

1.1 A bill for an act

1.2 relating to transportation; capital investment; taxes; amending provisions
 1.3 governing transportation finance; establishing gross receipts motor fuels tax;
 1.4 amending vehicle registration tax and metropolitan area transit sales tax;
 1.5 amending distribution of highway user fund and state-aid funding; incorporating
 1.6 efficiencies; modifying various fees and charges; modifying fiscal policies;
 1.7 requiring reports; authorizing sale and issuance of trunk highway bonds;
 1.8 appropriating money; amending Minnesota Statutes 2014, sections 16E.15,
 1.9 subdivision 2; 115A.908; 161.081, subdivision 1; 161.082, subdivision 1, by
 1.10 adding a subdivision; 161.083; 161.088, subdivision 5; 161.20, by adding a
 1.11 subdivision; 161.231; 161.46, subdivision 2; 162.07, subdivision 1a; 168.002,
 1.12 subdivision 24; 168.012, subdivision 1c; 168.013, subdivisions 1a, 1d, 1g, 8;
 1.13 168.053, subdivision 1; 168.12, subdivisions 1, 2, 2b, 2c, 2d, 2e, 2g, 5; 168.121,
 1.14 subdivision 1; 168.123, subdivision 1; 168.1235, subdivision 1; 168.1255,
 1.15 subdivision 1; 168.128, subdivision 2; 168.1291, subdivision 4; 168.1295,
 1.16 subdivision 1; 168.1296, subdivision 1; 168.1297, subdivision 1; 168.1298,
 1.17 subdivision 1; 168.1299, subdivision 1; 168.27, subdivision 22; 168.31, by
 1.18 adding a subdivision; 168.33, subdivisions 2, 7; 168.62, subdivision 3; 168A.05,
 1.19 by adding a subdivision; 168A.07, by adding a subdivision; 168D.06; 169.011,
 1.20 by adding a subdivision; 169.798, subdivision 4; 171.01, subdivisions 37, 49a, by
 1.21 adding a subdivision; 171.06, subdivisions 1, 2, 3; 171.07, subdivision 1; 174.42,
 1.22 by adding a subdivision; 174.50, by adding a subdivision; 222.50, subdivision 7;
 1.23 296A.061; 296A.11; 296A.12; 296A.16; 296A.18, subdivisions 2, 3, 4, 5, 6, 7;
 1.24 297A.815, subdivision 3; 297A.992, subdivisions 1, 4, 5, 6; 297B.03; 297B.09,
 1.25 subdivision 1; 299A.465, subdivisions 2, 5, by adding subdivisions; 299D.09;
 1.26 360.024; 360.305, subdivision 4; 473.167; Laws 2014, chapter 312, article 11,
 1.27 section 33; proposing coding for new law in Minnesota Statutes, chapters 161;
 1.28 168; 169; 174; 219; 296A; 297A; 299F; repealing Minnesota Statutes 2014,
 1.29 sections 161.081, subdivision 3; 473.4051, subdivision 2.

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

1.31 **ARTICLE 1**

1.32 **TRANSPORTATION AND PUBLIC SAFETY APPROPRIATIONS**

1.33 Section 1. **SUMMARY OF APPROPRIATIONS.**

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

	<u>2016</u>	<u>2017</u>	<u>Total</u>
2.4 <u>General</u>	\$ <u>113,399,000</u> \$	<u>102,079,000</u> \$	<u>215,478,000</u>
2.5 <u>Airports</u>	<u>25,109,000</u>	<u>25,109,000</u>	<u>50,218,000</u>
2.6 <u>C.S.A.H.</u>	<u>771,437,000</u>	<u>850,253,000</u>	<u>1,621,690,000</u>
2.7 <u>M.S.A.S.</u>	<u>210,467,000</u>	<u>237,802,000</u>	<u>448,269,000</u>
2.8 <u>Special Revenue</u>	<u>121,709,000</u>	<u>122,336,000</u>	<u>244,045,000</u>
2.9 <u>H.U.T.D.</u>	<u>2,426,000</u>	<u>2,435,000</u>	<u>4,861,000</u>
2.10 <u>Trunk Highway</u>	<u>1,868,014,000</u>	<u>2,000,895,000</u>	<u>3,868,909,000</u>
2.11 <u>Total</u>	\$ <u>3,112,561,000</u> \$	<u>3,340,909,000</u> \$	<u>6,453,470,000</u>

2.12 **Sec. 2. TRANSPORTATION**
 2.13 **APPROPRIATIONS.**

2.14 The sums shown in the columns marked
 2.15 "Appropriations" are appropriated to the
 2.16 agencies and for the purposes specified in
 2.17 this article. The appropriations are from
 2.18 the trunk highway fund, or another named
 2.19 fund, and are available for the fiscal years
 2.20 indicated for each purpose. The figures
 2.21 "2016" and "2017" used in this article mean
 2.22 that the appropriations listed under them are
 2.23 available for the fiscal year ending June 30,
 2.24 2016, or June 30, 2017, respectively. "The
 2.25 first year" is fiscal year 2016. "The second
 2.26 year" is fiscal year 2017. "The biennium" is
 2.27 fiscal years 2016 and 2017.

	<u>APPROPRIATIONS</u>	
	<u>Available for the Year</u>	
	<u>Ending June 30</u>	
	<u>2016</u>	<u>2017</u>

2.32 **Sec. 3. DEPARTMENT OF**
 2.33 **TRANSPORTATION.**

2.34 Subdivision 1. Total Appropriation \$ 2,887,659,000 \$ 3,103,578,000

	<u>Appropriations by Fund</u>	
	<u>2016</u>	<u>2017</u>
2.37 <u>General</u>	<u>47,973,000</u>	<u>27,153,000</u>

3.1	<u>Airports</u>	<u>25,109,000</u>	<u>25,109,000</u>
3.2	<u>C.S.A.H.</u>	<u>771,167,000</u>	<u>850,253,000</u>
3.3	<u>M.S.A.S.</u>	<u>210,467,000</u>	<u>237,802,000</u>
3.4	<u>Special Revenue</u>	<u>60,145,000</u>	<u>60,002,000</u>
3.5	<u>Trunk Highway</u>	<u>1,772,798,000</u>	<u>1,903,259,000</u>

3.6 The amounts that may be spent for each
 3.7 purpose are specified in the following
 3.8 subdivisions.

3.9 Subd. 2. **Multimodal Systems**

3.10 (a) **Aeronautics**

3.11 (1) **Airport Development and Assistance** 19,798,000 19,798,000

3.12 This appropriation is from the state
 3.13 airports fund and must be spent according
 3.14 to Minnesota Statutes, section 360.305,
 3.15 subdivision 4.

3.16 The base appropriation for fiscal years 2018
 3.17 and 2019 is \$14,298,000 for each year.

3.18 Notwithstanding Minnesota Statutes, section
 3.19 16A.28, subdivision 6, this appropriation is
 3.20 available for five years after appropriation.

3.21 If the appropriation for either year is
 3.22 insufficient, the appropriation for the other
 3.23 year is available for it.

3.24 (2) **Aviation Support and Services** 6,661,000 6,661,000

3.25 Appropriations by Fund

3.26	<u>Airports</u>	<u>5,311,000</u>	<u>5,311,000</u>
3.27	<u>Trunk Highway</u>	<u>1,350,000</u>	<u>1,350,000</u>

3.28 \$80,000 in each year is from the state airports
 3.29 fund for the Civil Air Patrol.

3.30 (3) **Airplane Purchase** 5,000,000 -0-

3.31 This appropriation is from the general fund
 3.32 to be used in conjunction with proceeds
 3.33 of the sale of an existing airplane for the
 3.34 replacement of one state airplane.

4.1 **(b) Transit** 27,543,000 27,567,000

4.2 Appropriations by Fund

4.3	<u>General</u>	<u>23,745,000</u>	<u>23,745,000</u>
4.4	<u>Trunk Highway</u>	<u>798,000</u>	<u>822,000</u>
4.5	<u>Special Revenue</u>	<u>3,000,000</u>	<u>3,000,000</u>

4.6 \$100,000 in each year is from the general
 4.7 fund for the administrative expenses of the
 4.8 Minnesota Council on Transportation Access
 4.9 under Minnesota Statutes, section 174.285.

4.10 \$500,000 in each year is from the general fund
 4.11 for noninfrastructure activities in the safe
 4.12 routes to school program under Minnesota
 4.13 Statutes, section 174.40, subdivision 7a.

4.14 The base appropriation from the general fund
 4.15 for fiscal years 2018 and 2019 is \$21,245,000
 4.16 in each year.

4.17 \$3,000,000 in each year is from the greater
 4.18 Minnesota active transportation account in
 4.19 the special revenue fund under Minnesota
 4.20 Statutes, section 174.38. This is a onetime
 4.21 appropriation.

4.22 **(c) Passenger Rail** 500,000 500,000

4.23 This appropriation is from the general
 4.24 fund for passenger rail system planning,
 4.25 alternatives analysis, environmental analysis,
 4.26 design, and preliminary engineering under
 4.27 Minnesota Statutes, sections 174.632 to
 4.28 174.636.

4.29 **(d) Freight** 5,443,000 5,452,000

4.30 Appropriations by Fund

4.31	<u>General</u>	<u>256,000</u>	<u>256,000</u>
4.32	<u>Trunk Highway</u>	<u>5,044,000</u>	<u>5,196,000</u>
4.33	<u>Special Revenue</u>	<u>143,000</u>	<u>-0-</u>

5.1 \$143,000 in the first year is from the rail
 5.2 service improvement account in the special
 5.3 revenue fund for a grant to the Minnesota
 5.4 Commercial Railway for emergency
 5.5 temporary repairs to approximately 6.5 miles
 5.6 of railroad track described as that portion of
 5.7 the Minnesota Commercial main running
 5.8 lead, between M&D Junction in White Bear
 5.9 Lake and the end of track in Hugo.

5.10 Subd. 3. State Roads

5.11	<u>(a) Operations and Maintenance</u>	<u>284,030,000</u>	<u>297,185,000</u>
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5.12	<u>(b) Program Planning and Delivery</u>	<u>249,214,000</u>	<u>263,625,000</u>
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5.13 \$130,000 in each year is available for
 5.14 administrative costs of the targeted group
 5.15 business program.

5.16 \$300,000 in fiscal year 2016 is for grants
 5.17 to implement enhanced organizational
 5.18 effectiveness and innovation review under
 5.19 article 8, section 29.

5.20 \$266,000 in each year is available for grants
 5.21 to metropolitan planning organizations
 5.22 outside the seven-county metropolitan area.

5.23 \$75,000 in each year is available for a
 5.24 transportation research contingent account
 5.25 to finance research projects that are
 5.26 reimbursable from the federal government or
 5.27 from other sources. If the appropriation for
 5.28 either year is insufficient, the appropriation
 5.29 for the other year is available for it.

5.30 \$900,000 in each year is available for
 5.31 grants for transportation studies outside
 5.32 the metropolitan area to identify critical
 5.33 concerns, problems, and issues. These
 5.34 grants are available: (1) to regional

6.1 development commissions; (2) in regions
 6.2 where no regional development commission
 6.3 is functioning, to joint powers boards
 6.4 established under agreement of two or
 6.5 more political subdivisions in the region to
 6.6 exercise the planning functions of a regional
 6.7 development commission; and (3) in regions
 6.8 where no regional development commission
 6.9 or joint powers board is functioning, to the
 6.10 department's district office for that region.

6.11 \$1,000,000 in each year is available
 6.12 for management of contaminated and
 6.13 regulated material on property owned by
 6.14 the Department of Transportation, including
 6.15 mitigation of property conveyances, facility
 6.16 acquisition or expansion, chemical release at
 6.17 maintenance facilities, and spills on the trunk
 6.18 highway system where there is no known
 6.19 responsible party. If the appropriation for
 6.20 either year is insufficient, the appropriation
 6.21 for the other year is available for it.

6.22 The base appropriation for program planning
 6.23 and delivery for fiscal years 2018 and 2019
 6.24 is \$262,625,000 in each year.

6.25 **(c) State Road Construction** 967,480,000 1,025,905,000

6.26 It is estimated that these appropriations will
 6.27 be funded as follows:

6.28	<u>Appropriations by Fund</u>		
6.29	<u>Federal Highway</u>		
6.30	<u>Aid</u>	<u>455,970,000</u>	<u>462,570,000</u>
6.31	<u>Highway User Taxes</u>	<u>511,510,000</u>	<u>563,335,000</u>

6.32 The commissioner of transportation shall
 6.33 notify the chairs and ranking minority
 6.34 members of the legislative committees with
 6.35 jurisdiction over transportation finance of

7.1 any significant events that should cause these
7.2 estimates to change.

7.3 This appropriation is for the actual
7.4 construction, reconstruction, and
7.5 improvement of trunk highways, including
7.6 design-build contracts and consultant usage
7.7 to support these activities. This includes the
7.8 cost of actual payment to landowners for
7.9 lands acquired for highway rights-of-way,
7.10 payment to lessees, interest subsidies, and
7.11 relocation expenses.

7.12 The base appropriation for state road
7.13 construction for fiscal years 2018 and 2019
7.14 is \$970,905,000 in each year.

7.15 \$10,000,000 in each year is for the
7.16 transportation economic development
7.17 program under Minnesota Statutes, section
7.18 174.12.

7.19 \$5,000,000 in the first year is for the
7.20 construction of noise barriers on trunk
7.21 highways.

7.22 The commissioner shall transfer \$2,000,000
7.23 in the first year to the state right-of-way
7.24 acquisition loan account under Minnesota
7.25 Statutes, section 161.225.

7.26 The commissioner shall transfer \$50,000,000
7.27 in the first year and \$55,000,000 in the
7.28 second year to the county turnback account
7.29 under Minnesota Statutes, section 161.082.

7.30 The commissioner may expend up to one-half
7.31 of one percent of the federal appropriations
7.32 under this paragraph as grants to opportunity
7.33 industrialization centers and other nonprofit

8.1 job training centers for job training programs
 8.2 related to highway construction.

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

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

8.11 The commissioner may expend an amount as
 8.12 necessary for land acquisition on corridors
 8.13 of commerce projects funded under article
 8.14 2, section 3.

8.15 <u>(d) Highway Debt Service</u>	<u>197,519,000</u>	<u>240,307,000</u>
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8.16 \$188,019,000 the first year and \$230,807,000
 8.17 in the second year are for transfer to the state
 8.18 bond fund. If this appropriation is insufficient
 8.19 to make all transfers required in the year
 8.20 for which it is made, the commissioner of
 8.21 management and budget shall notify the
 8.22 senate Committee on Finance and the house
 8.23 of representatives Committee on Ways and
 8.24 Means of the amount of the deficiency and
 8.25 shall then transfer that amount under the
 8.26 statutory open appropriation. Any excess
 8.27 appropriation cancels to the trunk highway
 8.28 fund.

8.29 <u>(e) Electronic Communications</u>	<u>5,326,000</u>	<u>5,486,000</u>
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8.30 <u>Appropriations by Fund</u>		
8.31 <u>General</u>	<u>3,000</u>	<u>3,000</u>
8.32 <u>Trunk Highway</u>	<u>5,323,000</u>	<u>5,483,000</u>

9.1 The general fund appropriation is to equip
 9.2 and operate the Roosevelt signal tower for
 9.3 Lake of the Woods weather broadcasting.

9.4 **Subd. 4. Local Roads**

9.5 <u>(a) County State-Aid Roads</u>	<u>771,167,000</u>	<u>850,253,000</u>
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9.6 This appropriation is from the county
 9.7 state-aid highway fund under Minnesota
 9.8 Statutes, section 161.081, and chapter 162.
 9.9 Notwithstanding Minnesota Statutes, section
 9.10 16A.28, subdivision 6, this appropriation is
 9.11 available for six years after appropriation.

9.12 If the commissioner of transportation
 9.13 determines that a balance remains in the
 9.14 county state-aid highway fund following
 9.15 the appropriations and transfers made in
 9.16 this subdivision, and that the appropriations
 9.17 made are insufficient for advancing county
 9.18 state-aid highway projects, an amount
 9.19 necessary to advance the projects, not to
 9.20 exceed the balance in the county state-aid
 9.21 highway fund, is appropriated in each year
 9.22 to the commissioner. Within two weeks
 9.23 of a determination under this contingent
 9.24 appropriation, the commissioner of
 9.25 transportation shall notify the commissioner
 9.26 of management and budget and the chairs
 9.27 and ranking minority members of the
 9.28 legislative committees with jurisdiction over
 9.29 transportation finance concerning funds
 9.30 appropriated.

9.31 <u>(b) Municipal State-Aid Roads</u>	<u>210,467,000</u>	<u>237,802,000</u>
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9.32 This appropriation is from the municipal
 9.33 state-aid street fund under Minnesota
 9.34 Statutes, chapter 162. Notwithstanding

10.1 Minnesota Statutes, section 16A.28,
 10.2 subdivision 6, this appropriation is available
 10.3 for six years after appropriation.

10.4 If the commissioner of transportation
 10.5 determines that a balance remains in the
 10.6 municipal state-aid street fund following
 10.7 the appropriations made in this subdivision,
 10.8 and that the appropriations made are
 10.9 insufficient for advancing municipal state-aid
 10.10 street projects, an amount necessary to
 10.11 advance the projects, not to exceed the
 10.12 balance in the municipal state-aid street
 10.13 fund, is appropriated in each year to
 10.14 the commissioner. Within two weeks
 10.15 of a determination under this contingent
 10.16 appropriation, the commissioner of
 10.17 transportation shall notify the commissioner
 10.18 of management and budget and the chairs
 10.19 and ranking minority members of the
 10.20 legislative committees with jurisdiction over
 10.21 transportation finance concerning funds
 10.22 appropriated.

10.23	<u>(c) City Streets and Bridges</u>	<u>57,002,000</u>	<u>57,002,000</u>
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10.24 \$28,501,000 in each year is appropriated from
 10.25 the small city streets and bridges account in
 10.26 the special revenue fund under Minnesota
 10.27 Statutes, section 174.54, subdivision 1.

10.28 \$28,501,000 in each year is appropriated from
 10.29 the larger city streets and bridges account in
 10.30 the special revenue fund under Minnesota
 10.31 Statutes, section 174.54, subdivision 2.

10.32	<u>(d) Local Bridge Replacement and</u>		
10.33	<u>Rehabilitation</u>	<u>10,750,000</u>	<u>-0-</u>

10.34 This appropriation is from the general fund
 10.35 to match federal money and to replace

11.1 or rehabilitate local deficient bridges as
 11.2 provided in Minnesota Statutes, section
 11.3 174.50. To the extent practicable, the
 11.4 commissioner shall expend the funds as
 11.5 provided under Minnesota Statutes, section
 11.6 174.50, subdivision 6b or 6c. This is a
 11.7 onetime appropriation.

11.8	<u>(e) Pedestrian, Bicycle, and Safe Routes to</u>		
11.9	<u>Schools</u>	<u>2,500,000</u>	<u>2,500,000</u>

11.10 This appropriation is from the general fund
 11.11 for infrastructure activities in the safe routes
 11.12 to school program under Minnesota Statutes,
 11.13 section 174.40, and grants for other bicycle
 11.14 and pedestrian infrastructure that encourages
 11.15 active transportation choices.

11.16	<u>(f) Highways on Tribal Lands</u>	<u>5,000,000</u>	<u>-0-</u>
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11.17 This appropriation is from the general fund
 11.18 for the purposes of maintenance, design, or
 11.19 construction of highways on tribal lands.

11.20 **Subd. 5. Agency Management**

11.21	<u>(a) Agency Services</u>	<u>42,722,000</u>	<u>43,519,000</u>
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11.22	<u>(b) Buildings</u>	<u>18,772,000</u>	<u>19,321,000</u>
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11.23	<u>Appropriations by Fund</u>		
11.24	<u>General</u>	<u>54,000</u>	<u>54,000</u>
11.25	<u>Trunk Highway</u>	<u>18,718,000</u>	<u>19,267,000</u>

11.26 Any money appropriated to the commissioner
 11.27 of transportation for building construction
 11.28 for any fiscal year before 2016 is available
 11.29 to the commissioner of transportation
 11.30 during the biennium to the extent that the
 11.31 commissioner spends the money on the
 11.32 building construction projects for which the
 11.33 money was originally encumbered during the
 11.34 fiscal year for which it was appropriated.

12.1 If the appropriation for either year is
 12.2 insufficient, the appropriation for the other
 12.3 year is available for it.

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

12.5 If the appropriation for either year is
 12.6 insufficient, the appropriation for the other
 12.7 year is available for it.

12.8 **Subd. 6. Previous State Road Construction**
 12.9 **Appropriations**

12.10 Any money appropriated to the commissioner
 12.11 of transportation for state road construction
 12.12 for any fiscal year before the first year is
 12.13 available to the commissioner during the
 12.14 biennium to the extent that the commissioner
 12.15 spends the money on the state road
 12.16 construction project for which the money
 12.17 was originally encumbered during the fiscal
 12.18 year for which it was appropriated. The
 12.19 commissioner of transportation shall report to
 12.20 the commissioner of management and budget
 12.21 by August 1, 2015, and August 1, 2016, on
 12.22 a form the commissioner of management
 12.23 and budget provides, on expenditures made
 12.24 during the previous fiscal year that are
 12.25 authorized by this subdivision.

12.26 **Subd. 7. Contingent Appropriation**

12.27 The commissioner of transportation, with
 12.28 the approval of the governor and the
 12.29 written approval of at least five members
 12.30 of a group consisting of the members of
 12.31 the Legislative Advisory Commission
 12.32 under Minnesota Statutes, section 3.30,
 12.33 and the ranking minority members of the
 12.34 legislative committees with jurisdiction over
 12.35 transportation finance, may transfer all or

14.1 The amounts that may be spent for each
 14.2 purpose are specified in the following
 14.3 subdivisions.

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

14.5 **(a) Office of Communications** 517,000 530,000

14.6 Appropriations by Fund

14.7 General 113,000 115,000

14.8 Trunk Highway 404,000 415,000

14.9 **(b) Public Safety Support** 8,715,000 8,804,000

14.10 Appropriations by Fund

14.11 General 3,662,000 3,667,000

14.12 H.U.T.D. 1,366,000 1,366,000

14.13 Trunk Highway 3,687,000 3,771,000

14.14 \$130,000 in each year is from the general
 14.15 fund for the additional position of labor
 14.16 relations manager.

14.17 \$380,000 in each year is from the general
 14.18 fund for payment of public safety officer
 14.19 survivor benefits under Minnesota Statutes,
 14.20 section 299A.44. If the appropriation for
 14.21 either year is insufficient, the appropriation
 14.22 for the other year is available for it.

14.23 \$1,367,000 in each year is from the general
 14.24 fund to be deposited in the public safety
 14.25 officer's benefit account. This money
 14.26 is available for reimbursements under
 14.27 Minnesota Statutes, section 299A.465.

14.28 \$600,000 in each year is from the general
 14.29 fund and \$100,000 in each year is from the
 14.30 trunk highway fund for soft body armor
 14.31 reimbursements under Minnesota Statutes,
 14.32 section 299A.38.

14.33 **(c) Technology and Support Service** 3,685,000 3,685,000

15.1	<u>Appropriations by Fund</u>		
15.2	<u>General</u>	<u>1,322,000</u>	<u>1,322,000</u>
15.3	<u>H.U.T.D.</u>	<u>19,000</u>	<u>19,000</u>
15.4	<u>Trunk Highway</u>	<u>2,344,000</u>	<u>2,344,000</u>
15.5	<u>Subd. 3. State Patrol</u>		
15.6	<u>(a) Patrolling Highways</u>		<u>81,756,000</u> <u>83,857,000</u>
15.7	<u>Appropriations by Fund</u>		
15.8	<u>General</u>	<u>37,000</u>	<u>37,000</u>
15.9	<u>H.U.T.D.</u>	<u>807,000</u>	<u>828,000</u>
15.10	<u>Trunk Highway</u>	<u>80,912,000</u>	<u>82,992,000</u>
15.11	<u>\$707,000 in the first year and \$720,000 in the</u>		
15.12	<u>second year are from the highway user tax</u>		
15.13	<u>distribution fund for the Vehicle Crimes Unit,</u>		
15.14	<u>to investigate: (1) registration tax and motor</u>		
15.15	<u>vehicle sales tax liabilities from individuals</u>		
15.16	<u>and businesses that currently do not pay</u>		
15.17	<u>all taxes owed; and (2) illegal or improper</u>		
15.18	<u>activity related to sale, transfer, titling, and</u>		
15.19	<u>registration of motor vehicles.</u>		
15.20	<u>\$500,000 is appropriated from the trunk</u>		
15.21	<u>highway fund in fiscal year 2016 to assist in</u>		
15.22	<u>the purchase of a single engine aircraft for</u>		
15.23	<u>the State Patrol.</u>		
15.24	<u>(b) Commercial Vehicle Enforcement</u>		<u>8,023,000</u> <u>8,257,000</u>
15.25	<u>(c) Capitol Security</u>		<u>8,035,000</u> <u>8,147,000</u>
15.26	<u>This appropriation is from the general fund.</u>		
15.27	<u>The commissioner may not: (1) spend</u>		
15.28	<u>any money from the trunk highway fund</u>		
15.29	<u>for capitol security; or (2) permanently</u>		
15.30	<u>transfer any state trooper from the patrolling</u>		
15.31	<u>highways activity to capitol security.</u>		
15.32	<u>The commissioner may not transfer any</u>		
15.33	<u>money appropriated to the commissioner</u>		

16.1 under this section: (1) to capitol security; or
 16.2 (2) from capitol security.

16.3 **Subd. 4. Driver and Vehicle Services**

16.4 **(a) Vehicle Services** 30,027,000 30,291,000

16.5 This appropriation is from the vehicle
 16.6 services operating account in the special
 16.7 revenue fund.

16.8 Of these appropriations, \$59,000 in each year
 16.9 is for the creation of a Data Services Unit
 16.10 within the Division of Driver and Vehicle
 16.11 Services.

16.12 **(b) Driver Services** 30,166,000 30,655,000

16.13 This appropriation is from the driver services
 16.14 operating account in the special revenue fund.

16.15 \$31,000 in each year is for the creation of a
 16.16 Data Services Unit within the Division of
 16.17 Driver and Vehicle Services.

16.18 \$74,000 in the first year and \$124,000 in
 16.19 the second year are for staff costs related to
 16.20 insurance attestation requirements. This is a
 16.21 onetime appropriation.

16.22 \$15,000 in the first year is for costs related to
 16.23 creating a driving privilege license.

16.24 **Subd. 5. Traffic Safety** 446,000 457,000

16.25 The commissioner of public safety shall
 16.26 spend 50 percent of the money available to
 16.27 the state under United States Code, title 23,
 16.28 section 164, and the remaining 50 percent
 16.29 must be transferred to the commissioner
 16.30 of transportation for hazard elimination
 16.31 activities under United States Code, title 23,
 16.32 section 152.

16.33 **Subd. 6. Pipeline Safety** 1,371,000 1,388,000

17.1 This appropriation is from the pipeline safety
 17.2 account in the special revenue fund.

17.3 Sec. 6. **DEPARTMENT OF REVENUE** **\$** **234,000** **\$** **222,000**

17.4 \$234,000 in fiscal year 2016 and \$222,000
 17.5 in fiscal year 2017 are appropriated from
 17.6 the highway user tax distribution fund to
 17.7 the commissioner of revenue for tax system
 17.8 management costs.

17.9 Sec. 7. **BOARD OF WATER AND SOIL**
 17.10 **RESOURCES AND DEPARTMENT OF**
 17.11 **NATURAL RESOURCES** **\$** **270,000** **\$**

17.12 (a) \$135,000 to the Board of Water and Soil
 17.13 Resources and \$135,000 to the commissioner
 17.14 of natural resources are appropriated in fiscal
 17.15 year 2016 from the state aid administrative
 17.16 account in the county state-aid highway fund
 17.17 to study the feasibility of the state assuming
 17.18 administration of the section 404 permit
 17.19 program of the federal Clean Water Act. The
 17.20 United States Army Corps of Engineers,
 17.21 St. Paul District; and the United States
 17.22 Environmental Protection Agency shall be
 17.23 consulted with during the development of
 17.24 the study. These appropriations are available
 17.25 until June 30, 2017. The study shall identify:
 17.26 (1) the federal requirements for state
 17.27 assumption of the 404 program;
 17.28 (2) the potential extent of assumption,
 17.29 including those waters that would remain
 17.30 under the jurisdiction of the Army Corps
 17.31 of Engineers due to the prohibition of 404
 17.32 assumption in certain waters as defined in
 17.33 section 404(g)(1) of the federal Clean Water
 17.34 Act;

18.1 (3) differences in waters regulated under
18.2 Minnesota laws compared to waters of the
18.3 United States, including complications and
18.4 potential solutions to address the current
18.5 uncertainties relating to determining waters
18.6 of the United States;

18.7 (4) measures to ensure the protection of
18.8 aquatic resources consistent with the Clean
18.9 Water Act, Wetland Conservation Act, and
18.10 the public waters program administered by
18.11 the Department of Natural Resources;

18.12 (5) changes to existing state law, including
18.13 changes to current implementation structure
18.14 and processes, that would need to occur
18.15 to allow for state assumption of the 404
18.16 program;

18.17 (6) new agency responsibilities for
18.18 implementing federal requirements
18.19 and procedures that would become the
18.20 obligation of the state under assumption,
18.21 including the staff and resources needed for
18.22 implementation;

18.23 (7) the estimated costs and savings that would
18.24 accrue to affected units of government;

18.25 (8) the effect on application review and
18.26 approval processes and time frames;

18.27 (9) alternatives to assumption that would also
18.28 achieve the goals of regulatory simplification,
18.29 efficiency, and reduced permitting times;

18.30 (10) options for financing any additional
18.31 costs of implementation; and

18.32 (11) other information as determined by the
18.33 board and commissioner.

19.1 (b) The board and commissioner shall
 19.2 involve stakeholders in the development of a
 19.3 plan of the study required under this section.

19.4 (c) By January 15, 2017, the board and
 19.5 commissioner must report the study to the
 19.6 legislative policy and finance committees and
 19.7 divisions with jurisdiction over environment
 19.8 and natural resources.

19.9 Sec. 8. **TRANSFER** \$ 3,000,000 \$ 3,000,000
 19.10 \$3,000,000 in fiscal year 2016 and \$3,000,000
 19.11 in fiscal year 2017 are transferred from the
 19.12 general fund to the greater Minnesota active
 19.13 transportation account in the special revenue
 19.14 fund under Minnesota Statutes, section
 19.15 174.38. These are onetime transfers.

19.16 Sec. 9. **APPROPRIATION.**
 19.17 (a) \$8,000 in fiscal year 2016 and \$8,000 in fiscal year 2017 are appropriated from
 19.18 the general fund to the Legislative Coordinating Commission for expenses related to the
 19.19 road-user charge working group.

19.20 (b) \$165,000 in fiscal year 2016 and \$95,000 in fiscal year 2017 are appropriated
 19.21 from the general fund to the commissioner of transportation for administrative expenses
 19.22 related to the road-user charge working group, including the costs of consultants.

19.23 **ARTICLE 2**
 19.24 **TRUNK HIGHWAY BONDING**

19.25 Section 1. **BOND SALE AUTHORIZATION.**

19.26 To provide the money appropriated in this article from the bond proceeds account in
 19.27 the trunk highway fund, the commissioner of management and budget shall sell and issue
 19.28 bonds of the state in an amount up to \$1,001,000,000 in the manner, upon the terms, and
 19.29 with the effect prescribed by Minnesota Statutes, sections 167.50 to 167.52, and by the
 19.30 Minnesota Constitution, article XIV, section 11, at the times and in the amounts requested
 19.31 by the commissioner of transportation. The proceeds of the bonds, except accrued interest

20.1 and any premium received from the sale of the bonds, must be deposited in the bond
20.2 proceeds account in the trunk highway fund.

20.3 **Sec. 2. BOND APPROPRIATIONS.**

20.4 The sums shown in the column under "Appropriations" are appropriated from the
20.5 bond proceeds account in the trunk highway fund to the state agencies or officials indicated,
20.6 to be spent for public purposes. Appropriations of bond proceeds must be spent as
20.7 authorized by the Minnesota Constitution, articles XI and XIV. Unless otherwise specified,
20.8 money appropriated in this article for a capital program or project may be used to pay state
20.9 agency staff costs that are attributed directly to the capital program or project in accordance
20.10 with accounting policies adopted by the commissioner of management and budget.

20.11 **SUMMARY**

20.12	<u>Department of Transportation</u>	<u>\$ 1,000,000,000</u>
20.13	<u>Department of Management and Budget</u>	<u>1,000,000</u>
20.14	<u>TOTAL</u>	<u>\$ 1,001,000,000</u>

20.15 **APPROPRIATIONS**

20.16 **Sec. 3. DEPARTMENT OF**
20.17 **TRANSPORTATION CORRIDORS OF**
20.18 **COMMERCE**

\$ 800,000,000

20.19 (a) The appropriation in this section is
20.20 to the commissioner of transportation for
20.21 the corridors of commerce program under
20.22 Minnesota Statutes, section 161.088, and is
20.23 available in the amounts of \$200,000,000
20.24 in each fiscal year from 2016 to 2019. The
20.25 commissioner may use up to 17 percent of
20.26 the amount each year for program delivery.

20.27 (b) In any fiscal year covered by this
20.28 appropriation, the commissioner may
20.29 identify projects based on previous selection
20.30 processes or may perform a new selection.

20.31 (c) The appropriation in this section cancels
20.32 as specified under Minnesota Statutes, section
20.33 16A.642, except that the commissioner of
20.34 management and budget shall count the start
20.35 of authorization for issuance of state bonds

21.1 as the first day of the fiscal year during
 21.2 which the bonds are available to be issued as
 21.3 specified under paragraph (a), and not as the
 21.4 date of enactment of this section.

21.5 **Sec. 4. TRANSPORTATION ECONOMIC**
 21.6 **DEVELOPMENT PROGRAM** **\$ 200,000,000**

21.7 (a) This appropriation is for the transportation
 21.8 economic development program under
 21.9 Minnesota Statutes, section 174.12, and is
 21.10 available in the amounts of \$50,000,000 in
 21.11 each fiscal year from 2016 to 2019. The
 21.12 commissioner may use up to 17 percent of
 21.13 the amount each year for program delivery.

21.14 (b) The appropriation in this section cancels
 21.15 as specified under Minnesota Statutes, section
 21.16 16A.642, except that the commissioner of
 21.17 management and budget shall count the start
 21.18 of authorization for issuance of state bonds
 21.19 as the first day of the fiscal year during
 21.20 which the bonds are available to be issued as
 21.21 specified under paragraph (a), and not as the
 21.22 date of enactment of this section.

21.23 **Sec. 5. BOND SALE EXPENSES** **\$ 1,000,000**

21.24 This appropriation is to the commissioner
 21.25 of management and budget for bond sale
 21.26 expenses under Minnesota Statutes, sections
 21.27 16A.641, subdivision 8; and 167.50,
 21.28 subdivision 4, and is available in the amounts
 21.29 of \$250,000 in each fiscal year from 2016 to
 21.30 2019.

21.31 **Sec. 6. EFFECTIVE DATE.**

21.32 This article is effective July 1, 2015.

ARTICLE 3

GROSS RECEIPTS TAX

22.1

22.2

22.3 Section 1. Minnesota Statutes 2014, section 296A.061, is amended to read:

22.4 **296A.061 CANCELLATION OR NONRENEWAL OF LICENSES.**

22.5 The commissioner may cancel a license or not renew a license if one of the following
22.6 conditions occurs:

22.7 (1) the license holder has not filed a petroleum tax return or report for at least one year;

22.8 (2) the license holder has not filed a gross receipts tax return for at least one year;

22.9 (3) the license holder has not reported any petroleum tax liability or gross receipts
22.10 tax liability on the license holder's returns or reports for at least one year; or

22.11 ~~(3)~~ (4) the license holder requests cancellation of the license.

22.12 Sec. 2. **[296A.085] MOTOR FUELS GROSS RECEIPTS TAX.**

22.13 Subdivision 1. **Imposition.** A tax is imposed on the wholesale business of selling
22.14 the means or substance used for propelling vehicles on the highways of this state. The tax
22.15 is imposed at the rate of 6.5 percent of gross receipts derived by a distributor from the first
22.16 sale at wholesale of gasoline, gasoline blended with ethanol, agricultural alcohol gasoline,
22.17 and special fuels within this state for use in motor vehicles.

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

22.21 Subd. 3. **Conversion of tax rate.** (a) Annually on or before August 1, the
22.22 commissioner shall determine the applicable gross receipts motor fuels tax rate per gallon.
22.23 The tax per gallon shall be the greater of either:

22.24 (1) 6.5 percent of \$2.50; or

22.25 (2) 6.5 percent of the prior fiscal year's average wholesale gasoline price per
22.26 gallon in Minnesota for all grades by refiners, as published by the United States Energy
22.27 Information Administration and rounded to the nearest tenth of a cent per gallon. The
22.28 wholesale price used must not include any tax or fee assessed by the state of Minnesota
22.29 or the United States government.

22.30 (b) The announced rate is effective for a 12-month period consisting of the next
22.31 October 1 to September 30. The commissioner shall publish on the department's Web site
22.32 the total of the gross receipts tax and the excise tax.

22.33 Subd. 4. **Administrative provisions.** Except as otherwise provided in this chapter,
22.34 the relevant audit, assessment, refund, penalty, interest, enforcement, collection remedies,

23.1 appeal, and administrative provisions of chapter 289A apply to taxes imposed under
 23.2 this section.

23.3 Subd. 5. **Deposit of revenues.** The commissioner shall deposit the revenues from
 23.4 the gross receipts tax into the highway user tax distribution fund.

23.5 **EFFECTIVE DATE.** This section is effective October 1, 2015, and applies to
 23.6 gross receipts attributable to the described products and derived by a distributor on or
 23.7 after that day.

23.8 Sec. 3. Minnesota Statutes 2014, section 296A.11, is amended to read:

23.9 **296A.11 SELLER MAY COLLECT TAX.**

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

23.19 Sec. 4. Minnesota Statutes 2014, section 296A.12, is amended to read:

23.20 **296A.12 GASOLINE AND SPECIAL FUEL TAX AND MOTOR FUELS**
 23.21 **GROSS RECEIPTS TAX IN LIEU OF OTHER TAXES.**

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

23.28 Sec. 5. Minnesota Statutes 2014, section 296A.16, is amended to read:

23.29 **296A.16 REFUND OR CREDIT.**

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

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

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

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

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

24.8 (5) in error;

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

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

24.13 Subd. 2. **Fuel used in other vehicle; claim for refund.** Any person who buys and

24.14 uses gasoline for a qualifying purpose other than use in motor vehicles, snowmobiles

24.15 except as provided in clause (2), or motorboats, or special fuel for a qualifying purpose

24.16 other than use in licensed motor vehicles, and who paid the excise or gross receipts tax

24.17 directly or indirectly through the amount of the tax being included in the price of the

24.18 gasoline or special fuel, or otherwise, shall be reimbursed and repaid the amount of the

24.19 tax paid upon filing with the commissioner a claim for refund in the form and manner

24.20 prescribed by the commissioner, and containing the information the commissioner shall

24.21 require. By signing any such claim which is false or fraudulent, the applicant shall be

24.22 subject to the penalties provided in this chapter for knowingly making a false claim.

24.23 The claim shall set forth the total amount of the gasoline so purchased and used by the

24.24 applicant other than in motor vehicles, or special fuel purchased and used by the applicant

24.25 other than in licensed motor vehicles, and shall state when and for what purpose it was

24.26 used. When a claim contains an error in computation or preparation, the commissioner

24.27 is authorized to adjust the claim in accordance with the evidence shown on the claim or

24.28 other information available to the commissioner. The commissioner, on being satisfied

24.29 that the claimant is entitled to the payments, shall approve the claim and transmit it to the

24.30 commissioner of management and budget. The words "gasoline" or "special fuel" as used

24.31 in this subdivision do not include aviation gasoline or special fuel for aircraft. Gasoline or

24.32 special fuel bought and used for a "qualifying purpose" means:

24.33 (1) Gasoline or special fuel used in carrying on a trade or business, used on a farm

24.34 situated in Minnesota, and used for a farming purpose. "Farm" and "farming purpose"

24.35 have the meanings given them in section 6420(c)(2), (3), and (4) of the Internal Revenue

24.36 Code as defined in section 289A.02, subdivision 7.

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

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

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

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

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

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

25.19 (1) the tax paid by the distributor on, or gross receipts from the sale of, gasoline,
25.20 undyed diesel fuel, or undyed kerosene destroyed by accident while in the possession of
25.21 the dealer; or

25.22 (2) the tax paid by a distributor or special fuels dealer on, or gross receipts from the
25.23 sale of, other special fuels destroyed by accident while in the possession of the dealer.

25.24 Subd. 4. **Refrigerator units; refunds.** Notwithstanding the provisions of
25.25 subdivision 1, the commissioner shall allow a special fuel dealer a refund of the tax paid
25.26 on, or gross receipts from the sale of, fuel sold directly into a supply tank of a refrigeration
25.27 unit with a separate engine and used exclusively by that refrigeration unit. A claim for
25.28 refund may be filed as provided in this section.

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

25.35 Subd. 4b. **Racing gasoline; refunds.** Notwithstanding subdivision 1, the
25.36 commissioner shall allow a licensed distributor a refund of the tax paid on, or gross

26.1 receipts from the sale of, leaded gasoline of 110 octane or more that does not meet ASTM
26.2 specification D4814 for gasoline and that is sold in bulk for use in nonregistered motor
26.3 vehicles. A claim for a refund may be filed as provided for in this section.

26.4 Subd. 5. **Qualifying service station credit.** Notwithstanding any other provision of
26.5 law to the contrary, the tax imposed on gasoline, undyed diesel fuel, or undyed kerosene,
26.6 together with the amount attributable to gross receipts tax on these fuels, delivered to a
26.7 qualified service station may not exceed, or must be reduced to, a rate not more than
26.8 three cents per gallon above the state tax rate imposed on such products sold by a service
26.9 station in a contiguous state located within the distance indicated in this subdivision. A
26.10 distributor shall be allowed a credit or refund for the amount of reduction computed in
26.11 accordance with this subdivision. For purposes of this subdivision, a "qualifying service
26.12 station" means a service station located within 7.5 miles, measured by the shortest route
26.13 by public road, from a service station selling like product in the contiguous state.

26.14 Subd. 7. **Civil penalty for filing false claim.** A person who violates section
26.15 296A.23, subdivision 1, shall forfeit the full amount of the claim. In addition, a person who
26.16 is convicted under section 296A.23 for filing a false statement or claim shall, in addition
26.17 to any criminal penalties imposed, be prohibited from filing with the commissioner any
26.18 claim for refund upon gasoline purchased within six months after such conviction.

26.19 Subd. 8. **Appropriation.** There is appropriated to the persons entitled to refund or
26.20 credit under this section, from the fund or account in the state treasury to which the money
26.21 was credited, an amount sufficient to make the credit or refund.

26.22 Sec. 6. Minnesota Statutes 2014, section 296A.18, subdivision 2, is amended to read:

26.23 Subd. 2. **Motorboat.** Approximately 1-1/2 percent of all gasoline received in this
26.24 state and 1-1/2 percent of all gasoline produced or brought into this state, except gasoline
26.25 used for aviation purposes, is being used as fuel for the operation of motorboats on the
26.26 waters of this state and of the total revenue derived from the imposition of the gasoline
26.27 fuel tax and motor fuels gross receipts tax on gasoline for uses other than for aviation
26.28 purposes, 1-1/2 percent of the revenue is the amount of tax on fuel used in motorboats
26.29 operated on the waters of this state. The amount of unrefunded tax paid on gasoline used
26.30 for motor boat purposes as computed in this chapter shall be paid into the state treasury
26.31 and credited to a water recreation account in the special revenue fund for acquisition,
26.32 development, maintenance, and rehabilitation of sites for public access and boating
26.33 facilities on public waters; lake and river improvement; and boat and water safety.

26.34 Sec. 7. Minnesota Statutes 2014, section 296A.18, subdivision 3, is amended to read:

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

27.7 Sec. 8. Minnesota Statutes 2014, section 296A.18, subdivision 4, is amended to read:

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

27.14 Sec. 9. Minnesota Statutes 2014, section 296A.18, subdivision 5, is amended to read:

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

27.21 Sec. 10. Minnesota Statutes 2014, section 296A.18, subdivision 6, is amended to read:

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

27.29 Sec. 11. Minnesota Statutes 2014, section 296A.18, subdivision 7, is amended to read:

27.30 Subd. 7. **Forest road.** Approximately 0.116 percent of the total annual unrefunded
27.31 revenue from the gasoline fuel tax and motor fuels gross receipts tax on gasoline on all
27.32 gasoline and special fuel received in, produced, or brought into this state, except gasoline

28.1 and special fuel used for aviation purposes, is derived from the operation of motor vehicles
28.2 on state forest roads and county forest access roads. This revenue, together with interest
28.3 and penalties for delinquency in payment, paid or collected pursuant to the provisions of
28.4 this chapter, is appropriated from the highway user tax distribution fund and must be
28.5 transferred and credited in equal installments on July 1 and January 1 to the state forest
28.6 road account established in section 89.70. Of this amount, 0.0605 percent is annually
28.7 derived from motor vehicles operated on state forest roads and 0.0555 percent is annually
28.8 derived from motor vehicles operated on county forest access roads in this state. An
28.9 amount equal to 0.0555 percent of the unrefunded revenue must be annually transferred to
28.10 counties for the management and maintenance of county forest roads.

28.11 Sec. 12. **REVISOR'S INSTRUCTION.**

28.12 In Minnesota Statutes, the revisor of statutes shall rename Minnesota Statutes,
28.13 chapter 296A, to be "Tax on Petroleum and Other Fuels; Gross Receipts Tax."

28.14 **ARTICLE 4**

28.15 **VEHICLE REGISTRATION TAX**

28.16 Section 1. Minnesota Statutes 2014, section 168.013, subdivision 1a, is amended to read:

28.17 Subd. 1a. **Passenger automobile; hearse.** (a) On passenger automobiles as defined
28.18 in section 168.002, subdivision 24, and hearses, except as otherwise provided, the tax
28.19 shall be an amount equal to a combination of the following: \$10 for those vehicles with
28.20 registration periods beginning on or before June 30, 2018; and \$20 for those vehicles
28.21 with registration periods on or after July 1, 2018, plus an additional tax equal to ~~1.25~~ a
28.22 percentage of 1.5 percent of the base value as specified in paragraph (h).

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

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

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

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

29.2	FROM	TO
29.3	\$ 0	\$ 199.99
29.4	\$ 200	\$ 399.99

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

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

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

29.19 (h) The annual additional tax must be computed upon a the specified percentage of
 29.20 1.5 percent of the base value as follows: during the first year of vehicle life, upon 100
 29.21 ~~percent of the base value~~; for the second year, 90 percent ~~of such value~~; for the third year,
 29.22 80 percent ~~of such value~~; for the fourth year, 70 percent ~~of such value~~; for the fifth year, 60
 29.23 percent ~~of such value~~; for the sixth year, 50 percent ~~of such value~~; for the seventh year,
 29.24 40 percent ~~of such value~~; for the eighth year, 30 percent ~~of such value~~; for the ninth
 29.25 year, 20 percent ~~of such value~~; for the tenth year, ten percent ~~of such value~~; for the 11th
 29.26 and each succeeding year, the sum of \$25.

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

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

29.31 **EFFECTIVE DATE.** This section is effective the day following final enactment
 29.32 and applies to any tax for a registration period that begins on or after September 1, 2015.

30.1 **ARTICLE 5**30.2 **METROPOLITAN TRANSIT IMPROVEMENT AREA SALES TAX**

30.3 Section 1. Minnesota Statutes 2014, section 297A.992, subdivision 1, is amended to
30.4 read:

30.5 Subdivision 1. **Definitions.** For purposes of this section, the following terms have
30.6 the meanings given them:

30.7 (1) "metropolitan transportation area" means the counties participating in the joint
30.8 powers agreement under subdivision 3;

30.9 (2) "eligible county" means the county of Anoka, Carver, Dakota, Hennepin,
30.10 Ramsey, Scott, or Washington; and

30.11 (3) ~~"committee" means the Grant Evaluation and Ranking System (GEARS)~~
30.12 ~~Committee;~~

30.13 (4) "minimum guarantee county" means any metropolitan county or eligible county
30.14 that is participating in the joint powers agreement under subdivision 3, whose proportion
30.15 of the annual sales tax revenue under this section collected within that county is less
30.16 than or equal to three percent; ~~and~~

30.17 (5) ~~"population" means the population, as defined in section 477A.011, subdivision~~
30.18 ~~3, estimated or established by July 15 of the year prior to the calendar year in which~~
30.19 ~~the representatives will serve on the Grant Evaluation and Ranking System Committee~~
30.20 ~~established under subdivision 5.~~

30.21 Sec. 2. Minnesota Statutes 2014, section 297A.992, subdivision 4, is amended to read:

30.22 Subd. 4. **Joint powers board.** (a) The joint powers board must consist of one
30.23 or more commissioners of each county that is in the metropolitan transportation area,
30.24 appointed by its county board, and the chair of the Metropolitan Council, who must have
30.25 voting rights, subject to subdivision 3, clause (4). The joint powers board has the powers
30.26 and duties provided in this section and section 471.59.

30.27 (b) The joint powers board may utilize no more than three-fourths of one percent of
30.28 the proceeds of the taxes imposed under this section for ordinary administrative expenses
30.29 incurred in carrying out the provisions of this section. Any additional administrative
30.30 expenses must be paid by the participating counties.

30.31 (c) The joint powers board may establish a technical advisory group ~~that is separate~~
30.32 ~~from the GEARS Committee.~~ The group must consist of representatives of cities, counties,
30.33 or public agencies, including the Metropolitan Council. The technical advisory group
30.34 must be used solely for technical consultation purposes.

31.1 Sec. 3. Minnesota Statutes 2014, section 297A.992, subdivision 5, is amended to read:

31.2 Subd. 5. **Grant application and awards; ~~Grant Evaluation and Ranking System~~**
31.3 **(GEARS) Committee.** (a) The joint powers board shall establish a grant application
31.4 process and identify the amount of available funding for grant awards. Grant applications
31.5 must be submitted in a form prescribed by the joint powers board. An applicant must
31.6 provide, in addition to all other information required by the joint powers board, the
31.7 estimated cost of the project, the amount of the grant sought, possible sources of funding
31.8 in addition to the grant sought, and identification of any federal funds that will be utilized
31.9 if the grant is awarded. A grant application seeking transit capital funding must identify
31.10 the source of money necessary to operate the transit improvement.

31.11 (b) The joint powers board shall establish a timeline and procedures for the award of
31.12 grants, and may award grants only to the state and political subdivisions. The board shall
31.13 define objective criteria for the award of grants, which must include, but not be limited to,
31.14 consistency with the most recent version of the transportation policy plan adopted by the
31.15 Metropolitan Council under section 473.146. The joint powers board shall maximize the
31.16 availability and use of federal funds in projects funded under this section.

31.17 (c) ~~The joint powers board shall establish a GEARS Committee, which must consist~~
31.18 ~~of:~~

31.19 ~~(1) one county commissioner from each county that is in the metropolitan~~
31.20 ~~transportation area, appointed by its county board;~~

31.21 ~~(2) one elected city representative from each county that is in the metropolitan~~
31.22 ~~transportation area;~~

31.23 ~~(3) one additional elected city representative from each county for every additional~~
31.24 ~~400,000 in population, or fraction of 400,000, in the county that is above 400,000 in~~
31.25 ~~population; and~~

31.26 ~~(4) the chair of the Metropolitan Council Transportation Committee.~~

31.27 (d) ~~Each city representative must be elected at a meeting of cities in the metropolitan~~
31.28 ~~transportation area, which must be convened for that purpose by the Association of~~
31.29 ~~Metropolitan Municipalities.~~

31.30 (e) ~~The committee shall evaluate grant applications following objective criteria~~
31.31 ~~established by the joint powers board, and must provide to the joint powers board a~~
31.32 ~~selection list of transportation projects that includes a priority ranking.~~

31.33 (f) A grant award for a transit project located within the metropolitan area, as defined
31.34 in section 473.121, subdivision 2, may be funded only after the Metropolitan Council
31.35 reviews the project for consistency with the transit portion of the Metropolitan Council
31.36 policy plan and one of the following occurs:

32.1 (1) the Metropolitan Council finds the project to be consistent;

32.2 (2) the Metropolitan Council initially finds the project to be inconsistent, but after a
32.3 good faith effort to resolve the inconsistency through negotiations with the joint powers
32.4 board, agrees that the grant award may be funded; or

32.5 (3) the Metropolitan Council finds the project to be inconsistent, and submits the
32.6 consistency issue for final determination to a panel, which determines the project to be
32.7 consistent. The panel is composed of a member appointed by the chair of the Metropolitan
32.8 Council, a member appointed by the joint powers board, and a member agreed upon by
32.9 both the chair and the joint powers board.

32.10 ~~(g)~~ (d) Grants must be funded by the proceeds of the taxes imposed under this
32.11 section and under section 297A.9925, bonds, notes, or other obligations issued by the
32.12 joint powers board under subdivision 7.

32.13 ~~(h) Notwithstanding the provisions of this section except subdivision 6a, of~~
32.14 ~~the revenue collected under this section, the joint powers board shall allocate to the~~
32.15 ~~Metropolitan Council, in fiscal years 2012 and 2013, an amount not less than 75 percent of~~
32.16 ~~the net cost of operations for those transitways that were receiving metropolitan sales tax~~
32.17 ~~funds through an operating grant agreement on June 30, 2011.~~

32.18 ~~(i) The Metropolitan Council shall expend any funds allocated under paragraph (h)~~
32.19 ~~for the operations of the specified transitways solely within those counties that are in the~~
32.20 ~~metropolitan transportation area.~~

32.21 ~~(j)~~ (e) Nothing in ~~paragraph (h) or (i) this section~~ prevents grant awards to
32.22 the Metropolitan Council for capital and operating assistance for transitways and
32.23 park-and-ride facilities.

32.24 Sec. 4. Minnesota Statutes 2014, section 297A.992, subdivision 6, is amended to read:

32.25 Subd. 6. **Allocation of grant awards.** (a) The board must allocate grant awards
32.26 only for the following transit purposes:

32.27 ~~(i)~~ (1) capital improvements to transitways, including, but not limited to, highway
32.28 bus rapid transit, commuter rail rolling stock, light rail vehicles, and transitway buses;

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

32.31 ~~(iii)~~ (3) feasibility studies, planning, alternatives analyses, environmental studies,
32.32 engineering, property acquisition for transitway purposes, and construction of transitways.

32.33 A grant must not exceed an amount equal to total capital cost less the amounts of expected
32.34 contributions by regional railroad authorities and the federal government; and

33.1 ~~(iv)~~ (4) 50 percent of net operating assistance for cost of transitways that commenced
 33.2 revenue operations before September 30, 2015;

33.3 (5) 100 percent of net operating cost of the Robert Street transitway and Riverview
 33.4 Corridor transitway; and

33.5 (6) capital and operating costs for any transitway improvement or transitway.

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

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

33.12 **Sec. 5. [297A.9925] METROPOLITAN TRANSIT IMPROVEMENT AREA**
 33.13 **TRANSIT SALES AND USE TAX; RATE; IMPOSITION; USES; PRIORITIES.**

33.14 Subdivision 1. **Definitions.** For purposes of this section, the following terms have
 33.15 the following meanings:

33.16 (1) "metropolitan transit improvement area" or "area" means the counties of Anoka,
 33.17 Carver, Dakota, Hennepin, Ramsey, Scott, and Washington;

33.18 (2) "Metropolitan Council" or "council" means the Metropolitan Council established
 33.19 by section 473.123; and

33.20 (3) "local governmental unit" means any county, city, town, school district, special
 33.21 district, or other political subdivisions or public corporation, other than the council or a
 33.22 metropolitan agency, lying in whole or in part within the metropolitan transit improvement
 33.23 area.

33.24 Subd. 2. **Metropolitan transit improvement area transit sales tax imposition;**
 33.25 **rate.** (a) Notwithstanding section 297A.99, subdivisions 1, 2, and 3, 477A.016, or any other
 33.26 law, and subject to the approval requirements in paragraph (c), a metropolitan area transit
 33.27 sales and use tax is imposed at a rate of three-quarters of one percent on retail sales and
 33.28 uses taxable under this chapter occurring within the metropolitan transit improvement area.

33.29 (b) The taxes imposed under this subdivision are not included in determining if the
 33.30 total tax on lodging in the city of Minneapolis exceeds the maximum allowed tax under
 33.31 Laws 1986, chapter 396, section 5, as amended by Laws 2001, First Special Session
 33.32 chapter 5, article 12, section 87, and Laws 2012, chapter 299, article 3, section 3, or in
 33.33 determining a tax that may be imposed under any other limitations.

33.34 (c) The tax imposed under paragraph (a) is imposed on all counties in the
 33.35 metropolitan transit improvement area, except that if the governing boards of at least

34.1 four counties in the area vote to opt out of the tax before June 15, 2015, the tax is not
34.2 imposed in the counties in which the governing board has voted to opt out of the tax. If
34.3 the governing boards of fewer than four counties in the area vote to opt out of the tax, then
34.4 the tax is imposed on all counties in the area.

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

34.8 Subd. 4. **Distribution of net revenues.** After deducting costs of collection and other
34.9 costs under section 297A.99, subdivision 11, the commissioner of revenue shall remit:

34.10 (1) to the Counties Transit Improvement Board, an amount equal to 8.5 percent of
34.11 the net proceeds of the tax imposed under subdivision 2; and

34.12 (2) to the Metropolitan Council, the remaining proceeds.

34.13 Subd. 5. **General purpose; consistency with transportation policy plan.** (a) The
34.14 Metropolitan Council shall utilize the proceeds of the tax imposed under subdivision
34.15 2 for transit purposes described under subdivision 7, within the metropolitan transit
34.16 improvement area.

34.17 (b) Projects funded with the metropolitan transit improvement area transit sales and
34.18 use tax proceeds must not be inconsistent with the long-range transportation policy plan
34.19 adopted by the council under section 473.146 and located within the transit improvement
34.20 area.

34.21 Subd. 6. **Priorities.** The council shall allocate revenues from the taxes imposed
34.22 under this section in conformance with the following priority order:

34.23 (1) payment of debt service necessary for the fiscal year on bonds or other
34.24 obligations secured by revenues from the tax imposed in this section;

34.25 (2) proportional distribution of an amount equal to one-eighth of the total net
34.26 proceeds of the taxes imposed under subdivision 2 and under section 297A.992,
34.27 subdivision 2, so that the share of each county in the metropolitan transit improvement
34.28 area is based on the proportion of taxes generated in that county. Grant awards under
34.29 this clause must be used by Hennepin County only for transit purposes, but by all other
34.30 counties for any transit purpose or any transportation purpose that has a nexus to transit or
34.31 transit-oriented development; and

34.32 (3) as otherwise authorized under subdivision 7.

34.33 Subd. 7. **Use of tax proceeds.** (a) After deducting the amount necessary under
34.34 subdivision 6, clauses (1) and (2), the council shall allocate remaining revenues from the
34.35 tax imposed in this section for the following purposes:

- 35.1 (1) operating and capital costs to preserve existing bus services that are in
35.2 conformance with regional transit performance standards as specified in the council's
35.3 transportation policy plan;
- 35.4 (2) 100 percent of the net operating costs of arterial bus rapid transit lines in operation
35.5 on September 30, 2015, and 50 percent of the net operating costs of other transitways;
- 35.6 (3) grants required under paragraph (b);
- 35.7 (4) operating and capital costs for transit expansion in accordance with the transit
35.8 portion of the council's policy transit plan, including, but not limited to:
- 35.9 (i) expansion and upgrades of regular route and commuter bus service provided
35.10 by metropolitan transit and replacement services under section 473.388, with overall
35.11 expansion of service by an annual average rate of four percent;
- 35.12 (ii) development of arterial bus rapid transit, transitways, and streetcar systems; and
35.13 (iii) maintenance of affordable transit fares;
- 35.14 (5) operating and capital costs for expansion and improvement of regional
35.15 transitways and streetcars;
- 35.16 (6) to transit authorities to establish, replace, or modify transit shelters to conform
35.17 with design specifications and maintenance requirements within the meaning of section
35.18 473.41;
- 35.19 (7) as grants in the annual amount of \$390,000, payable by July 31, to transportation
35.20 management organizations that provide services exclusively or primarily in (1) each city
35.21 of the first class, as provided under section 410.01; and (2) the city having the highest
35.22 population as of the effective date of this section located along the marked Interstate
35.23 Highway 494 corridor. Permissible uses include administrative expenses and programming
35.24 and service expansion, including but not limited to staffing, communications, outreach and
35.25 education program development, and operations management;
- 35.26 (8) for financial assistance to replacement service providers under section 473.388
35.27 in the amount of \$1,500,000 in fiscal year 2016 and \$1,500,000 in fiscal year 2017, to
35.28 implement a demonstration project that provides regular route transit or express bus
35.29 service between municipalities in the metropolitan transportation improvement area,
35.30 excluding cities of the first class. The council shall allocate the appropriated funds as
35.31 directed by the replacement service providers who shall collectively identify one or more
35.32 demonstration projects for financial assistance under this section and submit a notification
35.33 of the allocation to the Metropolitan Council. Criteria for evaluating and identifying
35.34 demonstration projects must include but are not limited to:
- 35.35 (i) scope of service offering improvements;
- 35.36 (ii) integration with transit facilities and major business, retail, or suburban centers;

36.1 (iii) extent to which a proposed route complements existing transit service; and
 36.2 (iv) density of employment along a proposed route;
 36.3 (9) to the Center for Transportation Studies, University of Minnesota, \$500,000
 36.4 annually for research to improve accessibility, operational efficiency, and safety of transit
 36.5 systems; and

36.6 (10) any other costs payable in accordance with subdivisions 5, 6, and 7, which
 36.7 may include, but are not limited to, transit operations, capital improvements, design,
 36.8 engineering and environmental work, acquisition of real property, transit planning and
 36.9 feasibility studies, and to provide grants to local governmental units for transit purposes,
 36.10 including streetcars, or for bicycle and pedestrian projects.

36.11 (b) The council shall make available an amount equal to ten percent of the revenues
 36.12 from the tax imposed in this section and in section 297A.992 through grants to local
 36.13 units of government within the metropolitan transit improvement area for construction
 36.14 and maintenance of regional bicycle, trail, and pedestrian infrastructure for safe routes to
 36.15 school infrastructure and for active transportation programs under section 174.38.

36.16 **EFFECTIVE DATE.** This section is effective for sales and purchases made after
 36.17 September 30, 2015, and applies in the counties of Anoka, Carver, Dakota, Hennepin,
 36.18 Ramsey, Scott, and Washington, except that subdivision 2, paragraph (c), is effective the
 36.19 day following final enactment.

36.20 **Sec. 6. REPEALER.**

36.21 Minnesota Statutes 2014, section 473.4051, subdivision 2, is repealed.

36.22 **EFFECTIVE DATE.** This section is effective July 1, 2015.

36.23 **ARTICLE 6**

36.24 **OTHER TAXES, FEES, AND TRANSFERS**

36.25 Section 1. Minnesota Statutes 2014, section 115A.908, is amended to read:

36.26 **115A.908 MOTOR VEHICLE TRANSFER FEE.**

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

37.1 operation of a motor vehicle subject to the transfer fee unless the fee is paid. The fee may
37.2 not be charged on the transfer of:

- 37.3 (1) previously registered vehicles if the transfer is to the same person;
37.4 (2) vehicles subject to the conditions specified in section 297A.70, subdivision 2; or
37.5 (3) vehicles purchased in another state by a resident of another state if more than 60
37.6 days have elapsed after the date of purchase and the purchaser is transferring title to this
37.7 state and has become a resident of this state after the purchase.

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

37.9 Subd. 2. **Deposit of revenue.** (a) Fee revenue collected under this section shall be
37.10 credited to the environmental fund.

37.11 (b) The commissioner of transportation shall deposit the proceeds of the surcharge
37.12 as follows:

- 37.13 (1) 50 percent in the small city streets and bridges account under section 174.54,
37.14 subdivision 1; and
37.15 (2) 50 percent in the larger city streets and bridges account under section 174.54,
37.16 subdivision 2.

37.17 Sec. 2. Minnesota Statutes 2014, section 161.081, subdivision 1, is amended to read:

37.18 Subdivision 1. **Distribution of five percent.** ~~(a) Pursuant to article 14, section 5, of~~
37.19 ~~the Constitution, five percent of the net highway user tax distribution fund is set aside, and~~
37.20 ~~apportioned to the county state-aid highway fund.~~

37.21 ~~(b) That apportionment is further distributed as follows:~~

- 37.22 ~~(1) 30.5 percent to the town road account created in section 162.081;~~
37.23 ~~(2) 16 percent to the town bridge account, which is created in the state treasury~~ 56.5
37.24 percent to the county state-aid highway fund, consisting of: (i) 30.5 percent to the town
37.25 road account created in section 162.081; (ii) 16 percent to the town bridge account created
37.26 in the state treasury; and (iii) ten percent to the county municipal accounts for purposes
37.27 described in section 162.08; and
37.28 ~~(3) 53.5 percent to the flexible highway account created in subdivision 3~~ (2) 43.5
37.29 percent to the municipal state-aid street fund.

37.30 **EFFECTIVE DATE.** This section is effective July 1, 2015.

37.31 Sec. 3. Minnesota Statutes 2014, section 161.082, subdivision 1, is amended to read:

37.32 Subdivision 1. **Creation of account; rules.** (a) The county turnback account is
37.33 created in the state treasury, consisting of money allotted or appropriated to the account

38.1 from the trunk highway fund or from any other source that will be used for the restoration
38.2 of trunk highways that have reverted or that will revert to counties.

38.3 (b) Except as provided in this section and in section 161.081, all money accruing
38.4 to the county turnback account shall be expended in accordance with rules of the
38.5 commissioner of transportation in paying a county for the restoration of former trunk
38.6 highways, or portions thereof, that have reverted to the county in accordance with law, and
38.7 have become a part of the county state-aid highway system.

38.8 (c) The legislature finds that restoration of trunk highways that have reverted or
38.9 will revert to counties is a trunk highway purpose within the meaning of the Minnesota
38.10 Constitution, article XIV, section 2.

38.11 Sec. 4. Minnesota Statutes 2014, section 161.082, is amended by adding a subdivision
38.12 to read:

38.13 Subd. 1a. **Budget submission.** As part of each biennial budget submission to the
38.14 legislature, the commissioner shall include a request for an appropriation to the county
38.15 turnback account.

38.16 Sec. 5. Minnesota Statutes 2014, section 161.083, is amended to read:

38.17 **161.083 MUNICIPAL TURNBACK ACCOUNT, EXPENDITURE.**

38.18 Subdivision 1. **Creation of account.** (a) The municipal turnback account is created
38.19 in the state treasury, consisting of money allotted or appropriated to the account from the
38.20 trunk highway fund or from any other source that will be used for the restoration of trunk
38.21 highways that have reverted or that will revert to cities.

38.22 (b) Except as hereinafter provided in this section, all money accruing to the
38.23 municipal turnback account shall be expended in accordance with rules of the
38.24 commissioner of transportation in paying a municipality having a population of 5,000 or
38.25 more for the reconstruction and improvement of former trunk highways, or portions
38.26 thereof, that have reverted to such municipality in accordance with law, and have become
38.27 a part of the municipal state-aid street system.

38.28 (c) The legislature finds that restoration of trunk highways that have reverted or
38.29 will revert to cities is a trunk highway purpose within the meaning of the Minnesota
38.30 Constitution, article XIV, section 2.

38.31 Subd. 2. **Biennial budget submission.** As part of each biennial budget submission
38.32 to the legislature, the commissioner shall include a request for an appropriation to the
38.33 municipal turnback account.

39.1 Sec. 6. Minnesota Statutes 2014, section 162.07, subdivision 1a, is amended to read:

39.2 Subd. 1a. **Apportionment sum and excess sum.** (a) For purposes of this
39.3 subdivision, "distribution amount" means the amount identified in section 162.06,
39.4 subdivision 1, after the deductions provided for in section 162.06 for administrative costs,
39.5 disaster account, research account, and state park road account.

39.6 (b) The apportionment sum is calculated ~~by subtracting the excess sum, as calculated~~
39.7 ~~in paragraph (e), from~~ as 68 percent of the distribution amount.

39.8 (c) The excess sum is calculated as ~~the sum of revenue within~~ 32 percent of the
39.9 distribution amount:

39.10 ~~(1) attributed to that portion of the gasoline excise tax rate under section 296A.07,~~
39.11 ~~subdivision 3, in excess of 20 cents per gallon, and to that portion of the excise tax rates~~
39.12 ~~in excess of the energy equivalent of a gasoline excise tax rate of 20 cents per gallon~~
39.13 ~~for E85 and M85 under section 296A.07, subdivision 3, and special fuel under section~~
39.14 ~~296A.08, subdivision 2;~~

39.15 ~~(2) attributed to a change in the passenger vehicle registration tax under section~~
39.16 ~~168.013, imposed on or after July 1, 2008, that exceeds (i) the amount collected in fiscal~~
39.17 ~~year 2008, multiplied by (ii) the annual average United States Consumer Price Index for~~
39.18 ~~the calendar year previous to the current calendar year, divided by the annual average~~
39.19 ~~United States Consumer Price Index for calendar year 2007; and~~

39.20 ~~(3) attributed to that portion of the motor vehicle sales tax revenue in excess of the~~
39.21 ~~percentage allocated to the county state-aid highway fund in fiscal year 2007.~~

39.22 ~~(d) For purposes of this subdivision, the United States Consumer Price Index~~
39.23 ~~identified in paragraph (c) is for all urban consumers, United States city average, as~~
39.24 ~~determined by the United States Department of Labor.~~

39.25 **EFFECTIVE DATE.** This section is effective October 1, 2015.

39.26 Sec. 7. Minnesota Statutes 2014, section 168.012, subdivision 1c, is amended to read:

39.27 Subd. 1c. **Payment of administrative, plate, and filing fee.** The annual
39.28 administrative fee for a tax-exempt vehicle under this section is \$5. The license plate
39.29 fee for a tax-exempt vehicle, except a trailer, is ~~\$10~~ \$12.50 for two plates per vehicle,
39.30 payable only on the first tax-exempt registration of the vehicle. The registration period for
39.31 a tax-exempt vehicle is biennial. The administrative fee is due on March 1 biennially and
39.32 payable the preceding January 1, with validating stickers issued at time of payment.

39.33 Sec. 8. Minnesota Statutes 2014, section 168.013, subdivision 1d, is amended to read:

40.1 Subd. 1d. **Trailer.** (a) On trailers registered at a gross vehicle weight of greater
40.2 than 3,000 pounds, the annual tax is based on total gross weight and is 30 percent of the
40.3 Minnesota base rate prescribed in subdivision 1e, when the gross weight is 15,000 pounds
40.4 or less, and when the gross weight of a trailer is more than 15,000 pounds, the tax for the
40.5 first eight years of vehicle life is 100 percent of the tax imposed in the Minnesota base rate
40.6 schedule, and during the ninth and succeeding years of vehicle life the tax is 75 percent of
40.7 the Minnesota base rate prescribed by subdivision 1e. A trailer registered at a gross vehicle
40.8 weight greater than 3,000 pounds but no greater than 7,200 pounds may be taxed either: (1)
40.9 annually as provided in this paragraph, or (2) once every three years on the basis of total
40.10 gross weight and is 90 percent of the Minnesota base rate prescribed in subdivision 1e.

40.11 (b) Farm trailers with a gross weight in excess of 10,000 pounds and as described in
40.12 section 168.002, subdivision 8, are taxed as farm trucks as prescribed in subdivision 1c.

40.13 (c) Effective on and after July 1, 2001, trailers registered at a gross vehicle weight
40.14 of 3,000 pounds or less must display a distinctive plate. The registration on the license
40.15 plate is valid for the life of the trailer only if it remains registered at the same gross vehicle
40.16 weight. The onetime registration tax for trailers registered for the first time in Minnesota
40.17 is \$55. For trailers registered in Minnesota before July 1, 2001, and for which:

40.18 (1) registration is desired for the remaining life of the trailer, the registration tax
40.19 is \$25; or

40.20 (2) permanent registration is not desired, the biennial registration tax is \$10 for the
40.21 first renewal if registration is renewed between and including July 1, 2001, and June 30,
40.22 2003. These trailers must be issued permanent registration at the first renewal on or after
40.23 July 1, 2003, and the registration tax is \$20.

40.24 For trailers registered at a gross weight of 3,000 pounds or less before July 1, 2001,
40.25 but not renewed until on or after July 1, 2003, the registration tax is \$20 and permanent
40.26 registration must be issued.

40.27 **EFFECTIVE DATE.** This section is effective the day following final enactment
40.28 and applies to taxes payable for a registration period starting on or after January 1, 2016.

40.29 Sec. 9. Minnesota Statutes 2014, section 168.12, subdivision 2, is amended to read:

40.30 Subd. 2. **Amateur radio licensee; special plates, rules.** (a) The commissioner shall
40.31 issue amateur radio plates to an applicant who:

40.32 (1) is an owner of a passenger automobile or recreational vehicle;

40.33 (2) is a resident of this state;

40.34 (3) holds an official amateur radio station license or a citizens radio service class D
40.35 license, in good standing, issued by the Federal Communications Commission;

41.1 (4) pays the registration tax required under section 168.013;

41.2 (5) pays a fee of ~~\$10~~ \$12.50 for each set of special plates and any other fees required
41.3 by this chapter; and

41.4 (6) complies with this chapter and rules governing the registration of motor vehicles
41.5 and licensing of drivers;

41.6 (b) In lieu of the registration number required for identification under subdivision 1,
41.7 the plates must indicate the official amateur call letters of the applicant, as assigned by the
41.8 Federal Communications Commission, and the words "AMATEUR RADIO."

41.9 (c) This provision for the issue of special plates applies only if the applicant's motor
41.10 vehicle is already registered in Minnesota so that the applicant has valid regular Minnesota
41.11 plates issued for that motor vehicle under which to operate it during the time that it will
41.12 take to have the necessary special plates made.

41.13 (d) If owning more than one motor vehicle of the type specified in this subdivision,
41.14 the applicant may apply for special plates for each motor vehicle and, if each application
41.15 complies with this subdivision, the commissioner shall furnish the applicant with
41.16 the special plates, indicating the official amateur call letters and other distinguishing
41.17 information as the commissioner considers necessary, for each of the motor vehicles.

41.18 (e) The commissioner may make reasonable rules governing the use of the special
41.19 plates as will assure the full compliance by the owner of the special plates, with all existing
41.20 laws governing the registration of motor vehicles and the transfer and use of the plates.

41.21 (f) Despite any contrary provision of subdivision 1, the special plates issued under this
41.22 subdivision may be transferred by an owner to another motor vehicle listed in paragraph
41.23 (a) and registered to the same owner, upon the payment of a fee of \$5. The commissioner
41.24 must be notified before the transfer and may prescribe a format for the notification.

41.25 Sec. 10. Minnesota Statutes 2014, section 168.12, subdivision 2b, is amended to read:

41.26 Subd. 2b. **Firefighters; special plates, rules.** (a) The commissioner shall issue
41.27 special plates, or a single license plate in the case of a motorcycle plate, to any applicant
41.28 who:

41.29 (1) is a member of a fire department receiving state aid under chapter 69, has a
41.30 letter from the fire chief, and is an owner of a passenger automobile, a one-ton pickup
41.31 truck, or a motorcycle;

41.32 (2) pays a fee of ~~\$10~~ \$12.50 and any other fees required by this chapter;

41.33 (3) pays the registration tax required by this chapter for the motor vehicle; and

41.34 (4) complies with this chapter and rules governing the registration of motor vehicles
41.35 and licensing of drivers.

42.1 (b) In lieu of the identification required under subdivision 1, the special plates must
42.2 bear an emblem of a Maltese Cross together with any numbers or characters prescribed by
42.3 the commissioner.

42.4 (c) Special plates issued under this subdivision may only be used during the period
42.5 that the owner of the motor vehicle is a member of a fire department as specified in this
42.6 subdivision. When the individual to whom the special plates were issued is no longer a
42.7 member of a fire department or when the motor vehicle ownership is transferred, the
42.8 owner shall remove the special plates from the motor vehicle. If the commissioner
42.9 receives written notification that an individual is no longer qualified for these special
42.10 plates, the commissioner shall invalidate the plates and notify the individual of this
42.11 action. The individual may retain the plate only upon demonstrating compliance with the
42.12 qualifications of this subdivision. Upon removal or invalidation of the special plates or
42.13 special motorcycle plate, the owner or purchaser of the motor vehicle shall obtain regular
42.14 plates, a regular motorcycle plate, or special plates for the proper registration classification
42.15 for the motor vehicle.

42.16 (d) A special motorcycle license plate issued under this subdivision must be the
42.17 same size as a standard motorcycle license plate.

42.18 (e) Upon payment of a fee of \$5, plates issued under this subdivision for a passenger
42.19 automobile or truck may be transferred to another passenger automobile or truck owned
42.20 or jointly owned by the person to whom the plates were issued. On payment of a fee of
42.21 \$5, a plate issued under this subdivision for a motorcycle may be transferred to another
42.22 motorcycle owned or jointly owned by the person to whom the plate was issued.

42.23 (f) The commissioner may adopt rules under the Administrative Procedure Act,
42.24 sections 14.001 to 14.69, to govern the issuance and use of the special plates authorized
42.25 in this subdivision.

42.26 Sec. 11. Minnesota Statutes 2014, section 168.12, subdivision 2c, is amended to read:

42.27 Subd. 2c. **National Guard; special plates, rules.** (a) The commissioner shall
42.28 issue special plates to any applicant who:

42.29 (1) is a regularly enlisted, commissioned, or retired member of the Minnesota
42.30 National Guard, other than an inactive member who is not a retired member, and is an
42.31 owner of a passenger automobile;

42.32 (2) pays a fee of ~~\$10~~ \$12.50 and any other fees required by this chapter;

42.33 (3) pays the registration tax required by this chapter; and

42.34 (4) complies with this chapter and rules governing the registration of motor vehicles
42.35 and licensing of drivers.

43.1 (b) The adjutant general shall design the emblem for these special plates subject to
43.2 the approval of the commissioner.

43.3 (c) Special plates issued under this subdivision may only be used during the period
43.4 that the owner of the motor vehicle is an active or retired member of the Minnesota National
43.5 Guard as specified in this subdivision. When the individual to whom the special plates
43.6 were issued is no longer an active or retired member of the Minnesota National Guard,
43.7 the special plates must be removed from the vehicle by the owner. If the commissioner
43.8 receives written notification that an individual is no longer qualified for these special plates,
43.9 the commissioner shall invalidate the plates and notify the individual of this action. The
43.10 individual may retain the plate only upon demonstrating compliance with the qualifications
43.11 of this subdivision. Upon removal or invalidation of the special plates, either the owner or
43.12 purchaser of the motor vehicle shall obtain regular plates for the motor vehicle.

43.13 (d) While the person is an active or retired member of the Minnesota National
43.14 Guard, plates issued pursuant to this subdivision may be transferred to another motor
43.15 vehicle owned by that individual upon payment of a fee of \$5.

43.16 (e) For purposes of this subdivision, "retired member" means an individual placed on
43.17 the roll of retired officers or roll of retired enlisted members in the Office of the Adjutant
43.18 General under section 192.18 and who is not deceased.

43.19 (f) The commissioner may adopt rules under the Administrative Procedure Act to
43.20 govern the issuance and use of the special plates authorized by this subdivision.

43.21 Sec. 12. Minnesota Statutes 2014, section 168.12, subdivision 2d, is amended to read:

43.22 Subd. 2d. **Ready Reserve; special plates, rules.** (a) The commissioner shall issue
43.23 special plates to an applicant who:

43.24 (1) is not eligible for special National Guard plates under subdivision 2c, is a
43.25 member of the United States armed forces ready reserve as described in United States
43.26 Code, title 10, section 10142 or 10143, or a retired reserve as described in United States
43.27 Code, title 10, section 10154, and is an owner of a passenger automobile;

43.28 (2) pays a fee of ~~\$10~~ \$12.50 and any other fees required by this chapter;

43.29 (3) pays the registration tax required by this chapter; and

43.30 (4) complies with this chapter and rules governing the registration of motor vehicles
43.31 and licensing of drivers.

43.32 (b) The commissioner of veterans affairs shall design the emblem for these special
43.33 plates subject to the approval of the commissioner.

43.34 (c) Special plates issued under this subdivision may only be used during the period
43.35 that the owner of the motor vehicle is a member of the ready reserve. When the owner is

44.1 no longer a member, the special plates must be removed from the motor vehicle by the
44.2 owner. If the commissioner receives written notification that an individual is no longer
44.3 qualified for these special plates, the commissioner shall invalidate the plates and notify
44.4 the individual of this action. The individual may retain the plate only upon demonstrating
44.5 compliance with the qualifications of this subdivision. On removal or invalidation of the
44.6 special plates, either the owner or purchaser of the motor vehicle shall obtain regular
44.7 plates for the motor vehicle. While the owner is a member of the ready reserve, plates
44.8 issued under this subdivision may be transferred to another motor vehicle owned by that
44.9 individual on paying a fee of \$5.

44.10 (d) The commissioner may adopt rules under the Administrative Procedure Act to
44.11 govern the issuance and use of the special plates authorized by this subdivision.

44.12 Sec. 13. Minnesota Statutes 2014, section 168.12, subdivision 2e, is amended to read:

44.13 Subd. 2e. **Volunteer ambulance attendants; special plates.** (a) The commissioner
44.14 shall issue special license plates to an applicant who:

44.15 (1) is a volunteer ambulance attendant as defined in section 144E.001, subdivision
44.16 15, and owns a motor vehicle taxed as a passenger automobile;

44.17 (2) pays the registration tax required by this chapter for the motor vehicle;

44.18 (3) pays a fee of ~~\$10~~ \$12.50 and any other fees required by this chapter; and

44.19 (4) complies with this chapter and rules governing the registration of motor vehicles
44.20 and licensing of drivers.

44.21 (b) An individual may use special plates issued under this subdivision only during
44.22 the period that the individual is a volunteer ambulance attendant. When the individual to
44.23 whom the special plates were issued ceases to be a volunteer ambulance attendant, the
44.24 individual shall remove each set of special plates issued. If the commissioner receives
44.25 written notification that an individual is no longer qualified for these special plates, the
44.26 commissioner shall invalidate the plates and notify the individual of this action. The
44.27 individual may retain the plate only upon demonstrating compliance with the qualifications
44.28 of this subdivision. When ownership of the motor vehicle is transferred, the individual
44.29 shall remove the special plates from that motor vehicle. On removal or invalidation of the
44.30 special plates, the owner or purchaser of the motor vehicle shall obtain regular plates for the
44.31 motor vehicle. Special plates issued under this subdivision may be transferred to another
44.32 motor vehicle owned by the volunteer ambulance attendant on payment of a fee of \$5.

44.33 (c) The commissioner may adopt rules governing the design, issuance, and sale of
44.34 the special plates authorized by this subdivision.

45.1 Sec. 14. Minnesota Statutes 2014, section 168.12, subdivision 2g, is amended to read:

45.2 Subd. 2g. **Retired firefighters; special plates.** (a) The commissioner shall issue
 45.3 special retired firefighters plates to an applicant who:

45.4 (1) is a retired member of a fire department as defined in section 299N.01, subdivision
 45.5 2, has a letter from the fire chief affirming that the applicant is a retired firefighter who
 45.6 served ten or more years and separated in good standing, and is a registered owner of a
 45.7 passenger automobile, a one-ton pickup truck, a recreational vehicle, or a motorcycle;

45.8 (2) pays a fee of ~~\$10~~ \$12.50 for each set of license plates applied for along with
 45.9 any other fees required by this chapter; and

45.10 (3) complies with this chapter and rules governing registration of motor vehicles
 45.11 and licensing of drivers.

45.12 (b) The commissioner shall design the special plate emblem so that it is
 45.13 distinguishable from the emblem on firefighter special plates issued under subdivision 2b.

45.14 (c) On payment of a transfer fee of \$5, plates issued under this subdivision may be
 45.15 transferred to another passenger automobile, one-ton pickup truck, recreational vehicle, or
 45.16 motorcycle registered to the individual to whom the special plates were issued.

45.17 (d) Fees collected under this subdivision must be credited to the vehicle services
 45.18 operating account in the special revenue fund.

45.19 (e) This subdivision is exempt from section 168.1293.

45.20 Sec. 15. Minnesota Statutes 2014, section 168.12, subdivision 5, is amended to read:

45.21 Subd. 5. **Additional fee.** (a) In addition to any fee otherwise authorized or any tax
 45.22 otherwise imposed upon any vehicle, the payment of which is required as a condition to
 45.23 the issuance of any plate or plates, the commissioner shall impose the fee specified in
 45.24 paragraph (b) that is calculated to cover the cost of manufacturing and issuing the plate
 45.25 or plates, except for plates issued to disabled veterans as defined in section 168.031 and
 45.26 plates issued pursuant to section 168.124, 168.125, or 168.27, subdivisions 16 and 17,
 45.27 for passenger automobiles. The commissioner shall issue graphic design plates only
 45.28 for vehicles registered pursuant to section 168.017 and recreational vehicles registered
 45.29 pursuant to section 168.013, subdivision 1g.

45.30 (b) Unless otherwise specified or exempted by statute, the following plate and
 45.31 validation sticker fees apply for the original, duplicate, or replacement issuance of a
 45.32 plate in a plate year:

License Plate	Single	Double
Regular and Disability	\$ 4.50 <u>6.25</u>	\$ 6.00 <u>12.50</u>
		10.00
Special	\$ 8.50	\$ <u>12.50</u>

46.1	Personalized (Replacement)	\$ 10.00	\$ 14.00
46.2	Collector Category	\$ 13.50	\$ 15.00
46.3	Emergency Vehicle Display	\$ 3.00 <u>6.25</u>	\$ 6.00 <u>12.50</u>
46.4	Utility Trailer Self-Adhesive	\$ 2.50	
46.5	Vertical Motorcycle Plate	\$ 100.00	NA
46.6	Stickers		
46.7	Duplicate year	\$ 1.00	\$ 1.00
46.8	International Fuel Tax Agreement	\$ 2.50	

46.9 (c) For vehicles that require two of the categories above, the registrar shall only
 46.10 charge the higher of the two fees and not a combined total.

46.11 Sec. 16. Minnesota Statutes 2014, section 168.121, subdivision 1, is amended to read:

46.12 Subdivision 1. **Issuance and design.** Notwithstanding section 168.1293, the
 46.13 commissioner shall issue special plates remembering victims of impaired drivers to an
 46.14 applicant who:

- 46.15 (1) is a registered owner of a passenger automobile;
- 46.16 (2) pays a fee of ~~\$10~~ \$12.50 for each set of license plates applied for; and
- 46.17 (3) complies with this chapter and rules governing registration of motor vehicles
 46.18 and licensing of drivers.

46.19 Sec. 17. Minnesota Statutes 2014, section 168.123, subdivision 1, is amended to read:

46.20 Subdivision 1. **General requirements; fees.** (a) On payment of a fee of ~~\$10~~ \$12.50
 46.21 for each set of two plates, or for a single plate in the case of a motorcycle plate, payment
 46.22 of the registration tax required by law, and compliance with other applicable laws relating
 46.23 to vehicle registration and licensing, as applicable, the commissioner shall issue:

- 46.24 (1) special veteran's plates to an applicant who served in the active military service
 46.25 in a branch of the armed forces of the United States or of a nation or society allied with the
 46.26 United States in conducting a foreign war, was discharged under honorable conditions,
 46.27 and is a registered owner of a passenger automobile, recreational motor vehicle, or
 46.28 one-ton pickup truck, but which is not a commercial motor vehicle as defined in section
 46.29 169.011, subdivision 16; or
- 46.30 (2) a veteran's special motorcycle plate as described in subdivision 2, paragraph (a),
 46.31 (e), (f), (h), (i), (j), or (m), or another special plate designed by the commissioner to an
 46.32 applicant who is a registered owner of a motorcycle and meets the criteria listed in this
 46.33 paragraph and in subdivision 2, paragraph (a), (e), (f), (h), (i), (j), or (m). Plates issued
 46.34 under this clause must be the same size as regular motorcycle plates. Special motorcycle
 46.35 license plates issued under this clause are not subject to section 168.1293.

47.1 (b) The additional fee of ~~\$10~~ \$12.50 is payable for each set of veteran's plates, is
47.2 payable only when the plates are issued, and is not payable in a year in which stickers are
47.3 issued instead of plates.

47.4 (c) The veteran must have a certified copy of the veteran's discharge papers,
47.5 indicating character of discharge, at the time of application. If an applicant served in the
47.6 active military service in a branch of the armed forces of a nation or society allied with the
47.7 United States in conducting a foreign war and is unable to obtain a record of that service
47.8 and discharge status, the commissioner of veterans affairs may certify the applicant as
47.9 qualified for the veterans' plates provided under this section.

47.10 Sec. 18. Minnesota Statutes 2014, section 168.1235, subdivision 1, is amended to read:

47.11 Subdivision 1. **General requirements; fees.** (a) The commissioner shall issue a
47.12 special plate emblem for each plate to an applicant who:

47.13 (1) is a member of a congressionally chartered veterans service organization and
47.14 is a registered owner of a passenger automobile, pickup truck, van, or self-propelled
47.15 recreational vehicle;

47.16 (2) pays the registration tax required by law;

47.17 (3) pays a fee of ~~\$10~~ \$12.50 for each set of two plates, and any other fees required
47.18 by this chapter; and

47.19 (4) complies with this chapter and rules governing the registration of motor vehicles
47.20 and licensing of drivers.

47.21 (b) The additional fee of ~~\$10~~ \$12.50 is payable at the time of initial application for
47.22 the special plate emblem and when the plates must be replaced or renewed. An applicant
47.23 must not be issued more than two sets of special plate emblems for motor vehicles listed
47.24 in paragraph (a) and registered to the applicant.

47.25 (c) The applicant must present a valid card indicating membership in the American
47.26 Legion or Veterans of Foreign Wars.

47.27 Sec. 19. Minnesota Statutes 2014, section 168.1255, subdivision 1, is amended to read:

47.28 Subdivision 1. **General requirements and procedures.** The commissioner shall
47.29 issue special veteran contribution plates or a single motorcycle plate to an applicant who:

47.30 (1) is a veteran, as defined in section 197.447;

47.31 (2) is a registered owner of a passenger automobile as defined in section 168.002,
47.32 subdivision 24, recreational vehicle as defined in section 168.002, subdivision 27, one-ton
47.33 pickup truck as defined in section 168.002, subdivision 21b, or motorcycle as defined in
47.34 section 168.002, subdivision 19;

48.1 (3) pays a fee of ~~\$10~~ \$12.50 to cover the costs of handling and manufacturing the
48.2 plates;

48.3 (4) pays the registration tax required under section 168.013;

48.4 (5) pays the fees required under this chapter;

48.5 (6) pays an additional onetime World War II memorial contribution of \$30, which
48.6 the department shall retain until all start-up costs associated with the development and
48.7 issuing of the plates have been recovered, after which the commissioner shall deposit
48.8 contributions in the World War II donation match account; and

48.9 (7) complies with this chapter and rules governing the registration of motor vehicles
48.10 and licensing of drivers.

48.11 Sec. 20. Minnesota Statutes 2014, section 168.128, subdivision 2, is amended to read:

48.12 Subd. 2. **Plates.** (a) A person who operates a limousine for other than personal use
48.13 shall register the motor vehicle as provided in this section. A person who operates a
48.14 limousine for personal use may apply for limousine plates.

48.15 (b) The commissioner shall issue limousine plates to the registered owner of a
48.16 limousine who:

48.17 (1) certifies that an insurance policy or policies under section 65B.135, in the
48.18 minimum aggregate amount required under that section, is in effect for the entire period
48.19 of the registration;

48.20 (2) provides the commissioner with proof that the passenger automobile registration
48.21 tax and a ~~\$10~~ \$12.50 fee have been paid for each limousine receiving limousine plates; and

48.22 (3) complies with this chapter and rules governing the registration of motor vehicles
48.23 and licensing of drivers.

48.24 (c) The limousine plates must be designed to specifically identify the vehicle as a
48.25 limousine and must be clearly marked with the letters "LM." Limousine plates may not be
48.26 transferred upon sale of the limousine, but may be transferred to another limousine owned
48.27 by the same person upon notifying the commissioner and paying a \$5 transfer fee.

48.28 Sec. 21. Minnesota Statutes 2014, section 168.1291, subdivision 4, is amended to read:

48.29 Subd. 4. **Fees.** Despite section 168.12, subdivisions 2b to 2e; 168.123; or 168.129,
48.30 the commissioner shall charge a fee of ~~\$10~~ \$12.50 for each set of plates issued under
48.31 this section.

48.32 Sec. 22. Minnesota Statutes 2014, section 168.1295, subdivision 1, is amended to read:

49.1 Subdivision 1. **General requirements and procedures.** (a) The commissioner shall
49.2 issue state parks and trails plates to an applicant who:

49.3 (1) is a registered owner of a passenger automobile, recreational vehicle, one ton
49.4 pickup truck, or motorcycle;

49.5 (2) pays a fee of ~~\$10~~ \$12.50 to cover the costs of handling and manufacturing the
49.6 plates;

49.7 (3) pays the registration tax required under section 168.013;

49.8 (4) pays the fees required under this chapter;

49.9 (5) contributes a minimum of \$50 annually to the state parks and trails donation
49.10 account established in section 85.056; and

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

49.13 (b) The state parks and trails plate application must indicate that the contribution
49.14 specified under paragraph (a), clause (5), is a minimum contribution to receive the plate
49.15 and that the applicant may make an additional contribution to the account.

49.16 (c) State parks and trails plates may be personalized according to section 168.12,
49.17 subdivision 2a.

49.18 Sec. 23. Minnesota Statutes 2014, section 168.1296, subdivision 1, is amended to read:

49.19 Subdivision 1. **General requirements and procedures.** (a) The commissioner shall
49.20 issue critical habitat plates to an applicant who:

49.21 (1) is a registered owner of a passenger automobile or recreational vehicle;

49.22 (2) pays a fee of ~~\$10~~ \$12.50 to cover the costs of handling and manufacturing the
49.23 plates;

49.24 (3) pays the registration tax required under section 168.013;

49.25 (4) pays the fees required under this chapter;

49.26 (5) contributes a minimum of \$30 annually to the Minnesota critical habitat private
49.27 sector matching account established in section 84.943; and

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

49.30 (b) The critical habitat plate application must indicate that the annual contribution
49.31 specified under paragraph (a), clause (5), is a minimum contribution to receive the plate
49.32 and that the applicant may make an additional contribution to the account.

49.33 (c) Owners of recreational vehicles under paragraph (a), clause (1), are eligible
49.34 only for special critical habitat license plates for which the designs are selected under
49.35 subdivision 2, on or after January 1, 2006.

50.1 (d) Special critical habitat license plates, the designs for which are selected under
50.2 subdivision 2, on or after January 1, 2006, may be personalized according to section
50.3 168.12, subdivision 2a.

50.4 Sec. 24. Minnesota Statutes 2014, section 168.1297, subdivision 1, is amended to read:

50.5 Subdivision 1. **General requirements and procedures.** The commissioner shall
50.6 issue special "Rotary member" plates to an applicant who:

50.7 (1) is a registered owner of a passenger automobile;

50.8 (2) pays a fee of ~~\$10~~ \$12.50 to cover the costs of handling and manufacturing the
50.9 plates;

50.10 (3) pays the registration tax required under section 168.013;

50.11 (4) pays the fees required under this chapter;

50.12 (5) submits proof to the commissioner that the applicant is a member of Rotary
50.13 International; and

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

50.16 Sec. 25. Minnesota Statutes 2014, section 168.1298, subdivision 1, is amended to read:

50.17 Subdivision 1. **General requirements and procedures.** (a) The commissioner shall
50.18 issue special "Support Our Troops" license plates to an applicant who:

50.19 (1) is an owner of a passenger automobile, one-ton pickup truck, recreational
50.20 vehicle, or motorcycle;

50.21 (2) pays a fee of ~~\$10~~ \$12.50 to cover the costs of handling and manufacturing the
50.22 plates;

50.23 (3) pays the registration tax required under section 168.013;

50.24 (4) pays the fees required under this chapter;

50.25 (5) contributes a minimum of \$30 annually to the Minnesota "Support Our Troops"
50.26 account established in section 190.19; and

50.27 (6) complies with laws and rules governing registration and licensing of vehicles
50.28 and drivers.

50.29 (b) The license application under this section must indicate that the annual
50.30 contribution specified under paragraph (a), clause (5), is a minimum contribution to receive
50.31 the plates and that the applicant may make an additional contribution to the account.

50.32 Sec. 26. Minnesota Statutes 2014, section 168.1299, subdivision 1, is amended to read:

51.1 Subdivision 1. **Issuance.** Notwithstanding section 168.1293, the commissioner shall
51.2 issue special Minnesota golf plates or a single motorcycle plate to an applicant who:

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

51.5 (2) pays a fee of ~~\$10~~ \$12.50 and any other fees required by this chapter;

51.6 (3) contributes a minimum of \$30 annually after January 1, 2017, to the Minnesota
51.7 Section PGA Foundation account; and

51.8 (4) complies with this chapter and rules governing registration of motor vehicles
51.9 and licensing of drivers.

51.10 Sec. 27. Minnesota Statutes 2014, section 168.27, subdivision 22, is amended to read:

51.11 Subd. 22. **Dealer license for trailers, motorized bicycles; plates, fees;**

51.12 **exemptions.** Any person, copartnership, or corporation having a permanent enclosed
51.13 commercial building or structure either owned in fee or leased and engaged in the
51.14 business, either exclusively or in addition to any other occupation, of selling motorized
51.15 bicycles, boat trailers, horse trailers, or snowmobile trailers, may apply to the registrar
51.16 for a dealer's license. Upon payment of a \$10 fee the registrar shall license the applicant
51.17 as a dealer for the remainder of the calendar year in which the application was received.

51.18 The license may be renewed on or before the second day of January of each succeeding
51.19 year by payment of a fee of \$10. The registrar shall issue to each dealer, upon request

51.20 of the dealer, dealer plates as provided in subdivision 16 upon payment of ~~\$5~~ \$6.25 for
51.21 each plate, and the plates may be used in the same manner and for the same purposes as

51.22 is provided in subdivision 16. Except for motorized bicycle dealers, the registrar shall
51.23 also issue to the dealer, upon request of the dealer, "in-transit" plates as provided in

51.24 subdivision 17 upon payment of a fee of \$5 for each plate. This subdivision does not

51.25 abrogate any of the provisions of this section relating to the duties, responsibilities, and
51.26 requirements of persons, copartnerships, or corporations engaged in the business, either

51.27 exclusively or in addition to other occupations, of selling motor vehicles or manufactured
51.28 homes, except that a seller of boat trailers, utility trailers, or snowmobile trailers who

51.29 is licensed under this subdivision is not required to have a contract or franchise with a
51.30 manufacturer or distributor of new boat trailers, utility trailers, or new snowmobile trailers

51.31 the seller proposes to sell, broker, wholesale, or auction. This section does not require a
51.32 manufacturer of snowmobile trailers whose manufacturing facility is located outside of

51.33 the metropolitan area as defined in section 473.121 to have a dealer's license to transport
51.34 the snowmobile trailers to dealers or retail outlets in the state.

52.1 Sec. 28. Minnesota Statutes 2014, section 168.33, subdivision 2, is amended to read:

52.2 Subd. 2. **Deputy registrars.** (a) The commissioner may appoint, and for cause
52.3 discontinue, a deputy registrar for any statutory or home rule charter city as the public
52.4 interest and convenience may require, without regard to whether the county auditor of
52.5 the county in which the city is situated has been appointed as the deputy registrar for the
52.6 county or has been discontinued as the deputy registrar for the county, and without regard
52.7 to whether the county in which the city is situated has established a county license bureau
52.8 that issues motor vehicle licenses as provided in section 373.32.

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

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

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

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

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

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

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

53.1 (i) The deputy registrar shall keep records and make reports to the commissioner as
 53.2 the commissioner requires. The records must be maintained at the offices of the deputy
 53.3 registrar. The records and offices of the deputy registrar must at all times be open to the
 53.4 inspection of the commissioner or the commissioner's agents. The deputy registrar shall
 53.5 report to the commissioner by the next working day following receipt all registrations
 53.6 made and taxes and fees collected by the deputy registrar.

53.7 (j) The filing fee fees imposed under subdivision 7, paragraph (a), clauses (1) and
 53.8 (3), must be deposited in the treasury of the place for which appointed or, if not a public
 53.9 official, a deputy shall retain the filing fee fees, but the registration tax and, any additional
 53.10 fees for delayed registration the deputy registrar has collected, and the surcharge imposed
 53.11 under subdivision 7, paragraph (a), clause (2), the deputy registrar shall deposit by the next
 53.12 working day following receipt in an approved state depository to the credit of the state
 53.13 through the commissioner of management and budget. The place for which the deputy
 53.14 registrar is appointed through its governing body must provide the deputy registrar with
 53.15 facilities and personnel to carry out the duties imposed by this subdivision if the deputy
 53.16 is a public official. In all other cases, the deputy shall maintain a suitable facility for
 53.17 serving the public.

53.18 Sec. 29. Minnesota Statutes 2014, section 168.33, subdivision 7, is amended to read:

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

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

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

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

53.28 (b) Notwithstanding paragraph (a):

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

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

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

54.1 (d) The statutory fees and taxes, and the filing fees and surcharge imposed under
54.2 paragraph (a) may be paid by credit card or debit card. The deputy registrar may collect a
54.3 surcharge on the statutory fees, taxes, statutory surcharge, and filing fee not greater than
54.4 the cost of processing a credit card or debit card transaction, in accordance with emergency
54.5 rules established by the commissioner of public safety. The surcharge authorized by this
54.6 paragraph must be used to pay the cost of processing credit and debit card transactions.

54.7 (e) The fees and surcharge collected under ~~this subdivision~~ paragraph (a) by the
54.8 department must be allocated as follows:

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

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

54.11 (ii) \$1.50 must be deposited:

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

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

54.17 (2) of the surcharge collected under paragraph (a), clause (2):

54.18 (i) 50 percent must be deposited in the small city streets and bridges account under
54.19 section 174.54, subdivision 1; and

54.20 (ii) 50 percent must be deposited in the larger city streets and bridges account under
54.21 section 174.54, subdivision 2; and

54.22 (3) of the fees collected under paragraph (a), clause ~~(2)~~ (3):

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

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

54.25 (iii) \$1.50 must be deposited:

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

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

54.31 **EFFECTIVE DATE.** Paragraph (a), clause (3), is effective the day following final
54.32 enactment. The remainder of the section is effective July 1, 2015.

54.33 Sec. 30. Minnesota Statutes 2014, section 168.62, subdivision 3, is amended to read:

54.34 Subd. 3. **Special plates or certificate; fee; proceeds to highway user fund vehicle**
54.35 **services operating account.** At the same time that an owner or operator of intercity buses

55.1 registers them in Minnesota and obtains number plates therefor, the owner or operator
55.2 shall apply for special identification plates or certificates for the remainder of that fleet
55.3 of intercity buses. The registrar of motor vehicles shall design an appropriate plate or
55.4 identification certificate for this purpose which shall be issued upon the payment of a
55.5 fee of ~~\$10~~ \$12.50 covering each intercity bus so identified. The proceeds of such fees
55.6 shall be deposited to the credit of the vehicle services operating account under section
55.7 299A.705, subdivision 1. No intercity bus shall at any time be operated in the state of
55.8 Minnesota without either Minnesota number plates or special identification plates or
55.9 certificates issued as herein provided.

55.10 Sec. 31. Minnesota Statutes 2014, section 168A.07, is amended by adding a
55.11 subdivision to read:

55.12 Subd. 3. Fees. The filing fee to create a conditional registration shall conform with
55.13 the fee provided in section 168.33, subdivision 7, paragraph (a), clause (3). A subsequent
55.14 removal and clearing of a conditional registration is considered a separate transaction and
55.15 requires payment of an additional filing fee of the same amount, provided the removal and
55.16 clearing was initiated by a motor vehicle dealer licensed under section 168.27.

55.17 Sec. 32. **[174.54] CITY STREETS AND BRIDGES ACCOUNTS.**

55.18 Subdivision 1. Small city streets and bridges account. A small city streets and
55.19 bridges account is created as a special revenue account and established in the state
55.20 treasury, consisting of money allotted, appropriated, or transferred through gift or grant
55.21 for the account. Money in the account must be appropriated to the commissioner of
55.22 transportation by law and apportioned among all the cities in the state that are not eligible
55.23 to receive municipal state aid and do not receive municipal state aid. The commissioner
55.24 shall apportion the money so that each city receives of the total amount the percentage that
55.25 its population bears to the total population of small cities in this state. Money apportioned
55.26 under this section must be used for construction, reconstruction, improvement, operations,
55.27 and maintenance of city streets and bridges.

55.28 Subd. 2. Larger city streets and bridges account. A larger city streets and
55.29 bridges account is created as a special revenue account and established in the state
55.30 treasury, consisting of money allotted, appropriated, or transferred through gift or grant
55.31 for the account. Money in the account must be appropriated to the commissioner of
55.32 transportation by law and apportioned among all the cities in the state that are eligible
55.33 to receive municipal state aid. The commissioner shall apportion: (1) 50 percent of the
55.34 money so that each city receives of that amount the percentage that its population bears to

56.1 the total population of all cities that are eligible to receive municipal state aid; and (2)
56.2 50 percent of the money so that each city receives of that amount the percentage that its
56.3 money needs, as determined by the commissioner under section 162.13, subdivision 3,
56.4 bears to the total money needs of all cities that are eligible to receive municipal state aid.
56.5 Money apportioned under this section must be used for construction, reconstruction,
56.6 improvement, operations, and maintenance of city streets and bridges.

56.7 Sec. 33. Minnesota Statutes 2014, section 297A.815, subdivision 3, is amended to read:

56.8 Subd. 3. **Motor vehicle lease sales tax revenue.** (a) For purposes of this
56.9 subdivision, "net revenue" means an amount equal to the revenues, including interest
56.10 and penalties, collected under this section, during the fiscal year; less ~~\$32,000,000~~
56.11 \$22,000,000 in each fiscal year.

56.12 (b) On or before June 30 of each fiscal year, the commissioner of revenue shall
56.13 estimate the amount of the ~~net revenue~~ revenues for the current fiscal year, including
56.14 interest and penalties collected during the fiscal year under this section.

56.15 (c) On or after July 1 of the subsequent fiscal year, the commissioner of management
56.16 and budget shall transfer the ~~net revenue~~ revenues as estimated in paragraph (b) from the
56.17 general fund, ~~as follows:~~

56.18 ~~(1) \$9,000,000 annually until January 1, 2015, and 50 percent annually thereafter to~~
56.19 ~~the county state-aid highway fund.~~

56.20 (d) Notwithstanding any other law to the contrary, the commissioner of transportation
56.21 shall allocate the funds transferred under this clause paragraph (b) to the counties in the
56.22 metropolitan area, as defined in section 473.121, subdivision 4, excluding the counties of
56.23 Hennepin and Ramsey, so that each county shall receive of such amount the percentage
56.24 that its population, as defined in section 477A.011, subdivision 3, estimated or established
56.25 by July 15 of the year prior to the current calendar year, bears to the total population of the
56.26 counties receiving funds under this clause; and

56.27 ~~(2) the remainder to the greater Minnesota transit account. For the purposes of the~~
56.28 ~~calculation in this paragraph, the population of Hennepin County shall first be multiplied~~
56.29 ~~by 0.25, and the population of Ramsey County shall first be multiplied by 0.5.~~

56.30 (e) The revenues transferred under this subdivision do not include the revenues,
56.31 including interest and penalties, generated by the sales tax imposed under section
56.32 297A.62, subdivision 1a, which must be deposited as provided under the Minnesota
56.33 Constitution, article XI, section 15.

56.34 **EFFECTIVE DATE.** Paragraphs (a) through (c) are effective January 1, 2016, and
56.35 paragraph (d) is effective the day following final enactment.

57.1 Sec. 34. Minnesota Statutes 2014, section 297B.03, is amended to read:

57.2 **297B.03 EXEMPTIONS.**

57.3 Subdivision 1. **Scope.** ~~There is~~ The purchases or acquisitions of a motor vehicle
57.4 listed in this section are specifically exempted from the provisions of this chapter and from
57.5 computation of the amount of tax imposed by it ~~the following~~.

57.6 Subd. 2. **Federal government.** ~~(1)~~ The purchase or use, including use under a
57.7 lease purchase agreement or installment sales contract made pursuant to section 465.71,
57.8 of any motor vehicle by the United States and its agencies and instrumentalities and
57.9 by any person described in and subject to the conditions provided in section 297A.67,
57.10 subdivision 11; ~~is~~ is exempt.

57.11 Subd. 3. **Purchased while a resident of another state.** ~~(2)~~ The purchase or use
57.12 of any motor vehicle by any person who was a resident of another state or country at the
57.13 time of the purchase and who subsequently becomes a resident of Minnesota, provided
57.14 the purchase occurred more than 60 days prior to the date such person began residing in
57.15 the state of Minnesota and the motor vehicle was registered in the person's name in the
57.16 other state or country; ~~is~~ is exempt.

57.17 Subd. 4. **Interstate motor carriers.** ~~(3)~~ The purchase or use of any motor vehicle
57.18 by any person making a valid election to be taxed under the provisions of section 297A.90;
57.19 ~~is~~ is exempt.

57.20 Subd. 5. **Sale of a business.** ~~(4)~~ The purchase or use of any motor vehicle previously
57.21 registered in the state of Minnesota when such transfer constitutes a transfer within the
57.22 meaning of section 118, 331, 332, 336, 337, 338, 351, 355, 368, 721, 731, 1031, 1033, or
57.23 1563(a) of the Internal Revenue Code; ~~is~~ is exempt.

57.24 Subd. 6. **Leased vehicles for interstate commerce.** ~~(5)~~ The purchase or use of any
57.25 vehicle owned by a resident of another state and leased to a Minnesota-based private or
57.26 for-hire carrier for regular use in the transportation of persons or property in interstate
57.27 commerce provided the vehicle is titled in the state of the owner or secured party, and
57.28 that state does not impose a sales tax or sales tax on motor vehicles used in interstate
57.29 commerce; ~~is~~ is exempt.

57.30 Subd. 7. **Use in automotive training programs.** ~~(6)~~ The purchase or use of a motor
57.31 vehicle by a private nonprofit or public educational institution for use as an instructional
57.32 aid in automotive training programs operated by the institution. "Automotive training
57.33 programs" includes motor vehicle body and mechanical repair courses but does not
57.34 include driver education programs; ~~is~~ is exempt.

57.35 Subd. 8. **Ambulance and emergency response.** ~~(7)~~ The purchase of a motor
57.36 vehicle by an ambulance service licensed under section 144E.10 when that vehicle is

58.1 equipped and specifically intended for emergency response or for providing ambulance
58.2 service; is exempt.

58.3 Subd. 9. **Library use.** (8) The purchase of a motor vehicle by or for a public
58.4 library, as defined in section 134.001, subdivision 2, as a bookmobile or library delivery
58.5 vehicle; is exempt.

58.6 Subd. 10. **Ready-mix concrete truck.** (9) The purchase of a ~~ready-mixed~~
58.7 ready-mix concrete truck; is exempt.

58.8 Subd. 11. **Local government road maintenance.** (10) The purchase or use of a
58.9 motor vehicle by a town for use exclusively for road maintenance, including snowplows
58.10 and dump trucks, but not including automobiles, vans, or pickup trucks; is exempt.

58.11 Subd. 12. **Charitable use.** (11) The purchase or use of a motor vehicle by a
58.12 corporation, society, association, foundation, or institution organized and operated
58.13 exclusively for charitable, religious, or educational purposes, except a public school,
58.14 university, or library is exempt, but only if the vehicle is:

58.15 (i) (1) a truck, as defined in section 168.002, a bus, as defined in section 168.002, or
58.16 a passenger automobile, as defined in section 168.002, if the automobile is designed and
58.17 used for carrying more than nine persons including the driver; and

58.18 (ii) (2) intended to be used primarily to transport tangible personal property
58.19 or individuals, other than employees, to whom the organization provides service in
58.20 performing its charitable, religious, or educational purpose;.

58.21 Subd. 13. **Transit use.** (12) The purchase of a motor vehicle for use by a transit
58.22 provider exclusively to provide transit service is exempt if the transit provider is either (i)
58.23 receiving financial assistance or reimbursement under section 174.24 or 473.384, or (ii)
58.24 operating under section 174.29, 473.388, or 473.405; is exempt.

58.25 Subd. 14. **Job opportunity building zone.** (13) The purchase or use of a motor
58.26 vehicle by a qualified business, as defined in section 469.310, located in a job opportunity
58.27 building zone, if the motor vehicle is principally garaged in the job opportunity building
58.28 zone and is primarily used as part of or in direct support of the person's operations carried
58.29 on in the job opportunity building zone. The exemption under this clause applies to sales,
58.30 if the purchase was made and delivery received during the duration of the job opportunity
58.31 building zone. The exemption under this clause also applies to any local sales and use
58.32 tax; is exempt.

58.33 Subd. 15. **Certain purchases from a nonprofit.** (14) The purchase of a leased
58.34 vehicle by the lessee who was a participant in a lease-to-own program is exempt if the
58.35 purchase is from a charitable organization that is:

58.36 (i) (1) described in section 501(c)(3) of the Internal Revenue Code; and

59.1 ~~(ii) (2)~~ licensed as a motor vehicle lessor under section 168.27, subdivision 4; ~~and~~
 59.2 Subd. 16. **Mobile medical unit.** (15) The purchase of a motor vehicle used
 59.3 exclusively as a mobile medical unit for the provision of medical or dental services by a
 59.4 federally qualified health center, as defined under title 19 of the Social Security Act, as
 59.5 amended by Section 4161 of the Omnibus Budget Reconciliation Act of 1990 is exempt.

59.6 **EFFECTIVE DATE.** This section is effective for sales and purchases made after
 59.7 June 30, 2014.

59.8 Sec. 35. Minnesota Statutes 2014, section 297B.09, subdivision 1, is amended to read:

59.9 Subdivision 1. **Deposit of revenues.** (a) Money collected and received under this
 59.10 chapter must be deposited as provided in this subdivision.

59.11 (b) ~~60~~ 58 percent of the money collected and received must be deposited in the
 59.12 highway user tax distribution fund, ~~36~~ 34 percent must be deposited in the metropolitan
 59.13 area transit account under section 16A.88, and ~~four~~ eight percent must be deposited in the
 59.14 greater Minnesota transit account under section 16A.88.

59.15 ~~(c) It is the intent of the legislature that the allocations under paragraph (b) remain~~
 59.16 ~~unchanged for fiscal year 2012 and all subsequent fiscal years.~~

59.17 Sec. 36. **CITY PARKING FACILITY FEE.**

59.18 Subdivision 1. **Definition.** "Parking facility" means a parking area or structure
 59.19 having parking spaces at which motor vehicles are permitted to park for a fee, whether
 59.20 publicly or privately owned, but does not include residential parking spaces or parking
 59.21 spaces on a public street, the use of which is regulated by parking meters.

59.22 Subd. 2. **Authorization to impose the fee.** (a) The city of Minneapolis may
 59.23 impose by ordinance a fee to be paid by the owner of each parking space located in a
 59.24 parking facility within an area in the city of Minneapolis described as follows: west of the
 59.25 Mississippi River, west of Interstate Highway 35W, north or east of Interstate Highway
 59.26 94, and south of Plymouth Avenue.

59.27 (b) The city of St. Paul may impose by ordinance a fee to be paid by the owner of each
 59.28 parking space located in a parking facility within an area in the city of St. Paul described
 59.29 as follows: north of the Mississippi River, west of the Lafayette bridge parking lots, south
 59.30 of Interstate Highway 35E and Interstate Highway 94, and east of Chestnut Street.

59.31 Subd. 3. **Amount of fee.** The amount of the fee may be uniform throughout the
 59.32 district, or it may vary depending upon the nature and structure of the parking facility,
 59.33 zoning, location, or other reasonable factors determined by the city.

61.1 Subd. 2. **Software sale fund.** (a) Except as provided in ~~paragraph~~ paragraphs (b)
 61.2 and (c), proceeds ~~of~~ from the sale or licensing of software products or services by the chief
 61.3 information officer must be credited to the MN.IT services revolving fund. If a state
 61.4 agency other than the Office of MN.IT Services has contributed to the development of
 61.5 software sold or licensed under this section, the chief information officer may reimburse
 61.6 the agency by discounting computer services provided to that agency.

61.7 (b) Proceeds ~~of~~ from the sale or licensing of software products or services developed
 61.8 by the Pollution Control Agency, or custom developed by a vendor for the agency, must be
 61.9 credited to the environmental fund.

61.10 (c) Proceeds from the sale or licensing of software products or services developed
 61.11 by the Department of Transportation, or custom developed by a vendor for the agency,
 61.12 using trunk highway funds, must be credited to the trunk highway fund.

61.13 Sec. 2. Minnesota Statutes 2014, section 161.088, subdivision 5, is amended to read:

61.14 Subd. 5. **Project selection process; criteria.** (a) The commissioner shall establish a
 61.15 process for identification, evaluation, and selection of projects under the program.

61.16 (b) As part of the project selection process, the commissioner shall annually accept
 61.17 recommendations on candidate projects from area transportation partnerships and other
 61.18 interested stakeholders in each Department of Transportation district. For each candidate
 61.19 project identified under this paragraph, the commissioner shall determine eligibility,
 61.20 classify, and if appropriate, evaluate the project for the program.

61.21 (c) Project evaluation and prioritization must be performed on the basis of objective
 61.22 criteria, which must include:

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

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

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

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

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

61.32 (4) improvements to traffic safety;

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

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

62.3 (7) support and consensus for the project among members of the surrounding
62.4 community; and

62.5 (8) the extent to which land has been acquired for the project.

62.6 (d) As part of the project selection process, the commissioner may divide funding
62.7 to be separately available among projects within each classification under subdivision 3,
62.8 and may apply separate or modified criteria among those projects falling within each
62.9 classification.

62.10 Sec. 3. Minnesota Statutes 2014, section 161.20, is amended by adding a subdivision
62.11 to read:

62.12 Subd. 3a. **Transfer of appropriations.** With the approval of the commissioner of
62.13 management and budget, the commissioner of transportation may transfer unencumbered
62.14 balances among appropriations from the trunk highway fund and the state airports fund.
62.15 No transfer may be made from appropriations for state road construction, for operations
62.16 and maintenance, or for debt service. Transfers under this paragraph may not be made
62.17 between funds. Transfers under this paragraph must be reported immediately to the
62.18 chairs and ranking minority members of the legislative committees and divisions with
62.19 jurisdiction over transportation finance.

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

62.21 Sec. 4. [161.225] **LOANS FOR LAND ACQUISITION FOR HIGHWAY**
62.22 **PROJECTS.**

62.23 Subdivision 1. **Account established.** The state right-of-way acquisition loan
62.24 account is created in the trunk highway fund for the purposes specified in this section.
62.25 Money in the account is annually appropriated to the commissioner and does not lapse.
62.26 Interest from the investment of money in this account must be deposited in the state
62.27 right-of-way acquisition loan account.

62.28 Subd. 2. **Loans.** (a) The commissioner may make loans to counties, towns, and
62.29 statutory and home rule charter cities to purchase property within the right-of-way of
62.30 a state trunk highway shown on an official map adopted pursuant to section 394.361
62.31 or 462.359, or to purchase property within the proposed right-of-way of a principal or
62.32 intermediate arterial highway. The loans shall be made from the fund established under this
62.33 subdivision for purchases approved by the commissioner. The loans shall bear no interest.

62.34 (b) The commissioner shall make loans only to:

63.1 (1) accelerate the acquisition of primarily undeveloped property when there
63.2 is a reasonable probability that the property will increase in value before highway
63.3 construction, and to update an expired environmental impact statement on a project for
63.4 which the right-of-way is being purchased;

63.5 (2) avert the imminent conversion or the granting of approvals which would allow
63.6 the conversion of property to uses which would jeopardize its availability for highway
63.7 construction;

63.8 (3) advance planning and environmental activities on highest priority major
63.9 metropolitan river crossing projects under the transportation development guide chapter
63.10 policy plan; or

63.11 (4) take advantage of open market opportunities when developed properties become
63.12 available for sale, provided all parties involved are agreeable to the sale and funds are
63.13 available.

63.14 (c) The commissioner shall not make loans to purchase property at a price which
63.15 exceeds the fair market value of the property or which includes the costs of relocating or
63.16 moving persons or property. The eminent domain process may be used to settle differences
63.17 of opinion as to fair market value, provided all parties agree to the process.

63.18 (d) A private property owner may elect to receive the purchase price either
63.19 in a lump sum or in not more than four annual installments without interest on the
63.20 deferred installments. If the purchase agreement provides for installment payments,
63.21 the commissioner shall make the loan in installments corresponding to those in the
63.22 purchase agreement. The recipient of an acquisition loan shall convey the property for the
63.23 construction of the highway at the same price which the recipient paid for the property. The
63.24 price may include the costs of preparing environmental documents that were required for
63.25 the acquisition and that were paid for with money that the recipient received from the loan
63.26 fund. Upon notification by the commissioner that the plan to construct the highway has been
63.27 abandoned or the anticipated location of the highway has changed, the recipient shall sell
63.28 the property at market value in accordance with the procedures required for the disposition
63.29 of the property. All rents and other money received because of the recipient's ownership
63.30 of the property and all proceeds from the conveyance or sale of the property shall be paid
63.31 to the commissioner. If a recipient is not permitted to include in the conveyance price the
63.32 cost of preparing environmental documents that were required for the acquisition, then the
63.33 recipient is not required to repay the commissioner an amount equal to 40 percent of the
63.34 money received from the loan fund and spent in preparing the environmental documents.

64.1 (e) For administration of the loan program, the commissioner may expend from the
64.2 fund each year an amount no greater than three percent of the amount of the proceeds for
64.3 that year.

64.4 Subd. 3. **Loans for acquisition and relocation.** (a) The commissioner may
64.5 make loans to acquiring authorities within the metropolitan area to purchase homestead
64.6 property located in a proposed state trunk highway right-of-way or project, and to provide
64.7 relocation assistance. Acquiring authorities are authorized to accept the loans and to
64.8 acquire the property. Except as provided in this subdivision, the loans shall be made as
64.9 provided in subdivision 2. Loans shall be in the amount of the fair market value of the
64.10 homestead property plus relocation costs and less salvage value. Before construction of
64.11 the highway begins, the acquiring authority shall convey the property to the commissioner
64.12 at the same price it paid, plus relocation costs and less its salvage value. Acquisition and
64.13 assistance under this subdivision must conform to sections 117.50 to 117.56.

64.14 (b) The commissioner may make loans only when:

64.15 (1) the owner of affected homestead property requests acquisition and relocation
64.16 assistance from an acquiring authority;

64.17 (2) federal or state financial participation is not available;

64.18 (3) the owner is unable to sell the homestead property at its appraised market value
64.19 because the property is located in a proposed state trunk highway right-of-way or project as
64.20 indicated on an official map or plat adopted under section 160.085, 394.361, or 462.359; and

64.21 (4) the commissioner agrees to and approves the fair market value of the homestead
64.22 property, which approval shall not be unreasonably withheld.

64.23 (c) For purposes of this subdivision, the following terms have the meanings given
64.24 them:

64.25 (1) "acquiring authority" means counties, towns, and statutory and home rule
64.26 charter cities;

64.27 (2) "homestead property" means: (i) a single-family dwelling occupied by the
64.28 owner, and the surrounding land, not exceeding a total of ten acres; or (ii) a manufactured
64.29 home, as defined in section 327B.01, subdivision 13; and

64.30 (3) "salvage value" means the probable sale price of the dwelling and other property
64.31 that is severable from the land if offered for sale on the condition that it be removed from
64.32 the land at the buyer's expense, allowing a reasonable time to find a buyer with knowledge
64.33 of the possible uses of the property, including separate use of serviceable components and
64.34 scrap when there is no other reasonable prospect of sale.

64.35 **EFFECTIVE DATE.** This section is effective January 1, 2016.

65.1 Sec. 5. Minnesota Statutes 2014, section 161.231, is amended to read:

65.2 **161.231 APPROPRIATION; PROCEEDS FROM LEASED STATE**
65.3 **PROPERTY.**

65.4 There is appropriated annually from the fund or account in the state treasury to which
65.5 the ~~rental~~ money from the sale, lease, conveyance, or disposal of state leased property
65.6 is credited a sufficient amount of money to carry out the state's obligations under the
65.7 provisions of sections 15.16, 117.135, 117.226, 161.16, 161.202, 161.23, subdivision 3,
65.8 161.24, 161.241, 161.43, 161.433, 161.44, 161.442, and 272.68, subdivision 3, including
65.9 the inventorying, marketing, and property management activities required to sell, lease,
65.10 rent, permit, convey, or otherwise dispose of the land or the interest in the land. At the
65.11 discretion of the commissioner of transportation, money in the account at the end of each
65.12 biennium may cancel to the trunk highway fund.

65.13 Sec. 6. Minnesota Statutes 2014, section 161.46, subdivision 2, is amended to read:

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

65.23 (b) Notwithstanding paragraph (a), any utility facility installed after August 1, 2015,
65.24 is not eligible for relocation reimbursement.

65.25 Sec. 7. Minnesota Statutes 2014, section 168.013, subdivision 1g, is amended to read:

65.26 Subd. 1g. **Recreational vehicle.** (a) Self-propelled recreational vehicles ~~shall~~ must
65.27 be separately licensed and taxed annually on the basis of total gross weight ~~and~~. The
65.28 tax ~~shall~~ must be graduated according to the Minnesota base rate schedule prescribed
65.29 in subdivision 1e, but in no event less than \$20, except as otherwise provided in this
65.30 subdivision.

65.31 (b) For all self-propelled recreational vehicles, the tax for the ninth and succeeding
65.32 years of vehicle life ~~shall be~~ is 75 percent of the tax imposed in the Minnesota base rate
65.33 schedule.

66.1 (c) Towed recreational vehicles ~~shall~~ must be separately licensed and taxed under
66.2 either one of the following, as determined by the vehicle owner: (1) annually on the basis
66.3 of total gross weight at 30 percent of the Minnesota base rate prescribed in subdivision 1e
66.4 but ; or (2) once every three years on the basis of total gross weight at 90 percent of the
66.5 Minnesota base rate prescribed in subdivision 1e, provided that the filing fee under section
66.6 168.33, subdivision 7, paragraph (a), is multiplied by three, with funds collected by the
66.7 commissioner allocated proportionally in the same manner as provided in section 168.33,
66.8 subdivision 7, paragraph (e). In no event is the tax under this paragraph less than \$5.

66.9 (d) Notwithstanding any law to the contrary, all trailers and semitrailers taxed
66.10 pursuant to this section ~~shall be~~ are exempt from any wheelage tax now or hereafter
66.11 imposed by any political subdivision or political subdivisions.

66.12 **EFFECTIVE DATE.** This section is effective the day following final enactment,
66.13 and applies to taxes payable for a registration period starting on or after January 1, 2016.

66.14 Sec. 8. Minnesota Statutes 2014, section 168.013, subdivision 8, is amended to read:

66.15 Subd. 8. **Tax proceeds to highway user fund; fee proceeds to vehicle services**
66.16 **account.** (a) Unless otherwise specified in this chapter, the net proceeds of the registration
66.17 tax imposed under this chapter, including the penalty surcharge for late payment, imposed
66.18 in section 168.31, subdivision 1a, must be collected by the commissioner, paid into the
66.19 state treasury, and credited to the highway user tax distribution fund.

66.20 (b) All fees collected under this chapter, unless otherwise specified, must be
66.21 deposited in the vehicle services operating account in the special revenue fund under
66.22 section 299A.705.

66.23 **EFFECTIVE DATE.** This section is effective July 1, 2015, and applies to vehicle
66.24 registration taxes due and unpaid on and after that date.

66.25 Sec. 9. Minnesota Statutes 2014, section 168.12, subdivision 1, is amended to read:

66.26 Subdivision 1. **Plates; design, visibility, periods of issuance.** (a) The commissioner,
66.27 upon approval and payment, shall issue to the applicant the plates required by this chapter,
66.28 bearing the state name and an assigned vehicle registration number. The number assigned
66.29 by the commissioner may be a combination of a letter or sign with figures. The color of the
66.30 plates and the color of the abbreviation of the state name and the number assigned must
66.31 be in marked contrast. The plates must be lettered, spaced, or distinguished to suitably
66.32 indicate the registration of the vehicle according to the rules of the commissioner.

67.1 (b) When a vehicle is registered on the basis of total gross weight, the plates issued
67.2 must clearly indicate by letters or other suitable insignia the maximum gross weight
67.3 for which the tax has been paid.

67.4 (c) Plates issued to a noncommercial vehicle must bear the inscription
67.5 "noncommercial" unless the vehicle is displaying a special plate authorized and issued
67.6 under this chapter.

67.7 (d) A one-ton pickup truck that is used for commercial purposes and is subject to
67.8 section 168.185, is eligible to display special plates as authorized and issued under this
67.9 chapter.

67.10 (e) The plates must be so treated as to be at least 100 times brighter than the
67.11 conventional painted number plates. When properly mounted on an unlighted vehicle, the
67.12 plates, when viewed from a vehicle equipped with standard headlights, must be visible for
67.13 a distance of not less than 1,500 feet and readable for a distance of not less than 110 feet.

67.14 (f) The commissioner shall issue plates for the following periods:

67.15 (1) New plates issued pursuant to section 168.012, subdivision 1, must be issued to a
67.16 vehicle for as long as the vehicle is owned by the exempt agency and the plate shall not be
67.17 transferable from one vehicle to another but the plate may be transferred with the vehicle
67.18 from one tax-exempt agency to another.

67.19 (2) Plates issued for passenger automobiles must be issued for a ~~seven-year~~ ten-year
67.20 period. All plates issued under this paragraph must be replaced if they are ~~seven~~ ten years
67.21 old or older at the time of registration renewal or will become so during the registration
67.22 period.

67.23 (3) Plates issued under sections 168.053 and 168.27, subdivisions 16 and 17, must
67.24 be for a ~~seven-year~~ ten-year period.

67.25 (4) Plates issued under subdivisions 2c and 2d and section 168.123 must be issued
67.26 for the life of the veteran under section 169.79.

67.27 (5) Plates for any vehicle not specified in clauses (1) to (3) must be issued for the
67.28 life of the vehicle.

67.29 (g) In a year in which plates are not issued, the commissioner shall issue for each
67.30 registration a sticker to designate the year of registration. This sticker must show the year or
67.31 years for which the sticker is issued, and is valid only for that period. The plates and stickers
67.32 issued for a vehicle may not be transferred to another vehicle during the period for which
67.33 the sticker is issued, except when issued for a vehicle registered under section 168.187.

67.34 (h) Despite any other provision of this subdivision, plates issued to a vehicle used
67.35 for behind-the-wheel instruction in a driver education course in a public school may
67.36 be transferred to another vehicle used for the same purpose without payment of any

68.1 additional fee. The public school shall notify the commissioner of each transfer of plates
68.2 under this paragraph. The commissioner may prescribe a format for notification.

68.3 Sec. 10. Minnesota Statutes 2014, section 168.31, is amended by adding a subdivision
68.4 to read:

68.5 Subd. 1a. **Penalty surcharge for late payment.** Except as otherwise provided in
68.6 subdivisions 4 and 4a, a vehicle owner who has failed to pay the tax required under this
68.7 chapter on or before the due date shall pay in full the tax due on the vehicle, together with
68.8 a penalty surcharge of \$25 for each month or portion of a month following the expiration
68.9 of the registration period, except that the amount of the late fee may not exceed \$100.

68.10 **EFFECTIVE DATE.** This section is effective July 1, 2015, and applies to vehicle
68.11 registration taxes due and unpaid on and after that date.

68.12 Sec. 11. **[174.53] FEDERAL FUND FLEXIBILITY PROGRAM.**

68.13 The commissioner shall establish a program to allow greater flexibility and
68.14 efficiency in the allocation of federal funds for state-aid transportation projects. The
68.15 commissioner shall:

68.16 (1) establish and administer selection criteria and a process under which a local unit
68.17 of government that would otherwise receive federal funds for a local transportation project
68.18 would be able to finance the project with state funds instead of federal funds;

68.19 (2) redirect the unused federal funds to transportation projects for which federal
68.20 funds could be utilized by the state more efficiently and productively;

68.21 (3) achieve a reasonable degree of equity among the department districts in
68.22 distributing funds under the program; and

68.23 (4) ensure that the state's receipt of federal funds for transportation projects is not
68.24 jeopardized by the program.

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

68.26 Sec. 12. Minnesota Statutes 2014, section 299A.465, subdivision 2, is amended to read:

68.27 Subd. 2. **Officer or firefighter killed in line of duty.** (a) This subdivision applies
68.28 when a peace officer or firefighter, or volunteer firefighter is killed while on duty and
68.29 discharging the officer's or firefighter's, or volunteer firefighter's duties as a peace officer
68.30 or firefighter, or volunteer firefighter.

68.31 (b) The officer's or firefighter's employer shall continue to cover the deceased
68.32 officer's or firefighter's dependents, including the officer's or firefighter's spouse:

69.1 (1) if the officer ~~or~~, firefighter, or volunteer firefighter was receiving dependent
 69.2 coverage at the time of the officer's ~~or~~, firefighter's, or volunteer firefighter's death under
 69.3 the employer's group health plan; or

69.4 (2) if the officer's ~~or~~, firefighter's, or volunteer firefighter's spouse was not covered
 69.5 as a dependent at the time of the officer's ~~or~~, firefighter's, or volunteer firefighter's death,
 69.6 but at that time was eligible, or afterward becomes eligible, to be a dependent on the
 69.7 employer's group health plan.

69.8 (c) The employer is responsible for the employer's contribution for the coverage of
 69.9 the officer's ~~or~~, firefighter's, or volunteer firefighter's dependents. Subject to subdivision
 69.10 5, paragraph (b), clause (2), coverage must continue for a dependent of the officer ~~or~~,
 69.11 firefighter for the period of time that the person is a dependent up to the age of 65, or
 69.12 volunteer firefighter as follows: (1) for a surviving spouse, until the surviving spouse
 69.13 reaches the age of 65; and (2) for each other dependent, until the dependent reaches the
 69.14 age of 26, except as otherwise provided in section 62L.02, subdivision 11.

69.15 **EFFECTIVE DATE.** This section is effective January 1, 2016, and applies to
 69.16 officer, firefighter, and volunteer firefighter deaths that occur on and after the effective date.

69.17 Sec. 13. Minnesota Statutes 2014, section 299A.465, is amended by adding a
 69.18 subdivision to read:

69.19 **Subd. 2a. Volunteer firefighter killed in line of duty.** (a) This subdivision
 69.20 applies when a volunteer firefighter is killed while on duty and discharging the volunteer
 69.21 firefighter's duties as a volunteer firefighter and the municipality or municipalities that
 69.22 operate the fire department did not offer a group health insurance policy to which a
 69.23 volunteer firefighter was eligible to subscribe.

69.24 (b) The municipality or municipalities that operate the fire department that the
 69.25 volunteer firefighter served with shall, until coverage terminates as provided under
 69.26 subdivision 2, paragraph (c), either: (1) provide health insurance coverage for the
 69.27 volunteer firefighter's dependents that is equivalent to the average benefit provided by the
 69.28 municipality or municipalities to dependents of its employees who are covered by the
 69.29 plan, or (2) reimburse the dependents, if the municipality or municipalities do not offer a
 69.30 group health insurance plan for any employees, for a minimum of 50 percent of the cost of
 69.31 health insurance premiums for coverage selected by the dependents.

69.32 **EFFECTIVE DATE.** This section is effective January 1, 2016, and applies to
 69.33 volunteer firefighter deaths that occur on and after the effective date.

70.1 Sec. 14. Minnesota Statutes 2014, section 299A.465, subdivision 5, is amended to read:

70.2 Subd. 5. **Definition.** For purposes of this section:

70.3 (a) "Peace officer" or "officer" has the meaning given in section 626.84, subdivision
70.4 1, paragraph (c).

70.5 (b) "Dependent" means a person who: (1) meets the definition of dependent in
70.6 section 62L.02, subdivision 11, at the time of the officer's or firefighter's injury or death—~~a~~
70.7 ~~person;~~ and (2) is not a dependent for purposes of this section during the period of time the
70.8 person is covered under another group health plan. For purposes of this section, a volunteer
70.9 firefighter is deemed to be an eligible employee under section 62L.02, subdivision 13.

70.10 (c) "Firefighter" has the meaning given in Minnesota Statutes 2000, section 424.03,
70.11 but does not include volunteer firefighters.

70.12 (d) "Volunteer firefighter" has the meaning given in section 299N.03, subdivision 7,
70.13 and includes paid per call.

70.14 (e) "Fire department" has the meaning given in section 299N.03, subdivision 4.

70.15 **EFFECTIVE DATE.** This section is effective January 1, 2016, and applies to
70.16 officer and firefighter deaths that occur on and after the effective date.

70.17 Sec. 15. Minnesota Statutes 2014, section 299A.465, is amended by adding a
70.18 subdivision to read:

70.19 Subd. 5a. **Minimum benefit.** Nothing in this section prohibits an employer from
70.20 providing benefits to survivors of deceased volunteer firefighters that are greater than the
70.21 benefits required under this section.

70.22 Sec. 16. Minnesota Statutes 2014, section 299D.09, is amended to read:

70.23 **299D.09 ESCORT SERVICE; APPROPRIATION; RECEIPTS.**

70.24 (a) Fees charged for escort services provided by the State Patrol are annually
70.25 appropriated to the commissioner of public safety to administer and provide these services.

70.26 (b) The fee charged for services provided by the State Patrol with a vehicle is \$79.28
70.27 an hour. The fee charged for services provided without a vehicle is \$59.28 an hour
70.28 shall be set to recover actual costs as determined by the commissioner of public safety
70.29 by July 1 each year.

70.30 (c) The fees charged for State Patrol flight services are \$140 an hour for a fixed wing
70.31 aircraft, \$490 an hour for a helicopter, and \$600 an hour for the Queen Air in fiscal year
70.32 2012; and \$139.64 an hour for a fixed wing aircraft, \$560.83 an hour for a helicopter, and
70.33 \$454.84 an hour for the Queen Air in fiscal year 2013 and thereafter.

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

71.2 Sec. 17. **[299F.037] REPORTING FIREFIGHTER DEATHS.**

71.3 Whenever an active firefighter dies, whether or not the death is presumed to be in the
 71.4 line of duty, the fire chief of the deceased firefighter must report, without undue delay,
 71.5 the death to the state fire marshal. The notification shall identify the cause of death and
 71.6 contain information concerning the circumstances of the death.

71.7 Sec. 18. Minnesota Statutes 2014, section 360.024, is amended to read:

71.8 **360.024 AIR TRANSPORTATION SERVICE CHARGE.**

71.9 The commissioner shall charge users of air transportation services provided by the
 71.10 commissioner for direct operating costs, excluding pilot salary ~~and aircraft acquisition~~
 71.11 costs. All receipts for these services shall be deposited in the air transportation services
 71.12 account in the state airports fund and are appropriated to the commissioner to pay these
 71.13 direct air service operating costs.

71.14 Sec. 19. Minnesota Statutes 2014, section 473.167, is amended to read:

71.15 **473.167 HIGHWAY AND TRANSIT PROJECTS.**

71.16 Subd. 2. **Loans for acquisition.** (a) The council may make loans to counties, towns,
 71.17 and statutory and home rule charter cities within the metropolitan area for the purchase of
 71.18 property within the right-of-way of a state trunk highway shown on an official map adopted
 71.19 pursuant to section 394.361 or 462.359 ~~or~~ for the purchase of property within the proposed
 71.20 right-of-way of a principal or intermediate arterial highway designated by the council as a
 71.21 part of the metropolitan highway system plan and approved by the council pursuant to
 71.22 section 473.166, or for the purchase of property needed for proposed transit-related capital
 71.23 improvements, including transitways designated in the council's most recent transportation
 71.24 policy plan. The loans shall be made by the council, from the fund established pursuant to
 71.25 this subdivision, for purchases approved by the council. The loans shall bear no interest.

71.26 (b) The council shall make loans only:

71.27 (1) to accelerate the acquisition of primarily undeveloped property when there
 71.28 is a reasonable probability that the property will increase in value before highway or
 71.29 transit-related construction, and to update an expired environmental impact statement on
 71.30 a project for which the right-of-way is being purchased;

71.31 (2) to avert the imminent conversion or the granting of approvals which would allow
 71.32 the conversion of property to uses which would jeopardize its availability for highway or
 71.33 transit-related construction;

72.1 (3) to advance planning and environmental activities on highest priority major
72.2 metropolitan river crossing projects, under the transportation development guide
72.3 chapter/policy plan; or

72.4 (4) to take advantage of open market opportunities when developed properties
72.5 become available for sale, provided all parties involved are agreeable to the sale and
72.6 funds are available.

72.7 (c) The council shall not make loans for the purchase of property at a price which
72.8 exceeds the fair market value of the property or which includes the costs of relocating or
72.9 moving persons or property. The eminent domain process may be used to settle differences
72.10 of opinion as to fair market value, provided all parties agree to the process.

72.11 (d) A private property owner may elect to receive the purchase price either in a
72.12 lump sum or in not more than four annual installments without interest on the deferred
72.13 installments. If the purchase agreement provides for installment payments, the council
72.14 shall make the loan in installments corresponding to those in the purchase agreement. The
72.15 recipient of an acquisition loan shall convey the property for the construction of the highway
72.16 at the same price which the recipient paid for the property. The price may include the costs
72.17 of preparing environmental documents that were required for the acquisition and that were
72.18 paid for with money that the recipient received from the loan fund. Upon notification by
72.19 the council that the plan to construct the highway or transit project has been abandoned or
72.20 the anticipated location of the highway or transit project changed, the recipient shall sell
72.21 the property at market value in accordance with the procedures required for the disposition
72.22 of the property. All rents and other money received because of the recipient's ownership
72.23 of the property and all proceeds from the conveyance or sale of the property shall be paid
72.24 to the council. If a recipient is not permitted to include in the conveyance price the cost
72.25 of preparing environmental documents that were required for the acquisition, then the
72.26 recipient is not required to repay the council an amount equal to 40 percent of the money
72.27 received from the loan fund and spent in preparing the environmental documents.

72.28 (e) The proceeds of the tax authorized by subdivision 3, all money paid to the
72.29 council by recipients of loans, and all interest on the proceeds and payments shall be
72.30 maintained as a separate fund. For administration of the loan program, the council may
72.31 expend from the fund each year an amount no greater than three percent of the amount of
72.32 the proceeds for that year.

72.33 Subd. 2a. **Loans for acquisition and relocation.** (a) The council may make loans
72.34 to acquiring authorities within the metropolitan area to purchase homestead property
72.35 located in a proposed state trunk highway right-of-way or project or transit-related project,
72.36 and to provide relocation assistance. Acquiring authorities are authorized to accept the

73.1 loans and to acquire the property. Except as provided in this subdivision, the loans shall
73.2 be made as provided in subdivision 2. Loans shall be in the amount of the fair market
73.3 value of the homestead property plus relocation costs and less salvage value. Before
73.4 construction of the highway or transit-related project begins, the acquiring authority shall
73.5 convey the property to the commissioner of transportation or council at the same price it
73.6 paid, plus relocation costs and less its salvage value. Acquisition and assistance under this
73.7 subdivision must conform to sections 117.50 to 117.56.

73.8 (b) The council may make loans only when:

73.9 (1) the owner of affected homestead property requests acquisition and relocation
73.10 assistance from an acquiring authority;

73.11 (2) federal or state financial participation is not available;

73.12 (3) the owner is unable to sell the homestead property at its appraised market
73.13 value because the property is located in a proposed state trunk highway right-of-way or
73.14 project as indicated on an official map or plat adopted under section 160.085, 394.361,
73.15 or 462.359, or transit-related project; and

73.16 (4) the council agrees to and approves the fair market value of the homestead
73.17 property, which approval shall not be unreasonably withheld.

73.18 (c) For purposes of this subdivision, the following terms have the meanings given
73.19 them.

73.20 (1) "Acquiring authority" means counties, towns, and statutory and home rule
73.21 charter cities in the metropolitan area.

73.22 (2) "Homestead property" means: (i) a single-family dwelling occupied by the
73.23 owner, and the surrounding land, not exceeding a total of ten acres; or (ii) a manufactured
73.24 home, as defined in section 327B.01, subdivision 13.

73.25 (3) "Salvage value" means the probable sale price of the dwelling and other property
73.26 that is severable from the land if offered for sale on the condition that it be removed from
73.27 the land at the buyer's expense, allowing a reasonable time to find a buyer with knowledge
73.28 of the possible uses of the property, including separate use of serviceable components and
73.29 scrap when there is no other reasonable prospect of sale.

73.30 Subd. 3. **Tax.** The council may levy a tax on all taxable property in the metropolitan
73.31 area, as defined in section 473.121, to provide funds for loans made pursuant to
73.32 subdivisions 2 and 2a. This tax for the right-of-way acquisition loan fund shall be certified
73.33 by the council, levied, and collected in the manner provided by section 473.13. The tax
73.34 shall be in addition to that authorized by section 473.249 and any other law and shall not
73.35 affect the amount or rate of taxes which may be levied by the council or any metropolitan
73.36 agency or local governmental unit. The amount of the levy shall be as determined and

74.1 certified by the council, provided that the tax levied by the Metropolitan Council for the
74.2 right-of-way acquisition loan fund shall not exceed ~~\$2,828,379 for taxes payable in 2004~~
74.3 ~~and \$2,828,379 for taxes payable in 2005~~. The amount of the levy for taxes payable in
74.4 2006 and subsequent years shall not exceed the product of (1) the Metropolitan Council's
74.5 property tax levy limitation under this subdivision for the previous year, multiplied by
74.6 (2) one plus a percentage equal to the growth in the implicit price deflator as defined
74.7 in section 275.70, subdivision 2.

74.8 Subd. 4. **State review.** The commissioner of revenue shall certify the council's levy
74.9 limitation under this section to the council by August 1 of the levy year. The council must
74.10 certify its proposed property tax levy to the commissioner of revenue by September 1 of
74.11 the levy year. The commissioner of revenue shall annually determine whether the property
74.12 tax for the right-of-way acquisition loan fund certified by the Metropolitan Council for
74.13 levy following the adoption of its proposed budget is within the levy limitation imposed
74.14 by this section. The determination must be completed prior to September 10 of each year.
74.15 If current information regarding market valuation in any county is not transmitted to the
74.16 commissioner in a timely manner, the commissioner may estimate the current market
74.17 valuation within that county for purposes of making the calculation.

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

74.19 Sec. 20. Laws 2014, chapter 312, article 11, section 33, is amended to read:

74.20 Sec. 33. **TRANSPORTATION EFFICIENCIES.**

74.21 (a) The commissioner of transportation shall include in the report under Minnesota
74.22 Statutes, section 174.56, due by December 15, 2015, information on efficiencies
74.23 implemented in fiscal year 2015 in planning and project management and delivery,
74.24 along with an explanation of the efficiencies employed to achieve the savings and the
74.25 methodology used in the calculations. The level of savings achieved must equal, in
74.26 comparison with the total state road construction budget for that year, a minimum of five
74.27 percent in fiscal year 2015. The report must identify the projects that have been advanced
74.28 or completed due to the implementation of efficiency measures.

74.29 (b) The commissioner shall identify in the report those recommendations from the
74.30 Transportation Strategic Management and Operations Advisory Task Force Report dated
74.31 January 23, 2009, submitted to the legislature by the Departments of Administration
74.32 and Transportation, as required by Laws 2008, chapter 152, article 6, section 9,
74.33 that the commissioner has implemented, with a description of current status of the
74.34 recommendation and results of implementation.

75.1 (c) The commissioner shall present in the report plans to incorporate greater
 75.2 efficiencies in department operation and decision-making, including, but not limited to,
 75.3 the following: financing innovations, mode choice in project selection and design, land
 75.4 use planning, return on investment calculation, project delivery, including selection of
 75.5 materials and decreasing project delivery time, and efficiencies in multiagency permitting.

75.6 **ARTICLE 8**

75.7 **TRANSPORTATION POLICY**

75.8 Section 1. Minnesota Statutes 2014, section 168.002, subdivision 24, is amended to read:

75.9 Subd. 24. **Passenger automobile.** (a) "Passenger automobile" means any motor
 75.10 vehicle designed and used for carrying not more than 15 individuals, including the driver.

75.11 (b) "Passenger automobile" does not include motorcycles, motor scooters, buses,
 75.12 school buses, or commuter vans as defined in section 168.126.

75.13 (c) "Passenger automobile" includes, but is not limited to:

75.14 (1) a vehicle that is a pickup truck or a van as defined in subdivisions 26 and 40;

75.15 (2) neighborhood electric vehicles, as defined in section 169.011, subdivision 47; ~~and~~

75.16 (3) medium-speed electric vehicles, as defined in section 169.011, subdivision 39; and

75.17 (4) unconventional vehicles, as defined in section 169.011, subdivision 89a.

75.18 Sec. 2. Minnesota Statutes 2014, section 168.053, subdivision 1, is amended to read:

75.19 Subdivision 1. **Application; fee; penalty.** Any person, firm, or corporation with
 75.20 a business located in Minnesota engaged in the business of transporting motor vehicles
 75.21 owned by another, by delivering, by drive-away or towing methods, either singly or by
 75.22 means of the full mount method, the saddle mount method, the tow bar method, or any other
 75.23 combination thereof, and under their own power, vehicles over the highways of the state
 75.24 from the manufacturer or any other point of origin, to any point of destination, within or
 75.25 without the state, shall make application to the registrar for a drive-away in-transit license.
 75.26 This application for annual license shall be accompanied by a registration fee of \$250 and
 75.27 contain information the registrar may require. Upon the filing of the application and the
 75.28 payment of the fee, the registrar shall issue to each drive-away operator a drive-away
 75.29 in-transit license plate, which must be carried and displayed on the power unit consistent
 75.30 with section 169.79 and the plate shall remain on the vehicle while being ~~operated within~~
 75.31 Minnesota transported. The license plate issued under this subdivision is not valid for the
 75.32 purpose of permanent vehicle registration ~~and is not valid outside Minnesota~~. Additional
 75.33 drive-away in-transit license plates desired by any drive-away operator may be secured
 75.34 from the registrar of motor vehicles upon the payment of a fee of \$5 for each set of

76.1 additional license plates. Any person, firm, or corporation engaging in the business as a
76.2 drive-away operator, of transporting and delivering by means of full mount method, the
76.3 saddle mount method, the tow bar method, or any combination thereof, and under their
76.4 own power, motor vehicles, who fails or refuses to file or cause to be filed an application,
76.5 as is required by law, and to pay the fees therefor as the law requires, shall be found guilty
76.6 of violating the provisions of sections 168.053 to 168.057; and, upon conviction, fined
76.7 not less than \$50, and not more than \$100, and all costs of court. Each day so operating
76.8 without securing the license and plates as required shall constitute a separate offense.

76.9 **Sec. 3. [168.1294] "BREAST CANCER AWARENESS" PLATES.**

76.10 **Subdivision 1. Issuance of plates.** The commissioner shall issue special "Breast
76.11 Cancer Awareness" plates or a single motorcycle plate to an applicant who:

76.12 (1) is a registered owner of a passenger automobile, one-ton pickup truck,
76.13 motorcycle, or recreational motor vehicle;

76.14 (2) pays a fee of \$12.50 for each set of plates;

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

76.17 (4) contributes a minimum of \$20 to the Masonic Cancer Center at the University of
76.18 Minnesota for breast cancer research; and

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

76.21 **Subd. 2. Design.** The commissioner shall design the special plate to contain the
76.22 inscription "Minnesota Cares" and the pink breast cancer ribbon.

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

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

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

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

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

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

76.33 **EFFECTIVE DATE.** This section is effective January 1, 2016, for plates issued
76.34 on or after that date.

77.1 Sec. 4. Minnesota Statutes 2014, section 168A.05, is amended by adding a subdivision
77.2 to read:

77.3 Subd. 10. **Unconventional vehicles; certificate required.** Unconventional
77.4 vehicles, as defined in section 169.011, subdivision 89a, must be titled as specified in
77.5 section 168A.02. The commissioner shall issue a title for an unconventional vehicle
77.6 (1) having a vehicle identification number or other alphanumeric sequence assigned
77.7 by the manufacturer for the purpose of identifying that vehicle, and (2) for which the
77.8 requirements under this chapter are met.

77.9 Sec. 5. Minnesota Statutes 2014, section 168D.06, is amended to read:

77.10 **168D.06 FUEL LICENSE FEES.**

77.11 License fees paid to the commissioner under the International Fuel Tax Agreement
77.12 must be deposited in the vehicle services operating account in the special revenue fund
77.13 under section 299A.705. The commissioner shall charge an annual fuel license fee of
77.14 \$15, ~~and~~ an annual application filing fee of \$13 for quarterly reporting of fuel tax, and a
77.15 reinstatement fee of \$100 to reinstate a revoked International Fuel Tax Agreement license.

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

77.17 Sec. 6. Minnesota Statutes 2014, section 169.011, is amended by adding a subdivision
77.18 to read:

77.19 Subd. 89a. **Unconventional vehicle.** (a) "Unconventional vehicle" means a motor
77.20 vehicle that:

77.21 (1) has at least three wheels;

77.22 (2) has an unloaded weight of 300 to 8,000 pounds;

77.23 (3) contains a permanent upright seat or saddle for the driver that is mounted at least
77.24 24 inches from the ground; and

77.25 (4) has a speed attainable in one mile of at least 60 miles per hour on a level paved
77.26 surface.

77.27 (b) An unconventional vehicle does not include any motor vehicle that is otherwise
77.28 defined under section 168.002 and able to be registered under chapter 168. The exclusion
77.29 under this paragraph applies but is not limited to an all-terrain vehicle, motorcycle,
77.30 motorized bicycle, neighborhood electric vehicle, and medium-speed electric vehicle.

77.31 Sec. 7. **[169.2245] UNCONVENTIONAL VEHICLE.**

78.1 A person may operate an unconventional vehicle on public streets and highways,
78.2 except on a freeway, as defined in section 160.02, subdivision 19. A road authority,
78.3 including the commissioner of transportation by order, may prohibit operation of
78.4 unconventional vehicles on any street or highway under the road authority's jurisdiction.

78.5 Sec. 8. Minnesota Statutes 2014, section 169.798, subdivision 4, is amended to read:

78.6 Subd. 4. ~~Attestation of Insurance information required.~~ Every owner, when
78.7 applying for motor vehicle or motorcycle registration, reregistration, or transfer of
78.8 ownership, must attest provide information showing that the motor vehicle or motorcycle
78.9 is covered by an insurance policy. Information required under this subdivision consists
78.10 of the insurance company's name, the policy number, and the policy expiration date for
78.11 the subject motor vehicle or motorcycle.

78.12 **EFFECTIVE DATE.** This section is effective January 1, 2016, and applies to
78.13 registrations, reregistrations, and transfers of ownership occurring on or after that date.

78.14 Sec. 9. Minnesota Statutes 2014, section 171.01, is amended by adding a subdivision
78.15 to read:

78.16 Subd. 31c. **Driving privilege license.** "Driving privilege license" means a class
78.17 D license, instruction permit, or provisional license to operate a motor vehicle issued or
78.18 issuable under the laws of this state by the commissioner of public safety to a person who
78.19 is unable to demonstrate legal presence in this country through current lawful admission
78.20 status, permanent resident status, indefinite authorized presence status, or United
78.21 States citizenship. A driving privilege license may be used only for driving and not as
78.22 identification or proof of legal presence or citizenship. A driving privilege license must not
78.23 be used or accepted for voter registration purposes under section 201.061. All provisions
78.24 in this chapter relating to drivers' licenses, instruction permits, and provisional licenses,
78.25 including cancellation, suspension, revocation, reinstatement, examination, restriction,
78.26 expiration, renewal, and unlawful acts and violations, apply to a driving privilege license.

78.27 **EFFECTIVE DATE.** This section is effective January 1, 2016, for a new driver's
78.28 license, permit, or identification card, and a renewal issued on or after that date.

78.29 Sec. 10. Minnesota Statutes 2014, section 171.01, subdivision 37, is amended to read:

78.30 Subd. 37. **License.** "License" means any operator's license or any other license or
78.31 permit to operate a motor vehicle issued or issuable under the laws of this state by the
78.32 commissioner of public safety including:

79.1 (1) any temporary license, driving privilege license, instruction permit, or
79.2 provisional license;

79.3 (2) the privilege of any person to drive a motor vehicle whether or not the person
79.4 holds a valid license; and

79.5 (3) any nonresident's operating privilege.

79.6 **EFFECTIVE DATE.** This section is effective January 1, 2016, for a new driver's
79.7 license, permit, or identification card, and a renewal issued on or after that date.

79.8 Sec. 11. Minnesota Statutes 2014, section 171.01, subdivision 49a, is amended to read:

79.9 Subd. 49a. **Valid license; valid driver's license.** "Valid license," "valid driver's
79.10 license," "valid Minnesota driver's license," "valid standard driver's license," or other
79.11 similar term, means any operator's license, provisional license, driving privilege license,
79.12 temporary license, limited license, permit, or other license to operate a motor vehicle
79.13 issued or issuable under the laws of this state by the commissioner, or by another state or
79.14 jurisdiction if specified, that is:

79.15 (1) not expired, suspended, revoked, or canceled; and

79.16 (2) not disqualified for the class of vehicle being operated.

79.17 **EFFECTIVE DATE.** This section is effective January 1, 2016, for a new driver's
79.18 license, permit, or identification card, and a renewal issued on or after that date.

79.19 Sec. 12. Minnesota Statutes 2014, section 171.06, subdivision 1, is amended to read:

79.20 Subdivision 1. **Forms of application.** Every application for a Minnesota
79.21 identification card, for an enhanced identification card, for an instruction permit, for
79.22 a provisional license, for a driver's license, driving privilege license, or for an enhanced
79.23 driver's license must be made in a format approved by the department, and every
79.24 application must be accompanied by the proper fee. All first-time applications and
79.25 change-of-status applications must be signed in the presence of the person authorized to
79.26 accept the application, or the signature on the application may be verified by a notary
79.27 public. All applications requiring evidence of legal presence in the United States or United
79.28 States citizenship must be signed in the presence of the person authorized to accept the
79.29 application, or the signature on the application may be verified by a notary public.

79.30 **EFFECTIVE DATE.** This section is effective January 1, 2016, for a new driver's
79.31 license, permit, or identification card, and a renewal issued on or after that date.

79.32 Sec. 13. Minnesota Statutes 2014, section 171.06, subdivision 2, is amended to read:

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

80.3	Classified Driver's License	D-\$17.25	C-\$21.25	B-\$28.25	A-\$36.25
80.4	Classified Under-21 D.L.	D-\$17.25	C-\$21.25	B-\$28.25	A-\$16.25
80.5	<u>Driving Privilege License</u>	<u>D-\$17.25</u>	=	=	=
80.6	Enhanced Driver's License	D-\$32.25	C-\$36.25	B-\$43.25	A-\$51.25
80.7	Instruction Permit				\$5.25
80.8	Enhanced Instruction				
80.9	Permit				\$20.25
80.10	Commercial Learner's				
80.11	Permit				\$2.50
80.12	Provisional License				\$8.25
80.13	Enhanced Provisional				
80.14	License				\$23.25
80.15	Duplicate License or				
80.16	duplicate identification				
80.17	card				\$6.75
80.18	Enhanced Duplicate				
80.19	License or enhanced				
80.20	duplicate identification				
80.21	card				\$21.75
80.22	Minnesota identification				
80.23	card or Under-21				
80.24	Minnesota identification				
80.25	card, other than duplicate,				
80.26	except as otherwise				
80.27	provided in section 171.07,				
80.28	subdivisions 3 and 3a				\$11.25
80.29	Enhanced Minnesota				
80.30	identification card				\$26.25

80.31 In addition to each fee required in this paragraph, the commissioner shall collect a
 80.32 surcharge of: (1) \$1.75 until June 30, 2012; and (2) \$1.00 from July 1, 2012, to June 30,
 80.33 2016. Surcharges collected under this paragraph must be credited to the driver and vehicle
 80.34 services technology account in the special revenue fund under section 299A.705.

80.35 (b) Notwithstanding paragraph (a), an individual who holds a provisional license and
 80.36 has a driving record free of (1) convictions for a violation of section 169A.20, 169A.33,
 80.37 169A.35, or sections 169A.50 to 169A.53, (2) convictions for crash-related moving
 80.38 violations, and (3) convictions for moving violations that are not crash related, shall have a
 80.39 \$3.50 credit toward the fee for any classified under-21 driver's license. "Moving violation"
 80.40 has the meaning given it in section 171.04, subdivision 1.

80.41 (c) In addition to the driver's license fee required under paragraph (a), the
 80.42 commissioner shall collect an additional \$4 processing fee from each new applicant
 80.43 or individual renewing a license with a school bus endorsement to cover the costs for

81.1 processing an applicant's initial and biennial physical examination certificate. The
 81.2 department shall not charge these applicants any other fee to receive or renew the
 81.3 endorsement.

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

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

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

81.15 **EFFECTIVE DATE.** This section is effective January 1, 2016, for a new driver's
 81.16 license, permit, or identification card, and a renewal issued on or after that date.

81.17 Sec. 14. Minnesota Statutes 2014, section 171.06, subdivision 3, is amended to read:

81.18 Subd. 3. **Contents of Application; other information requirements.** (a) An
 81.19 application must:

81.20 (1) state the full name, date of birth, sex, and either (i) the residence address of the
 81.21 applicant, or (ii) designated address under section 5B.05;

81.22 (2) as may be required by the commissioner, contain a description of the applicant
 81.23 and any other facts pertaining to the applicant, the applicant's driving privileges, and the
 81.24 applicant's ability to operate a motor vehicle with safety;

81.25 (3) state:

81.26 (i) the applicant's Social Security number; or

81.27 (ii) if the applicant does not have a Social Security number and is applying for a
 81.28 Minnesota identification card, instruction permit, or class D provisional or driver's license,
 81.29 that the applicant certifies that the applicant does not have a Social Security number;

81.30 (4) in the case of an application for an enhanced driver's license or enhanced
 81.31 identification card, present:

81.32 (i) proof satisfactory to the commissioner of the applicant's full legal name, United
 81.33 States citizenship, identity, date of birth, Social Security number, and residence address; and

81.34 (ii) a photographic identity document;

82.1 (5) contain a space where the applicant may indicate a desire to make an anatomical
82.2 gift according to paragraph (b);

82.3 (6) contain a notification to the applicant of the availability of a living will/health
82.4 care directive designation on the license under section 171.07, subdivision 7; ~~and~~

82.5 (7) contain a space where the applicant may request a veteran designation on the
82.6 license under section 171.07, subdivision 15, and the driving record under section 171.12,
82.7 subdivision 5a; and

82.8 (8) contain a space where the applicant must attest to a residence address in
82.9 Minnesota.

82.10 (b) If the applicant does not indicate a desire to make an anatomical gift when
82.11 the application is made, the applicant must be offered a donor document in accordance
82.12 with section 171.07, subdivision 5. The application must contain statements sufficient to
82.13 comply with the requirements of the Darlene Luther Revised Uniform Anatomical Gift
82.14 Act, chapter 525A, so that execution of the application or donor document will make
82.15 the anatomical gift as provided in section 171.07, subdivision 5, for those indicating a
82.16 desire to make an anatomical gift. The application must be accompanied by information
82.17 describing Minnesota laws regarding anatomical gifts and the need for and benefits of
82.18 anatomical gifts, and the legal implications of making an anatomical gift, including the
82.19 law governing revocation of anatomical gifts. The commissioner shall distribute a notice
82.20 that must accompany all applications for and renewals of a driver's license or Minnesota
82.21 identification card. The notice must be prepared in conjunction with a Minnesota organ
82.22 procurement organization that is certified by the federal Department of Health and Human
82.23 Services and must include:

82.24 (1) a statement that provides a fair and reasonable description of the organ donation
82.25 process, the care of the donor body after death, and the importance of informing family
82.26 members of the donation decision; and

82.27 (2) a telephone number in a certified Minnesota organ procurement organization that
82.28 may be called with respect to questions regarding anatomical gifts.

82.29 (c) The application must be accompanied also by information containing relevant
82.30 facts relating to:

82.31 (1) the effect of alcohol on driving ability;

82.32 (2) the effect of mixing alcohol with drugs;

82.33 (3) the laws of Minnesota relating to operation of a motor vehicle while under the
82.34 influence of alcohol or a controlled substance; and

82.35 (4) the levels of alcohol-related fatalities and accidents in Minnesota and of arrests
82.36 for alcohol-related violations.

83.1 (d) A government identification card is:

83.2 (1) an acceptable form of proof of identity in application for a Minnesota
83.3 identification card, instruction permit, or driver's license; and

83.4 (2) a primary document for purposes of Minnesota Rules, part 7410.0400.

83.5 (e) For purposes of this section, "government identification card" means a valid,
83.6 unexpired passport issued by a country other than the United States with a certified birth
83.7 certificate from a country other than the United States, the District of Columbia, Guam,
83.8 Puerto Rico, or the United States Virgin Islands. A passport and birth certificate under this
83.9 paragraph must have security features that make the document as impervious to alteration
83.10 as is reasonably practicable in its design and quality of material and technology, using
83.11 materials that are not readily available to the general public. Any document not in English
83.12 must be accompanied by a qualified English translation.

83.13 **EFFECTIVE DATE.** This section is effective January 1, 2016, for a new driver's
83.14 license, permit, or identification card, and a renewal issued on or after that date.

83.15 Sec. 15. Minnesota Statutes 2014, section 171.07, subdivision 1, is amended to read:

83.16 Subdivision 1. **License; contents.** (a) Upon the payment of the required fee, the
83.17 department shall issue to every qualifying applicant a license designating the type or
83.18 class of vehicles the applicant is authorized to drive as applied for. This license must
83.19 bear a distinguishing number assigned to the licensee; the licensee's full name and date
83.20 of birth; either (1) the licensee's residence address, or (2) the designated address under
83.21 section 5B.05; a description of the licensee in a manner as the commissioner deems
83.22 necessary; and the usual signature of the licensee. No license is valid unless it bears
83.23 the usual signature of the licensee. Every license must bear a colored photograph or an
83.24 electronically produced image of the licensee. A driving privilege license must be plainly
83.25 marked "FOR DRIVING ONLY."

83.26 (b) If the United States Postal Service will not deliver mail to the applicant's
83.27 residence address as listed on the license, then the applicant shall provide verification from
83.28 the United States Postal Service that mail will not be delivered to the applicant's residence
83.29 address and that mail will be delivered to a specified alternate mailing address. When an
83.30 applicant provides an alternate mailing address under this subdivision, the commissioner
83.31 shall use the alternate mailing address in lieu of the applicant's residence address for
83.32 all notices and mailings to the applicant.

83.33 (c) Every license issued to an applicant under the age of 21 must be of a
83.34 distinguishing color and plainly marked "Under-21."

84.1 (d) The department shall use processes in issuing a license that prohibit, as nearly as
84.2 possible, the ability to alter or reproduce a license, or prohibit the ability to superimpose a
84.3 photograph or electronically produced image on a license, without ready detection.

84.4 (e) A license issued to an applicant age 65 or over must be plainly marked "senior" if
84.5 requested by the applicant.

84.6 **EFFECTIVE DATE.** This section is effective January 1, 2016, for a new driver's
84.7 license, permit, or identification card, and a renewal issued on or after that date.

84.8 Sec. 16. **[174.38] ACTIVE TRANSPORTATION PROGRAMS.**

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

84.11 (b) "Administering authority" or "authority" means the commissioner of
84.12 transportation, the joint powers board under section 297A.992, or the council, as
84.13 appropriate.

84.14 (c) "Bond-eligible cost" means:

84.15 (1) expenditures under this section for acquisition of land or permanent easements,
84.16 predesign, design, preliminary and final engineering, environmental analysis, construction,
84.17 and reconstruction of publicly owned infrastructure in this state with a useful life of at
84.18 least ten years that provides for nonmotorized transportation;

84.19 (2) preparation of land for which a nonmotorized transportation route is established,
84.20 including demolition of structures and remediation of any hazardous conditions on the
84.21 land; and

84.22 (3) the unpaid principal on debt issued by a political subdivision for a nonmotorized
84.23 transportation project.

84.24 (d) "Council" means the Metropolitan Council, as defined under section 473.121,
84.25 subdivision 3.

84.26 Subd. 2. **Programs established.** (a) Upon availability of funds specifically provided
84.27 to an administering authority for purposes of this section, the authority shall establish a
84.28 program to support bicycling, pedestrian activities, and other forms of nonmotorized
84.29 transportation as provided in this section.

84.30 (b) Subject to the requirements of this section, the authority may provide grants
84.31 or other financial assistance for a project.

84.32 Subd. 3. **Active transportation accounts.** (a) An active transportation account
84.33 is established in the bond proceeds fund. The account consists of state bond proceeds
84.34 appropriated to the commissioner or the council. Money in the account may only be

85.1 expended on bond-eligible costs of a project receiving financial assistance under this
85.2 section. All uses of funds from the account must be for publicly owned property.

85.3 (b) A greater Minnesota active transportation account is established in the special
85.4 revenue fund. The account consists of funds as provided by law, and any other money
85.5 donated, allotted, transferred, or otherwise provided to the account. Money in the account
85.6 may only be expended on a project that is primarily located outside of the metropolitan
85.7 transit improvement area, as defined in section 297A.9925, subdivision 1, and receiving
85.8 financial assistance as provided under this section.

85.9 (c) A metropolitan area active transportation account is established in the special
85.10 revenue fund. The account consists of funds as provided by law, and any other money
85.11 donated, allotted, transferred, or otherwise provided to the account. Money in the account
85.12 may only be expended on a project that is primarily located within the metropolitan transit
85.13 improvement area, as defined in section 297A.9925, subdivision 1, and receiving financial
85.14 assistance as provided under this section.

85.15 Subd. 4. **Program administration.** (a) The authority shall establish program
85.16 requirements, including:

- 85.17 (1) eligibility for assistance, subject to the requirements under paragraph (b);
85.18 (2) a process for solicitation and application that minimizes applicant burdens; and
85.19 (3) procedures for award and payment of financial assistance.

85.20 (b) Eligible recipients of financial assistance under this section are:

- 85.21 (1) a political subdivision; and
85.22 (2) a tax-exempt organization under section 501(c)(3) of the Internal Revenue
85.23 Code, as amended.

85.24 (c) The authority shall make reasonable efforts to publicize each solicitation
85.25 for applications among all eligible recipients, and provide assistance in creating and
85.26 submitting applications.

85.27 (d) The authority may expend no more than one percent of available funds in a fiscal
85.28 year under this section on program administration.

85.29 Subd. 5. **State general obligation bond funds.** The legislature determines that
85.30 many nonmotorized transportation infrastructure projects will constitute betterments and
85.31 capital improvements within the meaning of Minnesota Constitution, article XI, section 5,
85.32 paragraph (a), and capital expenditures under generally accepted accounting principles,
85.33 and will be financed more efficiently and economically under this section than by direct
85.34 appropriations for specific projects.

85.35 Subd. 6. **Use of funds.** (a) For a project funded through state bond proceeds under
85.36 this section, financial assistance is limited solely to bond-eligible costs.

86.1 (b) Subject to paragraph (a), the authority shall determine permissible uses of
86.2 financial assistance under this section, which must include:

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

86.6 (2) noninfrastructure programming, including activities as specified in section
86.7 174.40, subdivision 7a, paragraph (b).

86.8 Subd. 7. **Project evaluation and selection.** The authority shall establish a project
86.9 evaluation and selection process under this section that is competitive, criteria-based, and
86.10 objective. The process must include criteria and prioritization of projects based on:

86.11 (1) inclusion of the project in a municipal or regional nonmotorized transportation
86.12 system plan;

86.13 (2) location of the project in a jurisdiction in which a complete streets policy, as
86.14 provided under section 174.75, is in effect;

86.15 (3) the extent to which the project supports development of continuous and
86.16 convenient safe routes to school;

86.17 (4) the extent to which the project supports development of routes to and connections
86.18 with educational facilities, centers of employment, governmental services, health care
86.19 facilities, food sources, transit facilities, and other community destinations;

86.20 (5) general benefits to public health and safety as a result of the project; and

86.21 (6) geographic equity in project benefits, as well as benefits in areas or locations
86.22 experiencing high rates of pedestrian or bicycle collisions, high rates of health disparities,
86.23 and high concentration of poverty.

86.24 Subd. 8. **Grant cancellation.** If, five years after execution of a grant agreement,
86.25 the authority determines that the grantee has not proceeded in a timely manner with
86.26 implementation of the project funded, the commissioner must cancel the grant and
86.27 the grantee must repay to the commissioner all grant money paid to the grantee for
86.28 deposit in the active transportation account from which the grant was originally paid.
86.29 Section 16A.642 applies to any appropriations made from the bond proceeds fund to the
86.30 commissioner under this section that have not been awarded as financial assistance.

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

86.32 Sec. 17. Minnesota Statutes 2014, section 174.42, is amended by adding a subdivision
86.33 to read:

86.34 Subd. 3. **Funding requirement for greater Minnesota.** In each federal fiscal year,
86.35 the commissioner shall spend out of National Highway Performance Program funds a total

87.1 amount in federal transportation funds for an active transportation competitive grant
87.2 program in greater Minnesota that totals a minimum of \$16,000,000 in excess of the
87.3 average annual spending on greater Minnesota transportation alternatives projects under
87.4 section 174.38 in federal fiscal years between October 2009 and September 2012. National
87.5 Highway Performance Program funds may be converted to Surface Transportation
87.6 Program funds or Transportation Alternative Program funds to fulfill the requirements
87.7 of this section. This requirement must not reduce the amount of federal transportation
87.8 funding for metropolitan projects.

87.9 **EFFECTIVE DATE.** This section is effective October 1, 2015.

87.10 Sec. 18. Minnesota Statutes 2014, section 174.50, is amended by adding a subdivision
87.11 to read:

87.12 Subd. 6d. **Major local bridges account.** The major local bridges account is created
87.13 in the Minnesota state transportation fund for money appropriated, allocated, or transferred
87.14 into the account to fund major local bridge projects. For purposes of this subdivision, a
87.15 major local bridge project is a project that carries a total cost in excess of \$30,000,000.

87.16 Sec. 19. **[219.016] RAILROAD COMPANY ASSESSMENT; ACCOUNT;**
87.17 **APPROPRIATION.**

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

87.22 (b) The assessment must be by a division of the annual appropriation to the grade
87.23 crossing safety improvement account in equal proportion between carriers based on route
87.24 miles operated in Minnesota, assessed in equal amounts for 365 days of the calendar year.

87.25 (c) The assessments must be deposited in the rail grade crossing safety improvement
87.26 account, which is created in the special revenue fund. Money in the account is
87.27 appropriated to the commissioner for the creation of a rail safety office within the
87.28 Department of Transportation, not to exceed \$1,400,000 in each year; the development,
87.29 administration, and construction of highway-rail grade crossing improvements on rail
87.30 corridors transporting crude oil; and other selected routes, including those carrying
87.31 hazardous materials. Improvements may include upgrades to existing protection systems,
87.32 the closing of crossings and necessary roadwork, and reconstruction of at-grade crossings
87.33 to full grade separations. Funds in the account are available until expended.

88.1 Sec. 20. Minnesota Statutes 2014, section 222.50, subdivision 7, is amended to read:

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

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

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

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

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

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

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

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

88.19 (8) for expenditures made before July 1, 2017, to pay the state matching portion
88.20 of grants under the federal Transportation Investment Generating Economic Recovery
88.21 (TIGER) program of the United States Department of Transportation; ~~and~~

88.22 (9) to fund rail planning studies; and

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

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

88.28 Sec. 21. Minnesota Statutes 2014, section 360.305, subdivision 4, is amended to read:

88.29 Subd. 4. **Costs allocated; local contribution; hangar construction account.** (a)
88.30 ~~Except as otherwise provided in this subdivision~~ Annually by June 1, the commissioner
88.31 of transportation shall ~~require as a condition of assistance by the state that the~~ establish
88.32 local contribution rates which will apply to a political subdivision, municipality, or public
88.33 corporation ~~make a substantial contribution to the cost of the construction, improvement,~~
88.34 ~~maintenance, or operation of the airport, in connection with which the assistance of the~~
88.35 ~~state is sought. These costs are referred to as project costs~~ when applying for state or

89.1 federal funding assistance to construct, improve, maintain, or operate an airport, or to
89.2 acquire land for airport facilities or clear zones. If the commissioner does not establish
89.3 local contribution rates by June 1, the previous rates apply.

89.4 ~~(b) For any airport, whether key, intermediate, or landing strip, where only state and~~
89.5 ~~local funds are to be used, the contribution shall be not less than one-fifth of the sum of:~~

89.6 ~~(1) the project costs;~~

89.7 ~~(2) acquisition costs of the land and clear zones, which are referred to as acquisition~~
89.8 ~~costs. The commissioner may pay all costs beyond the local contribution. Local~~

89.9 contribution rates shall not be less than five percent of the total cost of the activity or
89.10 acquisition, except that the commissioner may require less than five percent for research
89.11 projects, radio or navigational aids, activities, or acquisitions for which federal funds are
89.12 available to cover more than 90 percent of the total cost, or as otherwise necessary to
89.13 respond to an emergency.

89.14 ~~(c) For any airport where federal, state, and local funds are to be used, the~~
89.15 ~~contribution shall not be less than five percent of the sum of the project costs and~~
89.16 ~~acquisition costs. The commissioner's establishment of local contribution rates is not~~
89.17 ~~subject to the rulemaking requirements of chapter 14.~~

89.18 ~~(d) The commissioner may pay the total cost of radio and navigational aids.~~

89.19 ~~(e) Notwithstanding paragraph (b) or (c), the commissioner may pay all of the~~
89.20 ~~project costs of a new landing strip, but not an intermediate airport or key airport, or may~~
89.21 ~~pay an amount equal to the federal funds granted and used for a new landing strip plus~~
89.22 ~~all of the remaining project costs; but the total amount paid by the commissioner for the~~
89.23 ~~project costs of a new landing strip, unless specifically authorized by an act appropriating~~
89.24 ~~funds for the new landing strip, shall not exceed \$200,000.~~

89.25 ~~(f) Notwithstanding paragraph (b) or (c), the commissioner may pay all the project~~
89.26 ~~costs for research and development projects, including, but not limited to noise abatement;~~
89.27 ~~provided that in no event shall the sums expended under this paragraph exceed five~~
89.28 ~~percent of the amount appropriated for construction grants.~~

89.29 ~~(g) (d)~~ To receive aid under this section for project costs or for acquisition costs, the
89.30 municipality must enter into an agreement with the commissioner giving assurance that
89.31 the airport will be operated and maintained in a safe, serviceable manner for aeronautical
89.32 purposes only for the use and benefit of the public:

89.33 (1) for 20 years after the date that the municipality receives any state funds for
89.34 project construction or improvement costs are received by the municipality; and

89.35 (2) for 99 years after the date that the municipality receives any state funds for land
89.36 acquisition costs are received by the municipality. If any land acquired with state funds

90.1 ceases to be used for aviation purposes, the municipality shall repay the state airports fund
 90.2 the same percentage of the appraised value of the property as that percentage of the costs
 90.3 of acquisition and participation provided by the state to acquire the land.

90.4 The agreement may contain other conditions as the commissioner deems reasonable.

90.5 ~~(h)~~ (e) The commissioner shall establish a hangar construction revolving account,
 90.6 which shall be used for the purpose of financing the construction of hangar buildings to
 90.7 be constructed by municipalities owning airports. All municipalities owning airports are
 90.8 authorized to enter into contracts for the construction of hangars, and contracts with
 90.9 the commissioner for the financing of hangar construction for an amount and period of
 90.10 time as may be determined by the commissioner and municipality. All receipts from the
 90.11 financing contracts shall be deposited in the hangar construction revolving account and
 90.12 are reappropriated for the purpose of financing construction of hangar buildings. The
 90.13 commissioner may pay from the hangar construction revolving account 80 percent of the
 90.14 cost of financing construction of hangar buildings. For purposes of this paragraph, the
 90.15 construction of hangars shall include their design. The commissioner shall transfer up to
 90.16 \$4,400,000 from the state airports fund to the hangar construction revolving account.

90.17 ~~(i)~~ (f) The commissioner may pay a portion of the purchase price of any contribute
 90.18 to costs incurred by any municipality for airport maintenance and operations, safety
 90.19 equipment, and of the actual airport snow removal costs incurred by any municipality.
 90.20 The portion to be paid by the state shall not exceed two-thirds of the cost of the purchase
 90.21 price or snow removal. To receive aid a municipality must enter into an agreement of the
 90.22 type referred to in paragraph (g).

90.23 ~~(j)~~ (g) This subdivision applies only to project costs or acquisition costs of
 90.24 municipally owned airports incurred after June 1, 1971.

90.25 Sec. 22. **COMMUTER RAIL TRANSIT FEASIBILITY STUDY.**

90.26 Subdivision 1. **Scope of study.** The Metropolitan Council shall conduct a study of
 90.27 the feasibility of the use of commuter rail transit in a corridor aligned on marked Interstate
 90.28 Highway 394 or between marked Interstate Highway 394 and marked Trunk Highway
 90.29 55, from downtown Minneapolis to Ridgedale Drive in Minnetonka, with the alternative
 90.30 of extending to Wayzata. The study must include consideration of the feasibility of
 90.31 connecting the Southwest Light Rail Transit Corridor with the Interstate Highway 394
 90.32 Corridor between downtown Minneapolis and a point of divergence west of downtown.
 90.33 The Metropolitan Council may hire a consultant to assist in the study and report under
 90.34 subdivision 3.

91.1 Subd. 2. **Elements of study.** The commuter rail transit feasibility study must
91.2 include, without limitation:

91.3 (1) an identification of major operational characteristics of commuter rail transit
91.4 in the corridor;

91.5 (2) a quantification of capital and operating costs;

91.6 (3) an evaluation of the interface of a rail transit system with other transportation
91.7 systems in the corridor;

91.8 (4) an evaluation of the impact of a rail transit system on land use and urban
91.9 development;

91.10 (5) an estimate of the cost and impact of necessary associated exercise of eminent
91.11 domain;

91.12 (6) an evaluation of the impact of a rail transit system on energy and the environment;

91.13 (7) an estimate of ridership potential;

91.14 (8) a cost-benefit analysis that compares the total cost of the project with the benefits
91.15 of a commuter rail transit line to its users, other users of the highway, and adjacent
91.16 property owners;

91.17 (9) an identification of potential sources of federal, state, local, private, and other
91.18 funds;

91.19 (10) an identification of the conditions necessary for commuter rail transit to be
91.20 feasible in the Interstate Highway 394 Corridor; and

91.21 (11) an evaluation of the feasibility of connecting the Southwest Light Rail Transit
91.22 Corridor with the Interstate Highway 394 Corridor between downtown Minneapolis and
91.23 a point of divergence west of downtown.

91.24 Subd. 3. **Report.** The Metropolitan Council shall prepare a written report of this
91.25 study and submit it no later than December 15, 2015, to the legislature, in compliance
91.26 with Minnesota Statutes, sections 3.195 and 3.197, and to the chairs and ranking minority
91.27 members of the senate and house of representatives committees with jurisdiction over
91.28 transportation.

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

91.30 Sec. 23. **ENVIRONMENTAL IMPACT STATEMENT; CERTAIN TRACK**
91.31 **CONNECTION PROJECTS.**

91.32 Subdivision 1. **Definition.** For purposes of this section, "track connection project"
91.33 means a rail construction project that:

91.34 (1) is in a county within which there is located a city of the first class, as provided in
91.35 Minnesota Statutes, section 410.01;

92.1 (2) is located at or near the site of two intersecting tracks of rail; and
92.2 (3) establishes switches, turnouts, or other forms of connecting track between
92.3 the two intersecting tracks, in which (i) the tracks are owned by two different railroad
92.4 companies, and (ii) the project provides for alternative routing of unit trains, as defined
92.5 in Minnesota Statutes, section 115E.01, subdivision 11d, transported as of the effective
92.6 date of this section on either of the intersecting tracks through a city of the first class
92.7 identified in clause (1).

92.8 Subd. 2. **Environmental impact statement.** An environmental impact statement
92.9 must be conducted under Minnesota Statutes, section 116D.04, and applicable
92.10 Environmental Quality Board rules governing track connection projects, to make a
92.11 determination concerning the existence of a local safety or security hazard under
92.12 applicable federal law. The Department of Transportation shall serve as the responsible
92.13 governmental unit for the environmental impact statement. A track connection project
92.14 may not begin construction and no final governmental decision may be made to grant a
92.15 permit, approve the project, or begin the project until the commissioner of transportation
92.16 has determined the environmental impact statement is adequate.

92.17 **EFFECTIVE DATE.** This section is effective the day following final enactment
92.18 and expires December 31, 2018.

92.19 Sec. 24. **ELECTION JUDGE TRAINING.**

92.20 The secretary of state shall inform each county auditor that a driving privilege
92.21 license as defined in Minnesota Statutes, section 171.01, subdivision 31c, must not be used
92.22 or accepted for voter registration purposes under Minnesota Statutes, section 201.061.
92.23 Each county auditor must inform all election officials and election judges hired for an
92.24 election that a driving privilege license must not be used or accepted for voter registration
92.25 purposes under Minnesota Statutes, section 201.061. County auditors and municipal
92.26 clerks must include this information in all election judge training courses.

92.27 Sec. 25. **PUBLIC-PRIVATE PARTNERSHIP PILOT PROGRAM.**

92.28 Subdivision 1. **Public-private partnership initiatives.** (a) The commissioner
92.29 of transportation and Metropolitan Council are authorized to consider and utilize
92.30 public-private partnership procurement methods for up to three pilot projects as provided
92.31 in this section. Utilization of public-private partnerships is a recognition of the importance
92.32 to the state of an efficient and safe transportation system, and the necessity of developing
92.33 alternative funding sources to supplement traditional sources of transportation revenues.
92.34 A public-private partnership initiative must take advantage of the expertise and experience

93.1 of public employees and private sector efficiencies in design and construction, along with
93.2 expertise in finance and development, and provide a better long-term value for the state
93.3 than could be obtained through traditional procurement methods.

93.4 (b) Notwithstanding Minnesota Statutes, section 160.98, or any other law to the
93.5 contrary, the commissioner or council may consider for use in the pilot program any
93.6 existing public-private partnership mechanism or any proposed mechanism that proves the
93.7 best available option for the state. Mechanisms the commissioner or council may consider
93.8 include, but are not limited to, toll facilities, BOT facilities, BTO facilities, user fees,
93.9 construction payments, joint development agreements, negotiated exactions, air rights
93.10 development, street improvement districts, or tax increment financing districts for transit.
93.11 For the purposes this section, toll facilities, BOT facilities, and BTO facilities have the
93.12 meanings given under Minnesota Statutes, section 160.84.

93.13 (c) As part of the pilot program, the commissioner and council are directed to form
93.14 an independent advisory and oversight office, the Joint Program Office for Economic
93.15 Development and Alternative Finance. The office shall consist of the commissioner of
93.16 management and budget, the commissioner of employment and economic development,
93.17 the commissioner of administration, the commissioner of transportation, the Metropolitan
93.18 Council, and one representative each from the American Council of Engineering
93.19 Companies - Minnesota chapter, the Central Minnesota Transportation Alliance, the
93.20 Counties Transit Improvement Board, and the Minnesota County Engineers Association.
93.21 In addition, the commissioner and Metropolitan Council shall invite the Federal Highway
93.22 Administration and the Federal Transit Administration to participate in the office's
93.23 activities. The office's duties shall include, but are not limited to, reviewing and approving
93.24 projects proposed under this section, reviewing any contractual or financial agreements
93.25 to ensure program requirements are met, and ensuring that any proposed or executed
93.26 agreement serves the public interest.

93.27 Subd. 2. **Pilot program restrictions and project selection.** (a) The commissioner
93.28 or council may receive or solicit and evaluate proposals to build, operate, and finance
93.29 projects that are not inconsistent with the commissioner's most recent statewide
93.30 transportation plan or the council's most recent transportation policy plan. If the
93.31 department or council receives an unsolicited proposal, the department or council shall
93.32 publish a notice in the State Register at least once a week for two weeks stating that the
93.33 department or council has received the proposal and will accept, for 120 days after the
93.34 initial date of publication, other proposals for the same project purpose. The private
93.35 proposer must be selected on a competitive basis.

94.1 (b) When entering into a public-private partnership, the commissioner or
94.2 Metropolitan Council may not enter into any noncompete agreement that inhibits the
94.3 state's ability to address ongoing or future infrastructure needs.

94.4 (c) If the commissioner or council enters into a public-private partnership agreement
94.5 that includes a temporary transfer of ownership or control of a road, bridge, or other
94.6 infrastructure investment to the private entity, the agreement must include a provision
94.7 requiring the return of the road, bridge, or other infrastructure investment to the state
94.8 after a specified period of time.

94.9 (d) The commissioner and council may only consider new projects for a
94.10 public-private partnership. The commissioner and council are prohibited from considering
94.11 projects involving existing infrastructure for a public-private partnership, unless the
94.12 proposed project adds capacity to the existing infrastructure.

94.13 Subd. 3. **Evaluation and selection of private entity and project.** (a) The
94.14 commissioner and council shall contract with one or more consultants to assist in proposal
94.15 evaluation. The consultant must possess expertise and experience in public-private
94.16 partnership project evaluation methodology, such as value for money, costs of
94.17 public-private partnership compared with costs of public project delivery, and cost-benefit
94.18 analysis.

94.19 (b) When soliciting, evaluating, and selecting a private entity with which to enter
94.20 into a public-private partnership and before selecting a project, the commissioner or
94.21 council must consider:

94.22 (1) the ability of the proposed project to improve safety, reduce congestion, increase
94.23 capacity, and promote economic growth;

94.24 (2) the proposed cost of and financial plan for the project;

94.25 (3) the general reputation, qualifications, industry experience, and financial capacity
94.26 of the private entity;

94.27 (4) the project's proposed design, operation, and feasibility;

94.28 (5) length and extent of transportation and transit service disruption;

94.29 (6) comments from local citizens and affected jurisdictions;

94.30 (7) benefits to the public;

94.31 (8) the safety record of the private entity; and

94.32 (9) any other criteria the commissioner or council deems appropriate.

94.33 (c) The independent advisory and oversight office established under subdivision 1,
94.34 paragraph (c), shall, in collaboration with authorized representatives of Department of
94.35 Transportation workers, review proposals evaluated by the commissioner or council to
94.36 ensure the requirements of this section are being met. The independent advisory and

95.1 oversight office shall first determine whether the project, as proposed, serves the public
95.2 interest. In making this determination, the office must identify and consider advantages
95.3 and disadvantages for various stakeholders, including taxpayers, workers, transportation
95.4 and transit providers and operators, transportation and transit users, commercial vehicle
95.5 operators, and the general public, including the impact on the state's economy. If the
95.6 proposed project serves the public interest, the office must evaluate the proposals
95.7 according to the criteria specified in this section.

95.8 Subd. 4. **Public-private agreement.** (a) A public-private agreement between the
95.9 commissioner or the council and a private entity shall, at a minimum, specify:

95.10 (1) the planning, acquisition, financing, development, design, construction,
95.11 reconstruction, replacement, improvement, maintenance, management, repair, leasing, or
95.12 operation of the project;

95.13 (2) the term of the public-private agreement;

95.14 (3) the type of property interest, if any, that the private entity will have in the project;

95.15 (4) a description of the actions the commissioner or council may take to ensure
95.16 proper maintenance of the project;

95.17 (5) whether user fees will be collected on the project and the basis by which the user
95.18 fees shall be determined and modified along with identification of the public agency that
95.19 will determine and modify fees;

95.20 (6) compliance with applicable federal, state, and local laws;

95.21 (7) grounds for termination of the public-private agreement by the commissioner
95.22 or council;

95.23 (8) adequate safeguards for the traveling public and residents of the state in event of
95.24 default on the contract;

95.25 (9) the extent and nature of involvement of public employees in the proposed project;

95.26 (10) financial protection for the state in the event of default; and

95.27 (11) procedures for amendment of the agreement.

95.28 (b) A public-private agreement between the commissioner or council and a private
95.29 entity may provide for:

95.30 (1) review and approval by the commissioner or council of the private entity's plans
95.31 for the development and operation of the project;

95.32 (2) inspection by the commissioner or council of construction and improvements
95.33 to the project;

95.34 (3) maintenance by the private entity of a liability insurance policy;

95.35 (4) filing of appropriate financial statements by the private entity on a periodic basis;

95.36 (5) filing of traffic reports by the private entity on a periodic basis;

- 96.1 (6) financing obligations of the commissioner or council and the private entity;
 96.2 (7) apportionment of expenses between the commissioner or council and the private
 96.3 entity;
 96.4 (8) the rights and remedies available in the event of a default or delay;
 96.5 (9) the rights and duties of the private entity, the commissioner or council, and other
 96.6 state or local governmental entities with respect to the use of the project;
 96.7 (10) the terms and conditions of indemnification of the private entity by the
 96.8 commissioner or council;
 96.9 (11) assignment, subcontracting, or other delegations of responsibilities of (i)
 96.10 the private entity, or (ii) the commissioner or council under agreement to third parties,
 96.11 including other private entities or state agencies;
 96.12 (12) if applicable, sale or lease to the private entity of private property related to
 96.13 the project;
 96.14 (13) traffic enforcement and other policing issues; and
 96.15 (14) any other terms and conditions the commissioner or council deems appropriate.

96.16 (c) The independent advisory and oversight office established under subdivision
 96.17 1, paragraph (c), shall review any proposed contractual agreement prior to execution
 96.18 in order to ensure that the contract serves the public interest and the requirements of
 96.19 this section are met.

96.20 Subd. 5. **Funding from federal government.** (a) The commissioner or council may
 96.21 accept from the United States or any of its agencies funds that are available to the state
 96.22 for carrying out the pilot program, whether the funds are available by grant, loan, or
 96.23 other financial assistance.

96.24 (b) The commissioner or council may enter into agreements or other arrangements
 96.25 with the United States or any of its agencies as necessary for carrying out the pilot program.

96.26 (c) The commissioner or council shall seek to maximize project funding from
 96.27 nonstate sources and may combine federal, state, local, and private funds to finance a
 96.28 public-private partnership pilot project.

96.29 Subd. 6. **Reporting.** By August 1, 2016, and annually by August 1 thereafter, the
 96.30 commissioner and council shall submit to the chairs and ranking minority members of the
 96.31 house of representatives and senate committees having jurisdiction over transportation
 96.32 policy and finance a list of all agreements executed under the pilot program authority. The
 96.33 list must identify each agreement, the contracting entities, contract amount and duration,
 96.34 any repayment requirements, and provide an update on the project's progress. The list
 96.35 may be submitted electronically and is subject to Minnesota Statutes, section 3.195,
 96.36 subdivision 1.

97.1 **EFFECTIVE DATE.** This section is effective July 1, 2016.

97.2 Sec. 26. **TRANSPORTATION PROJECT SELECTION PROCESS.**

97.3 Subdivision 1. **Adoption of process and public input.** The commissioner of
97.4 transportation shall, after consultation with metropolitan planning organizations, regional
97.5 development commissions, area transportation partnerships, local governments, and the
97.6 Metropolitan Council, draft a proposed transportation project data-driven evaluation
97.7 process to provide an objective and consistent analysis to assist in developing the
97.8 statewide transportation plan and prioritization of highway construction, reconstruction,
97.9 and improvement projects in the state transportation improvement program. No later than
97.10 September 1, 2015, the proposed process must be reported to the chairs and ranking
97.11 minority members of the senate and house of representatives committees on transportation
97.12 policy and finance and publicized, along with a schedule for public hearings and additional
97.13 opportunities for public input electronically and at locations throughout the state. No later
97.14 than January 10, 2016, after public comment has been heard and incorporated into the
97.15 proposed evaluation process, the commissioner shall adopt a final process for use in
97.16 highway project investment decisions on and after March 1, 2016.

97.17 Subd. 2. **Factors in analysis.** The process must be based on objective, consistent,
97.18 and quantifiable analysis. Factors in the analysis must include return on investment,
97.19 benefit-cost, local rankings, safety, congestion mitigation, economic development,
97.20 accessibility, environmental quality, regional and metropolitan-rural balance, and land
97.21 use. The process may assign different weights to factors in evaluating projects on the
97.22 trunk highway system, the county state-aid highway system, and the municipal state-aid
97.23 street system.

97.24 Subd. 3. **Exemptions.** A proposed project is exempt from the process if it is:

97.25 (1) funded by a grant from:

97.26 (i) the corridors of commerce program under Minnesota Statutes, section 161.088;

97.27 (ii) the transportation economic development program under Minnesota Statutes,
97.28 section 174.12; and

97.29 (iii) the joint powers board under Minnesota Statutes, section 297A.992, subdivision
97.30 6; or

97.31 (2) preservation, maintenance, capital preventive treatment or safety project that
97.32 does not increase capacity of the infrastructure, or if subjecting it to the evaluation process
97.33 would result in a loss of federal funds.

97.34 Subd. 4. **Information on department's Web site.** For each proposed project
97.35 evaluated under this process, the applicable scoring process, the score for each factor,

98.1 and the overall score are public information and must be publicized on the department's
98.2 Web site.

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

98.4 Sec. 27. **ESTABLISHMENT OF ROAD-USER CHARGE WORKING GROUP.**

98.5 Subdivision 1. **Road-user charge.** The road-user charge working group is
98.6 established to study and report to the legislature concerning issues related to designing
98.7 and implementing a road-user charge in this state. The road-user charge working group
98.8 consists of 15 members, as follows:

98.9 (1) the chairs and ranking minority members of the house of representatives and
98.10 senate committees or divisions with jurisdiction over transportation policy and finance;

98.11 (2) the commissioner of transportation or a designee; and

98.12 (3) public members who have relevant expertise and interest, including members or
98.13 representatives of transportation user groups; the telecommunications industry; the data
98.14 security and privacy industry; privacy rights advocacy groups; and research and policy
98.15 making bodies. Of these members, five must be appointed by the speaker of the house,
98.16 and five must be appointed by the majority leader of the senate.

98.17 Subd. 2. **Duties of road-user charge working group.** The working group shall
98.18 identify and consider policy and technical issues related to funding state transportation
98.19 infrastructure through implementation of a road-user charge as an alternative to the motor
98.20 fuels tax. The working group shall study and make recommendations concerning cost,
98.21 privacy, jurisdictional issues, feasibility, complexity, public acceptance, use of revenues,
98.22 possible constitutional dedication, security, compliance, data collection technology that
98.23 includes privacy and user options, implementation, and related issues. In addition, the
98.24 working group shall seek and facilitate collaboration with other states; review pilot project
98.25 and implementation results from other states and countries; and explore federal funding
98.26 opportunities.

98.27 Subd. 3. **Report of working group.** By January 15, 2017, the working group shall
98.28 submit a report to the chairs of the committees in the senate and house of representatives
98.29 with primary jurisdiction over transportation policy and transportation finance. The report
98.30 must state findings and recommendations concerning a road-user charge. The report may
98.31 recommend the development by the commissioner of transportation of an implementation
98.32 plan that may:

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

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

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

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

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

99.9 (6) be based in surface transportation finance principles, including:

99.10 (i) efficiency, including impacts on road system use and land use;

99.11 (ii) equity across road system users and vehicles, including (A) user payment
99.12 relative to user costs imposed; (B) the distribution of the burden of a fee structure that
99.13 includes the factors required under Minnesota Statutes, section 270C.13, subdivision 1,
99.14 clauses (1) to (3); and (C) identification of and possible fiscal offsets for any disparate
99.15 impact on users based on geographic location of their residency;

99.16 (iii) revenue adequacy and long-term suitability of funding after complete
99.17 implementation;

99.18 (iv) environmental impacts and sustainability;

99.19 (v) administrative and technical feasibility, including data privacy and protection;

99.20 (vi) transparency; and

99.21 (vii) accountability.

99.22 Subd. 4. **Administrative provisions.** (a) The commissioner of transportation or
99.23 the commissioner's designee shall convene the initial meeting of the working group no
99.24 later than September 1, 2015. Upon request of the working group, the commissioner shall
99.25 provide meeting space and administrative services for the group. The members of the
99.26 working group shall elect a chair or cochairs from the members of the working group at
99.27 the initial meeting.

99.28 (b) Public members of the working group serve without compensation or payment of
99.29 expenses.

99.30 (c) The working group expires May 1, 2017, or upon submission of the report
99.31 required under subdivision 3, whichever is earlier.

99.32 (d) The working group may accept gifts and grants, which are accepted on behalf of
99.33 the state and constitute donations to the state. Funds received under this paragraph are
99.34 appropriated to the commissioner of transportation for purposes of the working group.

99.35 Subd. 5. **Deadline for appointments and designations.** The appointments and
99.36 designations for the road-user charge working group must be completed by August 1, 2015.

100.1 Sec. 28. **REGULAR ROUTE TRANSIT REQUIREMENT.**

100.2 By September 1, 2015, the Metropolitan Council shall institute regular route transit
100.3 service to the city of Hastings, provided that the governing body of the city of Hastings
100.4 has entered into an agreement with the Metropolitan Council, no later than July 1, 2015, to
100.5 become a part of the transit taxing district under Minnesota Statutes, section 473.4461.

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

100.7 Sec. 29. **ENHANCED ORGANIZATIONAL EFFECTIVENESS AND**
100.8 **INNOVATION REVIEW.**

100.9 (a) A review and assessment of the organizational structure of the Department of
100.10 Transportation is required to enhance organizational effectiveness, encourage prudent
100.11 allocation of resources, and deliver the greatest value to Minnesota. This review and
100.12 assessment shall be completed by a partnership that includes the Humphrey School of
100.13 Public Affairs, Carlson School of Management, and the State Smart Transportation
100.14 Initiative at the University of Wisconsin.

100.15 (b) A preliminary report of this review and assessment shall be submitted to the
100.16 chairs and ranking minority members of the legislative committees having jurisdiction
100.17 over transportation policy and finance by December 15, 2015, with the final report
100.18 submitted by June 30, 2016.

100.19 (c) At a minimum, the review and assessment shall include:

100.20 (1) the relationship of each district, division, office, and section of the department to
100.21 the state's transportation goals under Minnesota Statutes, section 174.01, the department's
100.22 mission under Minnesota Statutes, section 174.02, the duties of the commissioner under
100.23 Minnesota Statutes, section 174.03, the annual performance targets under Minnesota
100.24 Statutes, section 174.03, subdivision 1c, and adherence to all relevant provisions of state
100.25 statute and federal law;

100.26 (2) the budget assigned to each district, division, office, and section of the department;

100.27 (3) the ratio of employees to supervisors in each district, division, office, and section
100.28 of the department;

100.29 (4) recommendations identifying best practices, and comparisons with other state
100.30 departments of transportation;

100.31 (5) recommendations regarding the appropriate ratio of employees to supervisors
100.32 for the variety of activities performed by the department;

100.33 (6) recommendations regarding the appropriate increase in department operations
100.34 resulting from increases in capital investments;

101.1 (7) recommendations regarding the appropriate fiscal responsibility assigned to
101.2 construction inspectors and engineers;

101.3 (8) recommendations regarding the appropriate, fiscally constrained size of the
101.4 trunk highway system; and

101.5 (9) recommendations regarding how to achieve the appropriate, fiscally constrained
101.6 size of the trunk highway system.

101.7 **EFFECTIVE DATE.** This section is effective July 1, 2015.

101.8 Sec. 30. **ACTIVE TRANSPORTATION PROGRAM DEVELOPMENT.**

101.9 (a) By October 1, 2015, the Advisory Committee on Nonmotorized Transportation
101.10 under Minnesota Statutes, section 174.37, shall develop and submit recommendations to
101.11 each administering authority under Minnesota Statutes, section 174.38, for developing
101.12 project evaluation and selection processes under Minnesota Statutes, section 174.38,
101.13 subdivision 7. The advisory committee may consult with representatives from the
101.14 Bicycle Alliance of Minnesota, Minnesota Chamber of Commerce, Metropolitan
101.15 Council Transportation Accessibility Advisory Committee, Minnesota Department of
101.16 Transportation district area transportation partnerships, Minnesota State Council on
101.17 Disability, organizations representing elderly populations, and public health organizations
101.18 with experience in active transportation.

101.19 (b) In its next annual report under Minnesota Statutes, section 174.37, subdivision
101.20 4, the advisory committee shall include a summary of the recommendations under this
101.21 section and submit a copy to the chairs and ranking minority members of the legislative
101.22 committees with jurisdiction over transportation policy and finance. The report is subject
101.23 to Minnesota Statutes, section 3.195.

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

101.25 Sec. 31. **REPORT ON DEDICATED FUND EXPENDITURES.**

101.26 By January 15, 2016, the commissioner of management and budget shall submit
101.27 a report to the chairs and ranking minority members of the legislative committees with
101.28 jurisdiction over transportation finance. The report must list detailed expenditures and
101.29 transfers from the trunk highway fund and highway user tax distribution fund for fiscal
101.30 years 2010 through 2015, and shall include information on the purpose of each expenditure.

101.31 Sec. 32. **ROAD DESIGN STANDARDS.**

102.1 By August 15, 2016, the commissioner of transportation shall, in collaboration
102.2 with city and county engineers, establish and adopt design standards and guidelines to
102.3 be applied consistently to trunk highways, county state-aid highways, and municipal
102.4 state-aid streets with similar characteristics. The standards and guidelines must align the
102.5 state-aid standards with the Department of Transportation trunk highway standards and
102.6 technical memoranda as appropriate. The commissioner shall report the adopted standards
102.7 and guidelines to the chairs and ranking minority members of the senate and house of
102.8 representatives committees with jurisdiction over transportation policy by August 15,
102.9 2016, and present an interim report by March 15, 2016.

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