012, section 161.115, subdivision 240; Minnesota Statutes 2013
1.17 Supplement, section 221.0314, subdivision 9a.

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

1.19 Section 1. Minnesota Statutes 2012, section 16A.124, subdivision 5, is amended to read:
1.20 Subd. 5. **Payment of interest on late payments required.** (a) A state agency shall
1.21 pay interest to a vendor for undisputed billings when the agency has not paid the billing
1.22 within 30 days following receipt of the invoice, merchandise, or service whichever is later.
1.23 A negotiated contract or agreement between a vendor and a state agency which requires an
1.24 audit by the state agency prior to acceptance and payment of the vendor's invoice shall not
1.25 be considered past due until 30 days after the completion of the audit by the state agency.
1.26 Before any interest payment is made, the vendor must invoice the state agency for such
1.27 interest. For construction contracts, "receipt of an invoice" means a payment estimate or
1.28 payment application has been approved by the engineer or architect, as applicable, provided
1.29 the estimates and applications are made at regular intervals as specified in the contract.

2.1 (b) The rate of interest paid by the agency on undisputed bills not paid within 30
2.2 days shall be 1-1/2 percent per month or any part thereof.

2.3 (c) All interest penalties and collection costs must be paid from the agency's current
2.4 operating budget. No agency may seek to increase its appropriation for the purpose of
2.5 obtaining funds to pay interest penalties or collection costs.

2.6 (d) Any vendor who prevails in a civil action to collect interest penalties from a state
2.7 agency shall be awarded its costs and disbursements, including attorney's fees, incurred
2.8 in bringing the actions.

2.9 (e) No interest penalties may accrue against an agency that delays payment of a bill
2.10 due to a disagreement with the vendor; provided, that the dispute must be settled within 30
2.11 days after the bill became overdue. Upon the resolution of the dispute, the agency must
2.12 pay the vendor accrued interest on all proper invoices for which payment was not received
2.13 within the applicable time limit contained in subdivision 3. No interest penalties accrue
2.14 against an agency for claims made by a contractor under a construction contract.

2.15 (f) The minimum monthly interest penalty payment that a state agency shall pay a
2.16 vendor for the unpaid balance for any one overdue bill equal to or in excess of \$100 is
2.17 \$10. For unpaid balances of less than \$100, the state agency shall pay the actual penalty
2.18 due to the vendor.

2.19 Sec. 2. Minnesota Statutes 2012, section 161.32, subdivision 1f, is amended to read:

2.20 Subd. 1f. **Best-value alternative.** As an alternative to the procurement method
2.21 described in subdivisions 1a to 1e, the commissioner may issue a request for proposals and
2.22 award the contract to the vendor or contractor offering the best value as described in section
2.23 16C.28, subdivision 1, paragraph (a), clause (2), and paragraph (c). If the commissioner
2.24 uses a multistage procurement process, the commissioner must reject any vendor or
2.25 contractor submission received after the deadline established in the solicitation document.

2.26 Sec. 3. Minnesota Statutes 2012, section 161.32, subdivision 5, is amended to read:

2.27 Subd. 5. **Default by contractor.** In cases where work is being done under contract
2.28 and the commissioner finds that the contractor has failed to comply within ~~60 days~~ the
2.29 period specified in the contract from the date of receipt of a written demand to make
2.30 arrangements, satisfactory to the commissioner, to correct specified delays, neglect, or
2.31 default, within the control of the contractor, the commissioner may negotiate with others,
2.32 with the approval of the defaulting contractor's surety, for the completion of the contract
2.33 according to the terms and provisions of the contract.

3.1 Sec. 4. Minnesota Statutes 2012, section 161.3209, subdivision 2, is amended to read:

3.2 Subd. 2. **Phase 1 - request for proposals.** (a) The commissioner shall prepare
3.3 or have prepared an RFP for each construction manager/general contractor contract as
3.4 provided in this section. The RFP must contain, at a minimum, the following elements:

3.5 (1) the minimum qualifications of the construction manager/general contractor;

3.6 (2) the procedures for submitting proposals and the criteria for evaluation of
3.7 qualifications and the relative weight for each criteria;

3.8 (3) the form of the contract to be awarded;

3.9 (4) the scope of intended construction work;

3.10 (5) a listing of the types of preconstruction services that will be required;

3.11 (6) an anticipated schedule for commencing and completing the project;

3.12 (7) any applicable budget limits for the project;

3.13 (8) the requirements for insurance, statutorily required performance, and payment
3.14 bonds;

3.15 (9) the requirements that the construction manager/general contractor provide a
3.16 letter from a surety or insurance company stating that the construction manager/general
3.17 contractor is capable of obtaining a performance bond and payment bond covering the
3.18 estimated contract cost;

3.19 (10) the method for how construction manager/general contractor fees for the
3.20 preconstruction services contract will be negotiated;

3.21 (11) a statement that past performance or experience does not include the exercise
3.22 or assertion of a person's legal rights; and

3.23 (12) any other information desired by the commissioner.

3.24 (b) Before receiving any responses to the RFP:

3.25 (1) the commissioner shall appoint a technical review committee of at least five
3.26 individuals, of which one is a Department of Transportation manager who is also a
3.27 licensed professional engineer in Minnesota;

3.28 (2) the technical review committee shall evaluate the construction manager/general
3.29 contractor proposals according to criteria and subcriteria published in the RFP and
3.30 procedures established by the commissioner. The commissioner shall, as designated in
3.31 the RFP, evaluate construction manager/general contractor proposals on the basis of best
3.32 value as defined in section 16C.05, or using the qualifications-based selection process set
3.33 forth in section 16C.095, except that subdivision 1 of section 16C.095 shall not apply. If
3.34 the commissioner does not receive at least two proposals from construction managers,
3.35 the commissioner may:

3.36 (i) solicit new proposals;

4.1 (ii) revise the RFP and thereafter solicit new proposals using the revised RFP;

4.2 (iii) select another allowed procurement method; or

4.3 (iv) reject the proposals; and

4.4 (3) the technical review committee shall evaluate the responses to the request for
4.5 proposals and rank the construction manager/general contractor based on the predefined
4.6 criteria set forth in the RFP in accordance with paragraph (a), clause (2).

4.7 (c) Unless all proposals are rejected, the commissioner shall conduct contract
4.8 negotiations for a preconstruction services contract with the construction manager/general
4.9 contractor with the highest ranking. If the construction manager/general contractor with the
4.10 highest ranking declines or is unable to reach an agreement, the commissioner may begin
4.11 contract negotiations with the next highest ranked construction manager/general contractor.

4.12 (d) Before issuing the RFP, the commissioner may elect to issue a request for
4.13 qualifications (RFQ) and short-list the most highly qualified construction managers/general
4.14 contractors. The RFQ must include the procedures for submitting statements of
4.15 qualification, the criteria for evaluation of qualifications, and the relative weight for each
4.16 criterion. The statements of qualifications must be evaluated by the technical review
4.17 committee. The commissioner must reject any statement of qualifications not received
4.18 by the deadline established in the RFQ.

4.19 Sec. 5. Minnesota Statutes 2012, section 161.3420, subdivision 4, is amended to read:

4.20 Subd. 4. **Evaluation.** The selection team shall evaluate the design-build
4.21 qualifications of responding firms and shall compile a short list of no more than five most
4.22 highly qualified firms in accordance with qualifications criteria described in the request for
4.23 qualifications (RFQ). If only one design-build firm responds to the RFQ or remains on the
4.24 short list, the commissioner may readvertise or cancel the project as the commissioner
4.25 deems necessary. The commissioner must reject any response to the RFQ not received
4.26 by the deadline established in the RFQ.

4.27 Sec. 6. Minnesota Statutes 2012, section 161.3426, subdivision 1, is amended to read:

4.28 Subdivision 1. **Award; computation; announcement.** Except as provided in
4.29 subdivision 2, a design-build contract shall be awarded as follows:

4.30 (a) The Technical Review Committee shall score the technical proposals using the
4.31 selection criteria in the request for proposals (RFP). The Technical Review Committee
4.32 shall then submit a technical proposal score for each design-builder to the commissioner.
4.33 The Technical Review Committee shall reject any proposal it deems nonresponsive, and
4.34 must reject any proposal not received by the deadline established in the RFP.

5.1 (b) The commissioner shall announce the technical proposal score for each
5.2 design-builder and shall publicly open the sealed price proposals and shall divide each
5.3 design-builder's price by the technical score that the Technical Review Committee has
5.4 given to it to obtain an adjusted score. The design-builder selected must be that responsive
5.5 and responsible design-builder whose adjusted score is the lowest.

5.6 (c) If a time factor is included with the selection criteria in the RFP package, the
5.7 commissioner may also adjust the bids using a value of the time factor established
5.8 by the commissioner. The value of the time factor must be expressed as a value per
5.9 day. The adjustment must be based on the total time value. The total time value is the
5.10 design-builder's total number of days to complete the project multiplied by the factor. The
5.11 time-adjusted price is the total time value plus the bid amount. This adjustment must be
5.12 used for selection purposes only, and must not affect the Department of Transportation's
5.13 liquidated damages schedule or incentive or disincentive program. An adjusted score
5.14 must then be obtained by dividing each design-builder's time-adjusted price by the score
5.15 given by the technical review team. The commissioner shall select the responsive and
5.16 responsible design-builder whose adjusted score is the lowest.

5.17 (d) Unless all proposals are rejected, the commissioner shall award the contract
5.18 to the responsive and responsible design-builder with the lowest adjusted score. The
5.19 commissioner shall reserve the right to reject all proposals.

5.20 Sec. 7. Minnesota Statutes 2012, section 161.3426, subdivision 4, is amended to read:

5.21 Subd. 4. **Low-bid design-build process.** (a) The commissioner may also use
5.22 low-bid, design-build procedures to award a design-build contract where the scope of
5.23 the work can be clearly defined.

5.24 (b) Low-bid design-build projects may require a request for qualifications (RFQ)
5.25 and short-listing, and must require a request for proposals (RFP). If an RFQ is used, the
5.26 commissioner must reject any statement of qualifications not received by the deadline
5.27 established in the RFQ.

5.28 (c) Submitted proposals under this subdivision must include separately a technical
5.29 proposal and a price proposal. The commissioner must reject any technical proposal
5.30 or price proposal not received by the deadline established in the RFP. The low-bid,
5.31 design-build procedures must follow a two-step process for review of the responses to
5.32 the RFP as follows:

5.33 (1) The first step is the review of the technical proposal by the Technical Review
5.34 Committee as provided in section 161.3420, subdivision 2. The Technical Review
5.35 Committee must open the technical proposal first and must determine if it complies with

6.1 the requirements of the RFP and is responsive. The Technical Review Committee may not
6.2 perform any ranking or scoring of the technical proposals.

6.3 (2) The second step is the determination of the low bidder based on the price
6.4 proposal. The commissioner may not open the price proposal until the review of the
6.5 technical proposal is complete.

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

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

6.12 Sec. 8. Minnesota Statutes 2013 Supplement, section 161.44, subdivision 1a, is
6.13 amended to read:

6.14 Subd. 1a. **Periodic review.** (a) The commissioner is encouraged to examine all real
6.15 property owned by the state and under the custodial control of the department to decide
6.16 whether any real property may be suitable for sale or some other means of disposal.

6.17 (b) The commissioner may not sell or otherwise dispose of property under this
6.18 subdivision unless: (1) an analysis ~~has been performed of suitability of the property~~
6.19 ~~for bicycle or pedestrian facilities~~, which must ~~take into account~~ consider any relevant
6.20 nonmotorized transportation plans or in the absence of such plans, demographic and
6.21 development factors affecting the region; ~~and (2) the analysis,~~ demonstrates that (i) the
6.22 property is not reasonably suitable for bicycle or pedestrian facilities, and (ii) there is not
6.23 a likelihood of bicycle or pedestrian facility development involving the property; ~~or (2)~~
6.24 the use of the property for bicycle or pedestrian facilities is protected by deed restriction,
6.25 easement, agreement, or other means.

6.26 (c) The commissioner shall report the findings under paragraph (a) to the house
6.27 of representatives and senate committees with jurisdiction over transportation policy
6.28 and finance by March 1 of each odd-numbered year. The report may be submitted
6.29 electronically, ~~and is subject to section 3.195, subdivision 1.~~

6.30 Sec. 9. Minnesota Statutes 2012, section 162.06, subdivision 1, is amended to read:

6.31 Subdivision 1. **Estimate.** (a) By December 15 of each year the commissioner shall
6.32 estimate the amount of money that will be available to the county state-aid highway
6.33 fund during that fiscal year. The amount available must be based on actual receipts ~~from~~
6.34 July 1 through October 31, at the time of the allocation calculation, the unallocated fund

7.1 balance, and the projected receipts for the remainder of the fiscal year. The amount
 7.2 available, except for deductions as provided in this section, shall be apportioned by the
 7.3 commissioner to the counties as provided in section 162.07.

7.4 (b) For purposes of this section, "amount available" means the amount estimated in
 7.5 paragraph (a).

7.6 Sec. 10. Minnesota Statutes 2012, section 162.12, subdivision 1, is amended to read:

7.7 Subdivision 1. **Estimate of accruals.** By December 15 of each year the
 7.8 commissioner shall estimate the amount of money that will be available to the municipal
 7.9 state-aid street fund during that fiscal year. The amount available is based on actual
 7.10 receipts ~~from July 1 through October 31, at the time of the allocation calculation,~~ the
 7.11 unallocated fund balance, and the projected receipts for the remainder of the fiscal year.
 7.12 The total available, except for deductions as provided herein, shall be apportioned by the
 7.13 commissioner to the cities having a population of 5,000 or more as hereinafter provided.

7.14 Sec. 11. Minnesota Statutes 2012, section 165.03, subdivision 3, is amended to read:

7.15 Subd. 3. **County inventory and inspection records and reports.** The county
 7.16 engineer shall maintain a complete inventory record of all bridges as set forth in subdivision
 7.17 2, paragraph (b), clause (2), with the inspection reports thereof, and shall certify annually
 7.18 to the commissioner, as prescribed by the commissioner, that inspections have been made
 7.19 at regular intervals, not to exceed the intervals outlined in subdivision 1a. A report of the
 7.20 inspections must be filed annually, on or before February 15 of each year, with the county
 7.21 auditor or town clerk, or the governing body of the municipality. The report must ~~contain~~
 7.22 recommendations for the correction of or identify any deficiency requiring action, including
 7.23 the legal posting of load limits or the need to have a load rating analysis performed, on any
 7.24 bridge or structure that is found to be understrength or unsafe. The report may also contain
 7.25 other recommendations for improving the safety of understrength or unsafe bridges.

7.26 Sec. 12. Minnesota Statutes 2012, section 165.12, subdivision 1, is amended to read:

7.27 Subdivision 1. **Duty Authority of county when town fails.** (a) Notwithstanding
 7.28 any law to the contrary, a county has the following authority regarding town bridges
 7.29 within its jurisdictional boundaries.

7.30 (b) When it becomes necessary to reconstruct or repair a bridge on any town road
 7.31 in any town or upon any town line in this state, and the bridge is unsafe for travel or has
 7.32 been condemned by the proper authorities, and the town or towns charged with the duty of
 7.33 maintaining the bridge fail, neglect, or omit to construct, reconstruct, or repair the same or

8.1 provide for the expense or cost of so constructing, reconstructing, or repairing the same, as
 8.2 identified in the report provided to the town or towns under section 165.03, subdivision
 8.3 3, the county board of the county in which the town or towns are located shall have the
 8.4 power and authority to reconstruct and repair the bridge upon giving notice to the town
 8.5 board of the town or towns of its intention to do so and fixing a time and place for a
 8.6 hearing as to the necessity and advisability of the reconstruction or repair.

8.7 (c) If a load rating analysis is required and has not been performed within 90 days of
 8.8 the date the report required in section 165.03, subdivision 3, was delivered to the town,
 8.9 the county is authorized to perform the analysis. Before it performs an analysis on a
 8.10 town bridge, the county shall notify the town or towns that if the town or towns do not
 8.11 perform the analysis within 90 days the county will perform the analysis and bill the
 8.12 town or towns for all related expenses. If the town performs the analysis, a copy shall
 8.13 be provided to the county engineer. If the county performs the analysis, a copy shall be
 8.14 provided to the town clerk.

8.15 (d) If a load rating analysis determines a new or different load posting is required on
 8.16 a town bridge, the town or towns charged with the duty of maintaining the bridge shall
 8.17 provide the required posting within 30 days. If the town or towns fail to provide the
 8.18 required posting, the county is authorized to provide the required posting. Before posting
 8.19 a load limit on a town bridge, the county shall notify the town or towns that if the town
 8.20 or towns do not provide the posting within 30 days the county will provide the required
 8.21 posting and bill the town or towns for all related expenses, unless the town or towns and
 8.22 the county agree to post the bridge in less than 30 days and at an agreed-upon cost.

8.23 (e) If a bridge constitutes a critical risk to public safety because its deficiencies, if
 8.24 not immediately corrected, could result in collapse or partial collapse, the county engineer
 8.25 is authorized to immediately close the bridge. The bridge shall remain closed until the
 8.26 necessary steps are taken to remove the threat of collapse or partial collapse, or until a
 8.27 subsequent inspection determines the issues resulting in closure are resolved. The county
 8.28 may bill the town or towns for all related expenses.

8.29 (f) A county is not liable for a town's or towns' failure to act as required by this
 8.30 section or section 165.03.

8.31 Sec. 13. Minnesota Statutes 2013 Supplement, section 169.19, subdivision 1, is
 8.32 amended to read:

8.33 Subdivision 1. **Turning at intersection.** The driver of a vehicle intending to turn
 8.34 at an intersection shall do so as follows:

9.1 (a) Except as otherwise provided in this paragraph, both the approach for a right turn
 9.2 and a right turn shall be made as close as practicable to the right-hand curb or edge of the
 9.3 roadway. When necessary to accommodate vehicle configuration, a driver is permitted to
 9.4 make a right turn into the farthest lane of a roadway with two or more lanes in the same
 9.5 direction in order to make a U-turn at a reduced conflict intersection, if it is safe to do so.

9.6 (b) Approach for a left turn on other than one-way roadways shall be made in that
 9.7 portion of the right half of the roadway nearest the centerline thereof, and after entering
 9.8 the intersection the left turn shall be made so as to leave the intersection to the right of the
 9.9 centerline of the roadway being entered. Whenever practicable the left turn shall be made
 9.10 in that portion of the intersection to the left of the center of the intersection.

9.11 (c) Approach for a left turn from a two-way roadway into a one-way roadway shall
 9.12 be made in that portion of the right half of the roadway nearest the centerline thereof and
 9.13 by passing to the right of such centerline where it enters the intersection.

9.14 (d) A left turn from a one-way roadway into a two-way roadway shall be made
 9.15 from the left-hand lane and by passing to the right of the centerline of the roadway being
 9.16 entered upon leaving the intersection.

9.17 (e) Where both streets or roadways are one way, both the approach for a left turn and
 9.18 a left turn shall be made as close as practicable to the left-hand curb or edge of the roadway.

9.19 (f) Local authorities in their respective jurisdictions may cause markers, buttons, or
 9.20 signs to be placed within or adjacent to intersections and thereby require and direct that a
 9.21 different course from that specified in this section be traveled by vehicles turning at an
 9.22 intersection, and when markers, buttons, or signs are so placed no driver of a vehicle shall
 9.23 turn a vehicle at an intersection other than as directed and required by such markers,
 9.24 buttons, or signs.

9.25 (g) Whenever it is necessary for the driver of a motor vehicle to cross a bicycle
 9.26 lane adjacent to the driver's lane of travel to make a turn, the driver shall first signal the
 9.27 movement, then drive the motor vehicle into the bicycle lane prior to making the turn,
 9.28 but only after it is safe to do so. The driver shall then make the turn consistent with any
 9.29 traffic markers, buttons, or signs, yielding the right-of-way to any vehicles or bicycles
 9.30 approaching so close thereto as to constitute an immediate hazard.

9.31 Sec. 14. Minnesota Statutes 2012, section 169.19, subdivision 2, is amended to read:

9.32 Subd. 2. **U-turn.** No vehicle shall be turned so as to proceed in the opposite
 9.33 direction upon any curve, or upon the approach to or near the crest of a grade, where
 9.34 such the vehicle cannot be seen by the driver of any other vehicle approaching from
 9.35 either direction within 1,000 feet, nor shall the driver of a vehicle turn the vehicle so as to

10.1 proceed in the opposite direction unless the movement can be made safely and without
10.2 interfering with other traffic. When necessary to accommodate vehicle configuration on a
10.3 roadway with two or more lanes in the same direction, a driver may turn the vehicle into
10.4 the farthest lane and temporarily use the shoulder to make a U-turn.

10.5 Sec. 15. Minnesota Statutes 2012, section 169.781, subdivision 10, is amended to read:

10.6 Subd. 10. **Exemption Exemptions.** (a) This section does not apply to a vehicle
10.7 operated by a motor carrier of passengers, as defined in section 221.012, subdivision 26,
10.8 if the vehicle has been inspected under section 221.0252, subdivision 3, paragraph (a),
10.9 clause (2), within the previous 12 months.

10.10 (b) This section does not apply to a covered farm vehicle, as defined in Code of
10.11 Federal Regulations, title 49, section 390.5, that is not carrying hazardous materials of
10.12 a type or quantity that requires the vehicle to be placarded in accordance with Code of
10.13 Federal Regulations, title 49, section 172.504.

10.14 Sec. 16. Minnesota Statutes 2012, section 169.782, subdivision 4, is amended to read:

10.15 Subd. 4. **Exceptions.** (a) With the exception of subdivision 2, paragraph (a), clause
10.16 (2), this section does not apply to a commercial motor vehicle that is a farm truck that may
10.17 be operated by a person not holding a commercial driver's license.

10.18 (b) This section does not apply to a commercial motor vehicle held for resale by a
10.19 motor vehicle dealer licensed under section 168.27.

10.20 (c) This section does not apply to a covered farm vehicle as defined in Code of
10.21 Federal Regulations, title 49, section 390.5, that is not carrying hazardous materials of
10.22 a type or quantity that requires the vehicle to be placarded in accordance with Code of
10.23 Federal Regulations, title 49, section 172.504.

10.24 Sec. 17. Minnesota Statutes 2012, section 169.865, subdivision 2, is amended to read:

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

10.29 (1) 97,000 pounds; and

10.30 (2) 99,000 pounds during the period set by the commissioner under section 169.826,
10.31 subdivision 1.

10.32 (b) Drivers of vehicles operating under this subdivision must comply with driver
10.33 qualification requirements adopted under section 221.0314, subdivisions 2 to 5, and Code

11.1 of Federal Regulations, title 49, parts 40 ~~and~~, 382, and 391, unless exempt under section
 11.2 221.031, subdivision 2c.

11.3 (c) The fee for a permit issued under this subdivision is \$500.

11.4 Sec. 18. Minnesota Statutes 2012, section 171.02, subdivision 2, is amended to read:

11.5 Subd. 2. **Driver's license classifications, endorsements, exemptions.** (a) Drivers'
 11.6 licenses are classified according to the types of vehicles that may be driven by the holder
 11.7 of each type or class of license. The commissioner may, as appropriate, subdivide the
 11.8 classes listed in this subdivision and issue licenses classified accordingly.

11.9 (b) Except as provided in paragraph (c), clauses (1) and (2), and subdivision 2a, no
 11.10 class of license is valid to operate a motorcycle, school bus, tank vehicle, double-trailer
 11.11 or triple-trailer combination, vehicle transporting hazardous materials, or bus, unless
 11.12 so endorsed. There are four general classes of licenses as described in paragraphs (c)
 11.13 through (f).

11.14 (c) Class D drivers' licenses are valid for:

11.15 (1) operating all farm trucks if the farm truck is:

11.16 (i) controlled and operated by a farmer, including operation by an immediate family
 11.17 member or an employee of the farmer;

11.18 (ii) used to transport agricultural products, farm machinery, or farm supplies,
 11.19 including hazardous materials, to or from a farm;

11.20 (iii) not used in the operations of a common or contract motor carrier as governed by
 11.21 Code of Federal Regulations, title 49, part 365; and

11.22 (iv) used within 150 miles of the farm;

11.23 (2) notwithstanding paragraph (b), operating an authorized emergency vehicle, as
 11.24 defined in section 169.011, subdivision 3, whether or not in excess of 26,000 pounds
 11.25 gross vehicle weight;

11.26 (3) operating a recreational vehicle as defined in section 168.002, subdivision 27,
 11.27 that is operated for personal use;

11.28 (4) operating all single-unit vehicles except vehicles with a gross vehicle weight of
 11.29 more than 26,000 pounds, vehicles designed to carry more than 15 passengers including
 11.30 the driver, and vehicles that carry hazardous materials;

11.31 (5) notwithstanding paragraph (d), operating a type A school bus or a multifunction
 11.32 school activity bus without a school bus endorsement if the requirements of subdivision 2a
 11.33 are satisfied, as determined by the commissioner;

11.34 (6) operating any vehicle or combination of vehicles when operated by a licensed
 11.35 peace officer while on duty; ~~and~~

- 12.1 (7) towing vehicles if:
- 12.2 (i) the towed vehicles have a gross vehicle weight of 10,000 pounds or less; or
- 12.3 (ii) the towed vehicles have a gross vehicle weight of more than 10,000 pounds and
- 12.4 the combination of vehicles has a gross vehicle weight of 26,000 pounds or less; and
- 12.5 (8) operating a covered farm vehicle as defined in Code of Federal Regulations,
- 12.6 title 49, section 390.5, that is not carrying hazardous materials of a type or quantity that
- 12.7 requires the vehicle to be placarded in accordance with Code of Federal Regulations,
- 12.8 title 49, section 172.504.
- 12.9 (d) Class C drivers' licenses are valid for:
- 12.10 (1) operating class D motor vehicles;
- 12.11 (2) with a hazardous materials endorsement, operating class D vehicles to transport
- 12.12 hazardous materials;
- 12.13 (3) with a passenger endorsement, operating buses; and
- 12.14 (4) with a passenger endorsement and school bus endorsement, operating school
- 12.15 buses.
- 12.16 (e) Class B drivers' licenses are valid for:
- 12.17 (1) operating all class C motor vehicles, class D motor vehicles, and all other
- 12.18 single-unit motor vehicles including, with a passenger endorsement, buses; and
- 12.19 (2) towing only vehicles with a gross vehicle weight of 10,000 pounds or less.
- 12.20 (f) Class A drivers' licenses are valid for operating any vehicle or combination of
- 12.21 vehicles.

12.22 Sec. 19. Minnesota Statutes 2012, section 171.03, is amended to read:

12.23 **171.03 PERSONS EXEMPT.**

12.24 The following persons are exempt from license hereunder:

12.25 (a) A person in the employ or service of the United States federal government is

12.26 exempt while driving or operating a motor vehicle owned by or leased to the United

12.27 States federal government.

12.28 (b) A person in the employ or service of the United States federal government is

12.29 exempt from the requirement to possess a valid class A, class B, or class C commercial

12.30 driver's license while driving or operating for military purposes a commercial motor

12.31 vehicle for the United States federal government if the person is:

12.32 (1) on active duty in the U. S. Coast Guard;

12.33 (2) on active duty in a branch of the U. S. armed forces, which includes the Army,

12.34 Air Force, Navy, and Marine Corps;

12.35 (3) a member of a reserve component of the U. S. armed forces; or

13.1 (4) on active duty in the Army National Guard or Air National Guard, which
13.2 includes (i) a member on full-time National Guard duty, (ii) a member undergoing
13.3 part-time National Guard training, and (iii) a National Guard military technician, who is a
13.4 civilian required to wear a military uniform.

13.5 The exemption provided under this paragraph does not apply to a U. S. armed forces
13.6 reserve technician.

13.7 (c) A person operating a covered farm vehicle as defined in Code of Federal
13.8 Regulations, title 49, section 390.05, that is not carrying hazardous materials of a type
13.9 or quantity that requires the vehicle to be placarded in accordance with Code of Federal
13.10 Regulations, title 49, section 172.504, is exempt from the requirement to possess a valid
13.11 class A or class B commercial driver's license.

13.12 ~~(e)~~ (d) Any person while driving or operating any farm tractor or implement of
13.13 husbandry temporarily on a highway is exempt. For purposes of this section, an all-terrain
13.14 vehicle, as defined in section 84.92, subdivision 8, an off-highway motorcycle, as defined
13.15 in section 84.787, subdivision 7, and an off-road vehicle, as defined in section 84.797,
13.16 subdivision 7, are not implements of husbandry.

13.17 ~~(d)~~ (e) A nonresident who is at least 15 years of age and who has in immediate
13.18 possession a valid driver's license issued to the nonresident in the home state or country
13.19 may operate a motor vehicle in this state only as a driver.

13.20 ~~(e)~~ (f) A nonresident who has in immediate possession a valid commercial driver's
13.21 license issued by a state or jurisdiction in accordance with the standards of Code of
13.22 Federal Regulations, title 49, part 383, and who is operating in Minnesota the class of
13.23 commercial motor vehicle authorized by the issuing state or jurisdiction is exempt.

13.24 ~~(f)~~ (g) Any nonresident who is at least 18 years of age, whose home state or country
13.25 does not require the licensing of drivers may operate a motor vehicle as a driver, but only for
13.26 a period of not more than 90 days in any calendar year, if the motor vehicle so operated is
13.27 duly registered for the current calendar year in the home state or country of the nonresident.

13.28 ~~(g)~~ (h) Any person who becomes a resident of the state of Minnesota and who has
13.29 in possession a valid driver's license issued to the person under and pursuant to the laws
13.30 of some other state or jurisdiction or by military authorities of the United States may
13.31 operate a motor vehicle as a driver, but only for a period of not more than 60 days after
13.32 becoming a resident of this state, without being required to have a Minnesota driver's
13.33 license as provided in this chapter.

13.34 ~~(h)~~ (i) Any person who becomes a resident of the state of Minnesota and who has in
13.35 possession a valid commercial driver's license issued by another state or jurisdiction in

14.1 accordance with the standards of Code of Federal Regulations, title 49, part 383, is exempt
 14.2 for not more than 30 days after becoming a resident of this state.

14.3 (†) (j) Any person operating a snowmobile, as defined in section 84.81, is exempt.

14.4 (†) (k) A railroad operator, as defined in section 169.035, subdivision 4, paragraph
 14.5 (a), is exempt while operating a railroad locomotive or train, or on-track equipment while
 14.6 being operated upon rails. This exemption includes operation while crossing a street or
 14.7 highway, whether public or private.

14.8 Sec. 20. Minnesota Statutes 2013 Supplement, section 174.12, subdivision 2, is
 14.9 amended to read:

14.10 Subd. 2. **Transportation economic development accounts.** (a) A transportation
 14.11 economic development account is established in the special revenue fund under the
 14.12 budgetary jurisdiction of the legislative committees having jurisdiction over transportation
 14.13 finance. Money in the account may be expended only as appropriated by law. The account
 14.14 may not contain money transferred or otherwise provided from the trunk highway fund.

14.15 (b) A transportation economic development account is established in the trunk
 14.16 highway fund. The account consists of funds donated, allotted, transferred, or otherwise
 14.17 provided to the account. Money in the account may be used only for trunk highway
 14.18 purposes. All funds in the account ~~available prior to August 1, 2013,~~ are available until
 14.19 expended.

14.20 Sec. 21. Minnesota Statutes 2012, section 174.37, subdivision 6, is amended to read:

14.21 Subd. 6. **Expiration.** Notwithstanding section 15.059, subdivision 5, the committee
 14.22 expires June 30, ~~2014~~ 2018.

14.23 Sec. 22. Minnesota Statutes 2012, section 221.031, is amended by adding a subdivision
 14.24 to read:

14.25 Subd. 2c. Exemptions for covered farm vehicles. (a) For the purposes of
 14.26 this subdivision, "covered farm vehicle" has the meaning given in Code of Federal
 14.27 Regulations, title 49, section 390.5.

14.28 (b) A covered farm vehicle that is not carrying hazardous materials of a type or
 14.29 quantity that requires the vehicle to be placarded in accordance with Code of Federal
 14.30 Regulations, title 49, section 172.504, including the operator of the vehicle, is exempt
 14.31 from the federal regulations incorporated by reference in:

14.32 (1) section 221.0314, subdivision 2, for driver qualifications;

14.33 (2) section 221.0314, subdivision 9, for hours of service; and

15.1 (3) section 221.0314, subdivision 10, for inspection, repair, and maintenance.

15.2 Sec. 23. Minnesota Statutes 2012, section 221.031, is amended by adding a subdivision
15.3 to read:

15.4 Subd. 2d. Hours of service exemptions. The federal regulations incorporated in
15.5 section 221.0314, subdivision 9, for maximum driving and on-duty time, do not apply to
15.6 drivers engaged in intrastate transportation with a 150-air-mile radius from the source of
15.7 the commodities or from the retail or wholesale distribution point of the farm supplies for:

15.8 (1) agricultural commodities or farm supplies for agricultural purposes from March
15.9 15 to December 15 of each year; or

15.10 (2) sugar beets from September 1 to May 15 of each year.

15.11 Sec. 24. Laws 2010, chapter 189, section 15, subdivision 12, is amended to read:

15.12		26,430,000
15.13	Subd. 12. Rochester Maintenance Facility	<u>24,937,000</u>

15.14 This appropriation is from the bond proceeds
15.15 account in the trunk highway fund.

15.16 To prepare a site for and design, construct,
15.17 furnish, and equip a new maintenance facility
15.18 in Rochester.

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

15.20 Sec. 25. Laws 2012, chapter 287, article 2, section 1, is amended to read:

15.21 Section 1. **ROCHESTER MAINTENANCE FACILITY.**

15.22 ~~\$16,100,000~~ \$17,593,000 is appropriated to the commissioner of transportation
15.23 to design, construct, furnish, and equip the maintenance facility in Rochester and
15.24 corresponding remodeling of the existing district headquarters building. This appropriation
15.25 is from the bond proceeds account in the trunk highway fund.

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

15.27 Sec. 26. Laws 2012, First Special Session chapter 1, article 1, section 28, is amended
15.28 to read:

15.29 Sec. 28. **TRANSFERS, REDUCTIONS, CANCELLATIONS, AND BOND**
15.30 **SALE AUTHORIZATIONS REDUCED.**

16.1 (a) The remaining balance of the appropriation in Laws 2010, Second Special
16.2 Session chapter 1, article 1, section 7, for the economic development and housing
16.3 challenge program, estimated to be \$450,000, is transferred to the general fund.

16.4 (b) The appropriation in Laws 2010, Second Special Session chapter 1, article 1,
16.5 section 5, for Minnesota investment fund grants pursuant to Minnesota Statutes, section
16.6 12A.07, is reduced by \$1,358,000.

16.7 (c) The appropriation in Laws 2010, Second Special Session chapter 1, article 1,
16.8 section 12, subdivision 2, for disaster enrollment impact aid pursuant to Minnesota
16.9 Statutes, section 12A.06, is reduced by \$30,000.

16.10 (d) The appropriation in Laws 2010, Second Special Session chapter 1, article
16.11 1, section 12, subdivision 3, for disaster relief facilities grants pursuant to Minnesota
16.12 Statutes, section 12A.06, is reduced by \$392,000.

16.13 (e) The appropriation in Laws 2010, Second Special Session chapter 1, article 1,
16.14 section 12, subdivision 4, for disaster relief operating grants pursuant to Minnesota
16.15 Statutes, section 12A.06, is reduced by \$2,000.

16.16 (f) The appropriation in Laws 2010, Second Special Session chapter 1, article 1,
16.17 section 12, subdivision 5, for pupil transportation aid pursuant to Minnesota Statutes,
16.18 section 12A.06, is reduced by \$5,000.

16.19 (g) The appropriation in Laws 2010, Second Special Session chapter 1, article 2,
16.20 section 5, subdivision 3, for pupil transportation aid pursuant to Minnesota Statutes,
16.21 section 12A.06, is reduced by \$271,000.

16.22 (h) The appropriation in Laws 2010, Second Special Session chapter 1, article 1,
16.23 section 13, for public health activities pursuant to Minnesota Statutes, section 12A.08,
16.24 is reduced by \$103,000.

16.25 (i) ~~\$1,428,000~~ \$534,000 of the appropriation in Laws 2007, First Special Session
16.26 chapter 2, article 1, section 4, subdivision 3, for reconstruction and repair of trunk
16.27 highways and trunk highway bridges is canceled. The bond sale authorization in Laws
16.28 2007, First Special Session chapter 2, article 1, section 15, subdivision 2, is reduced
16.29 by ~~\$1,428,000~~ \$534,000.

16.30 (j) \$5,680,000 of the appropriation in Laws 2007, First Special Session chapter 2,
16.31 article 1, section 4, subdivision 4, as amended by Laws 2008, chapter 289, section 2, for
16.32 grants to local governments for capital costs related to rehabilitation and replacement of
16.33 local roads and bridges damaged or destroyed by flooding pursuant to Minnesota Statutes,
16.34 section 174.50, is canceled. The bond sale authorization in Laws 2007, First Special
16.35 Session chapter 2, article 1, section 15, subdivision 3, is reduced by \$5,680,000.

17.1 (k) \$2,133,000 of the appropriation in Laws 2010, Second Special Session chapter 1,
17.2 article 1, section 4, subdivision 3, for local road and bridge rehabilitation and replacement
17.3 pursuant to Minnesota Statutes, section 12A.16, subdivision 3, is canceled. The bond
17.4 sale authorization in Laws 2010, Second Special Session chapter 1, article 1, section 17,
17.5 subdivision 2, is reduced by \$2,133,000.

17.6 (l) The appropriation in Laws 2010, Second Special Session chapter 1, article 1,
17.7 section 4, subdivision 2, for state road infrastructure operations and maintenance pursuant
17.8 to Minnesota Statutes, section 12A.16, subdivision 1, is reduced by \$819,000.

17.9 Sec. 27. Laws 2013, chapter 127, section 67, is amended to read:

17.10 Sec. 67. **LEGISLATIVE ROUTE NO. 256 REMOVED.**

17.11 (a) Minnesota Statutes, section 161.115, subdivision 187, is repealed effective the
17.12 day after the commissioner of transportation receives a copy of the agreement between
17.13 the commissioner and the governing body of Blue Earth County and a copy of the
17.14 agreement between the commissioner and the governing body of the city of Mankato to
17.15 transfer jurisdiction of Legislative Route No. 256 and notifies the revisor of statutes
17.16 under paragraph (b).

17.17 (b) The revisor of statutes shall delete the route identified in paragraph (a) from
17.18 Minnesota Statutes when the commissioner of transportation sends notice to the revisor
17.19 electronically or in writing that the conditions required to transfer the route have been
17.20 satisfied.

17.21 Sec. 28. **REPEALER.**

17.22 (a) Minnesota Statutes 2012, section 161.115, subdivision 240, is repealed.

17.23 (b) Minnesota Statutes 2013 Supplement, section 221.0314, subdivision 9a, is
17.24 repealed.

APPENDIX
Repealed Minnesota Statutes: 14-4443

161.115 ADDITIONAL TRUNK HIGHWAYS.

Subd. 240. **Route No. 309.** Beginning at a point on Route No. 18 at or near Brainerd, thence extending in a general northwesterly direction to a point at or in the grounds of the Brainerd State School and Hospital, thence extending in a general southerly direction to a point on Route No. 18 at or near Brainerd.

221.0314 FEDERAL SAFETY REGULATIONS; ADOPTION.

Subd. 9a. **Hours of service exemptions.** The federal regulations incorporated in subdivision 9 for maximum driving and on-duty time do not apply to drivers engaged in the interstate or intrastate transportation of:

(1) agricultural commodities or farm supplies for agricultural purposes in Minnesota during the planting and harvesting seasons from March 15 to December 15 of each year; or

(2) sugar beets during the harvesting season for sugar beets from September 1 to May 15 of each year;

if the transportation is limited to an area within a 150-air-mile radius from the source of the commodities or from the retail or wholesale distribution point of the farm supplies.