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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. 3744

03/31/2016 Authored by Runbeck, Loon, Uglem and Albright

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

1.1 A bill for an act
1.2 relating to transportation; governing fixed guideway transit project development;
1.3 establishing requirements for streetcars and certain bus rapid transit projects;
1.4 amending municipal consent; amending permitted allocation of certain
1.5 transportation sales tax revenues; amending Minnesota Statutes 2014, sections
1.6 174.86, subdivision 2, by adding subdivisions; 174.93, subdivision 1; 297A.992,
1.7 subdivision 6; 473.3993, by adding a subdivision; 473.3994, subdivision 4, by
1.8 adding a subdivision.

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

1.10 Section 1. Minnesota Statutes 2014, section 174.86, subdivision 2, is amended to read:

1.11 Subd. 2. ~~Physical design component; local participation~~ Advanced corridor
1.12 plan; local approval. At least 30 days before the hearing under subdivision 1, the
1.13 commissioner shall submit the physical design component of the advanced corridor plan
1.14 to the governing body of each statutory and home rule charter city, county, and town
1.15 in which the route is proposed to be located. Within 45 days after the hearing under
1.16 subdivision 1, the city, county, or town shall review and ~~comment on the plan~~. ~~Within~~
1.17 ~~45 days of the hearing, a city or town shall either~~ approve or disapprove the ~~location~~
1.18 ~~and design of the station plan to be located~~ locate the route in the city, county, or town.
1.19 A ~~city or town~~ local unit of government that disapproves the plan shall describe specific
1.20 amendments to the plan that, if adopted, would cause the ~~city or town~~ local unit to
1.21 withdraw its disapproval. Failure to ~~comment~~ approve or disapprove the plan in writing
1.22 within 45 days after the hearing is deemed to be ~~accepted~~ an approval, unless an extension
1.23 of time is agreed to by the ~~metropolitan planning organization~~ local unit of government
1.24 and the commissioner of transportation.

2.1 Sec. 2. Minnesota Statutes 2014, section 174.86, is amended by adding a subdivision
2.2 to read:

2.3 Subd. 2a. **Advanced corridor plan; disapproval.** (a) If the governing body of one
2.4 or more cities, counties, or towns disapproves the advanced corridor plan within the period
2.5 allowed under subdivision 2, the commissioner shall hold a hearing on the plans, giving
2.6 any disapproving local governmental units and other persons an opportunity to present
2.7 views on the plans. A metropolitan planning organization having jurisdiction over an area
2.8 in which the proposed route is located may (1) conduct an independent study as it deems
2.9 desirable, and (2) mediate and attempt to resolve disagreements about the plan.

2.10 (b) Within 60 days after the hearing under paragraph (a), the commissioner shall
2.11 review the plans and decide:

2.12 (1) to amend the plan to accommodate the objections presented by the disapproving
2.13 local governmental units;

2.14 (2) to not proceed with the project; or

2.15 (3) to refer the plans to an appeal board as provided in subdivision 6.

2.16 (c) The amended plans decided by the commissioner under paragraph (b), clause
2.17 (1), are subject to the same notice and hearing process requirements as specified under (1)
2.18 subdivisions 1 and 2, and (2) this subdivision as applicable.

2.19 (d) The commissioner is prohibited from continuing the planning and designing
2.20 process if a local governmental unit disapproves unless an appeal board under subdivision
2.21 6 approves the advanced corridor plan. An advanced corridor plan approved by an appeal
2.22 board under this paragraph is subject to any modifications specified by the board.

2.23 Sec. 3. Minnesota Statutes 2014, section 174.86, is amended by adding a subdivision
2.24 to read:

2.25 Subd. 6. **Appeal board.** (a) An appeal board is established following advanced
2.26 corridor plan referral under subdivision 2a. An appeal board consists of one member
2.27 appointed by the commissioner, one member appointed jointly by the disapproving local
2.28 governmental units, and a third member agreed upon by both the commissioner and the
2.29 disapproving local governmental units.

2.30 (b) If the disapproving local governmental units cannot agree upon the member
2.31 jointly appointed by the governmental units within 14 days of design plans referral under
2.32 subdivision 2a, the metropolitan planning organization having jurisdiction over an area
2.33 in which the proposed route is located and that represents the largest population along
2.34 the proposed route shall appoint that member. If the commissioner and the disapproving
2.35 local governmental units cannot agree upon the third member within 14 days of design

plans referral under subdivision 2a, the metropolitan planning organization that represents the largest population in which the route is proposed to be located shall appoint that third member.

(c) Within 30 days after appointment of all appeal board members, the appeal board shall hold a hearing at which the commissioner and any disapproving local governmental units may present the case for or against approval of the referred advanced corridor plan. Not later than 60 days after the hearing, the appeal board shall: (1) approve the plan; (2) approve the plan with specified modifications; or (3) disapprove the plan. The board may make additional recommendations consistent with state and federal requirements as it deems appropriate. The board shall submit a written report containing its findings to each metropolitan planning organization, the commissioner of transportation, and the governing body of each statutory and home rule charter city, county, and town in which the route is proposed to be located.

Sec. 4. Minnesota Statutes 2014, section 174.93, subdivision 1, is amended to read:

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

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

(2) "guideway" means a form of transportation service provided to the public on a regular and ongoing basis, that primarily or substantially operates on exclusive or within controlled rights-of-way or operates on rails in whole or in part, and includes:

(i) each line for intercity passenger rail, commuter rail, light rail transit, and streetcars, ~~and~~;

(ii) highway bus rapid transit, express bus, or dedicated busway; and

(iii) any intermodal facilities serving two or more lines identified in items (i) and (ii); and

(3) "local unit of government" means a county, statutory or home rule charter city, town, or other political subdivision including, but not limited to, a regional railroad authority or joint powers board.

(b) For purposes of this section, "sources of funds" includes, but is not limited to, money from federal aid, state appropriations, the Metropolitan Council, special taxing districts, local units of government, fare box recovery, and nonpublic sources.

(c) For purposes of this section, "budget activity" includes, but is not limited to, environmental analysis, land acquisition, easements, design, preliminary and final engineering, acquisition of vehicles and rolling stock, track improvement and rehabilitation, and construction.

(d) Guideway does not include the following forms of bus service when it does not substantially operate within controlled rights-of-way: arterial bus rapid transit, limited-stop bus service, and express bus service.

(e) Controlled rights-of-way includes exclusive, dedicated, or primary use by the public transportation service.

Sec. 5. Minnesota Statutes 2014, section 297A.992, subdivision 6, is amended to read:

Subd. 6. **Allocation of Grant awards; use and allocation requirements.** (a) The board must allocate grant awards only for the following transit purposes:

(1) assistance for transitways, which may consist of:

(i) capital improvements to transitways, including, but not limited to, commuter rail rolling stock, light rail vehicles, and transitway buses;

(ii) capital costs for park-and-ride facilities, as defined in section 174.256, subdivision 2;

(iii) feasibility studies, planning, alternatives analyses, environmental studies, engineering, property acquisition for transitway purposes, and construction of transitways; and

(iv) operating assistance for transitways; or

(2) to a minimum guarantee county, a block grant for county highways if the county has not identified a project that is eligible under clause (1).

(b) The joint powers board must annually award grants to each minimum guarantee county in an amount no less than the amount of sales tax revenue collected within that county.

(c) No more than 1.25 percent of the total awards may be annually allocated for planning, studies, design, construction, maintenance, and operation of pedestrian programs and bicycle programs and pathways.

Sec. 6. Minnesota Statutes 2014, section 473.3993, is amended by adding a subdivision to read:

Subd. 5. **Subregional guideway.** "Subregional guideway" means "guideway" as defined in section 174.93, subdivision 1, but excludes:

(1) intercity passenger rail;

(2) commuter rail; and

(3) a bus rapid transit, express bus, or dedicated busway project that has a total cost estimate, accounting for all project phases and facilities, of less than \$100,000,000.

5.1 Sec. 7. Minnesota Statutes 2014, section 473.3994, subdivision 4, is amended to read:

5.2 Subd. 4. **Preliminary design plans; council hearing disapproval.** (a) If the
5.3 governing body of one or more cities, counties, or towns disapproves the preliminary
5.4 design plans within the period allowed under subdivision 3, the council shall hold a
5.5 hearing on the plans, giving the commissioner of transportation, if the responsible
5.6 authority, any disapproving local governmental units, and other persons an opportunity
5.7 to present their views on the plans. The council or the commissioner of transportation,
5.8 whichever is not the responsible authority, may conduct independent study as it deems
5.9 desirable and may mediate and attempt to resolve disagreements about the plans.

5.10 (b) Within 60 days after the hearing under paragraph (a), the council responsible
5.11 authority shall review the plans and shall decide what amendments:

5.12 (1) to amend the plans, if any, must be made to accommodate the objections
5.13 presented by the disapproving local governmental units;

5.14 (2) to not proceed with the project; or

5.15 (3) to refer the plans to an appeal board as provided in subdivision 15.

5.16 ~~Amendments to (c) The amended plans as decided by the council must be made~~
5.17 ~~before continuing the planning and designing process under paragraph (b), clause (1),~~
5.18 ~~are subject to the same notice and hearing process requirements as specified under (1)~~
5.19 ~~subdivisions 2 and 3, and (2) this subdivision as applicable.~~

5.20 (d) The responsible authority is prohibited from continuing the planning and
5.21 designing process if a local governmental unit disapproves unless an appeal board under
5.22 subdivision 15 approves the preliminary design plans. Preliminary design plans approved
5.23 by an appeal board under this paragraph are subject to any modifications specified by
5.24 the board.

5.25 Sec. 8. Minnesota Statutes 2014, section 473.3994, is amended by adding a subdivision
5.26 to read:

5.27 Subd. 15. **Appeal board.** (a) An appeal board is established following preliminary
5.28 design plans referral under subdivision 4. An appeal board consists of one member
5.29 appointed by the responsible authority, one member appointed jointly by the disapproving
5.30 local governmental units, and a third member agreed upon by both the responsible
5.31 authority and the disapproving local governmental units.

5.32 (b) If the disapproving local governmental units cannot agree upon the member jointly
5.33 appointed by the governmental units within 14 days of preliminary design plans referral
5.34 under subdivision 4, the council or the commissioner of transportation, whichever is not
5.35 the responsible authority, shall appoint that member. If the responsible authority and the

disapproving local governmental units cannot agree upon the third member within 14 days of preliminary design plans referral under subdivision 4, the council or the commissioner of transportation, whichever is not the responsible authority, shall appoint that third member.

(c) Within 30 days after appointment of all appeal board members, the appeal board shall hold a hearing at which the responsible authority and any disapproving local governmental units may present the case for or against approval of the referred preliminary design plans. Not later than 60 days after the hearing, the appeal board shall: (1) approve the plans; (2) approve the plans with specified modifications; or (3) disapprove the plans. The board may make additional recommendations consistent with state and federal requirements as it deems appropriate. The board shall submit a written report containing its findings to the council, the commissioner of transportation, and the governing body of each statutory and home rule charter city, county, and town in which the route is proposed to be located.

Sec. 9. **REVISOR'S INSTRUCTION.**

In Minnesota Statutes, sections 473.3993 to 473.3997, the revisor of statutes shall change the term "light rail transit" to "subregional guideway" wherever the term appears. The revisor shall make any necessary grammatical changes or changes to sentence structure necessary to preserve the meaning of the text as a result of the changes.

Sec. 10. **EFFECTIVE DATE; APPLICATION.**

Except for section 5, this act is effective the day following final enactment and applies for any project in which federal funds are anticipated and the project is not approved by the Federal Transit Administration for preliminary engineering or a subsequent project phase as of the effective date of this section. Section 5 is effective the day following final enactment and applies for grant awards made for calendar year 2017 and thereafter. The portion of this act that relates to the Metropolitan Council applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.