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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETIETH SESSION

H. F. No. **4160**

03/22/2018 Authored by Torkelson
The bill was read for the first time and referred to the Committee on Transportation Finance
04/23/2018 Adoption of Report: Amended and re-referred to the Committee on Ways and Means

1.1 A bill for an act

1.2 relating to transportation; establishing a supplemental budget for transportation

1.3 activities; modifying various provisions governing transportation policy and finance;

1.4 appropriating money; requiring reports; authorizing the sale and issuance of state

1.5 bonds; amending Minnesota Statutes 2016, sections 13.461, by adding a

1.6 subdivision; 13.6905, subdivision 3; 13.72, subdivision 10; 160.295, subdivision

1.7 5; 161.115, subdivision 111; 161.14, by adding subdivisions; 161.32, subdivision

1.8 2; 168.10, subdivision 1h; 168.101, subdivision 2a; 168.127, subdivision 6; 168.326;

1.9 168.33, by adding a subdivision; 168.345, subdivision 2; 168A.02, subdivision 1;

1.10 168A.151, subdivision 1; 168A.29, subdivision 1; 169.011, subdivisions 5, 9, 60;

1.11 169.18, subdivision 3; 169.222, subdivisions 1, 4; 169.26, subdivision 1; 169.28;

1.12 169.29; 169.345, subdivision 2; 169.4503, subdivision 5; 169.81, by adding a

1.13 subdivision; 169.8261, subdivision 2; 169.829, by adding a subdivision; 169.87,

1.14 subdivision 6; 169.974, subdivision 2; 174.66; 221.031, subdivision 2d, by adding

1.15 a subdivision; 221.0314, subdivision 9; 221.036, subdivisions 1, 3; 221.122,

1.16 subdivision 1; 221.161, subdivision 1, by adding a subdivision; 221.171, subdivision

1.17 1; 222.46; 222.50, subdivisions 3, 4; 222.52; 222.57; 222.63, subdivision 8;

1.18 297A.993, by adding a subdivision; 299A.705; 360.013, by adding a subdivision;

1.19 360.017, subdivision 1; 360.021, subdivision 1; 360.062; 360.063, subdivisions

1.20 1, 3; 360.064, subdivision 1; 360.065, subdivision 1; 360.066, subdivision 1;

1.21 360.067, by adding a subdivision; 360.071, subdivision 2; 360.305, subdivision

1.22 6; 394.22, by adding a subdivision; 394.23; 394.231; 394.25, subdivision 3;

1.23 462.352, by adding a subdivision; 462.355, subdivision 1; 462.357, subdivision

1.24 9, by adding a subdivision; 473.13, by adding subdivisions; 473.386, subdivision

1.25 3, by adding a subdivision; 473.4051, subdivision 3; 574.26, subdivision 1a;

1.26 Minnesota Statutes 2017 Supplement, sections 3.972, subdivision 4; 160.02,

1.27 subdivision 1a; 169.829, subdivision 4; 171.06, subdivision 2; 473.4051,

1.28 subdivision 2; Laws 2014, chapter 312, article 11, section 38, subdivisions 5, 6;

1.29 Laws 2017, First Special Session chapter 3, article 1, sections 2, subdivision 2; 4,

1.30 subdivisions 1, 2; proposing coding for new law in Minnesota Statutes, chapters

1.31 161; 168; 174; 222; 299A; 360; repealing Minnesota Statutes 2016, sections

1.32 168.013, subdivision 21; 221.161, subdivisions 2, 3, 4; 222.47; 222.50, subdivisions

1.33 1, 7; 222.51; 360.063, subdivision 4; 360.065, subdivision 2; 360.066, subdivisions

1.34 1a, 1b; Minnesota Statutes 2017 Supplement, sections 222.49; 222.50, subdivision

1.35 6.

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

3.1 the commissioner of management and budget
 3.2 determines that sufficient resources have been
 3.3 committed to complete the project, as required
 3.4 by Minnesota Statutes, section 16A.502, and
 3.5 is available until the project is completed or
 3.6 abandoned, subject to Minnesota Statutes,
 3.7 section 16A.642. This is a onetime
 3.8 appropriation.

3.9 **Subd. 3. Freight Rail**

3.10 **(a) Freight Rail Economic Development (FRED)** -0- 5,000,000

3.11 This appropriation is for the freight rail
 3.12 economic development program under
 3.13 Minnesota Statutes, section 222.505.

3.14 The base is \$2,000,000 in each of fiscal years
 3.15 2020 and 2021.

3.16 **(b) Rice Creek Railroad Bridge** -0- 1,550,000

3.17 This appropriation is from the freight rail
 3.18 account in the special revenue fund under the
 3.19 freight rail economic development program
 3.20 in Minnesota Statutes, section 222.505, for
 3.21 the grant under section 11. This appropriation
 3.22 is available when the commissioner of
 3.23 management and budget determines that
 3.24 sufficient resources have been committed to
 3.25 complete the project, as required by Minnesota
 3.26 Statutes, section 16A.502, and is available
 3.27 until the project is completed or abandoned
 3.28 subject to Minnesota Statutes, section
 3.29 16A.642. This is a onetime appropriation.

3.30 **Subd. 4. State Roads**

3.31 Unless otherwise specified, the appropriations
 3.32 in this subdivision are from the trunk highway
 3.33 fund.

3.34 **(a) Operations and Maintenance** -0- 11,095,000

4.1 This is a onetime appropriation.

4.2 **(b) Program Planning and Delivery**

4.3 **(1) Planning and Research**

-0-

2,094,000

4.4 If a balance remains of this appropriation, the
 4.5 commissioner may transfer up to that amount
 4.6 for program delivery under clause (2).

4.7 \$500,000 in the second year is to conduct a
 4.8 study on the feasibility of an interchange at
 4.9 marked Interstate Highway 35 and County
 4.10 Road 9 in Rice County. At a minimum, the
 4.11 study must include estimated construction
 4.12 costs, traffic modeling, an environmental
 4.13 analysis, and a potential design layout for an
 4.14 interchange.

4.15 \$500,000 in the second year is to conduct a
 4.16 study on the feasibility of expanding or
 4.17 reconstructing marked Interstate Highway 94
 4.18 from the city of St. Michael to the city of St.
 4.19 Cloud. At a minimum, the study must include
 4.20 traffic modeling and an environmental
 4.21 analysis.

4.22 This is a onetime appropriation.

4.23 **(2) Program Delivery**

-0-

13,317,000

4.24 Appropriations by Fund

	<u>2018</u>	<u>2019</u>
4.25		
4.26 <u>General</u>	<u>-0-</u>	<u>6,230,000</u>
4.27 <u>Trunk Highway</u>	<u>-0-</u>	<u>7,087,000</u>

4.28 This appropriation includes use of consultants
 4.29 to support development and management of
 4.30 projects. This is a onetime appropriation.

4.31 \$5,400,000 in the second year is from the
 4.32 general fund for a grant to the city of Virginia
 4.33 to repay loans incurred by the city for costs
 4.34 related to utility relocation for the U.S.

5.1 Highway 53 project. This is a onetime
 5.2 appropriation.
 5.3 \$830,000 in the second year is from the
 5.4 general fund for a grant to the city of Mankato
 5.5 for a project to increase the height of a levee
 5.6 and related construction on a segment of
 5.7 marked Trunk Highway 169 north of the
 5.8 Highway 14 interchange to accommodate the
 5.9 raising of a levee. This appropriation is for the
 5.10 local share the city of Mankato would be
 5.11 responsible for under the state's Cost
 5.12 Participation and Maintenance with Local
 5.13 Units of Government Manual, or any contract
 5.14 between the state and the city of Mankato.
 5.15 This is a onetime appropriation and is
 5.16 available when the commissioner of
 5.17 management and budget determines that
 5.18 sufficient resources have been committed to
 5.19 complete the project, as required by Minnesota
 5.20 Statutes, section 16A.502.

5.21	<u>(c) State Road Construction</u>	<u>-0-</u>	<u>48,155,000</u>
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5.22 This appropriation is for the actual
 5.23 construction, reconstruction, and improvement
 5.24 of trunk highways, including design-build
 5.25 contracts, internal department costs associated
 5.26 with delivering the construction program,
 5.27 consultant use to support the activities, and
 5.28 the cost of actual payments to landowners for
 5.29 lands acquired for highway rights-of-way,
 5.30 payment to lessees, interest subsidies, and
 5.31 relocation expenses. This is a onetime
 5.32 appropriation.
 5.33 For any trunk highway reconstruction or
 5.34 resurfacing project in 2020 or 2021 that
 5.35 includes establishment of one or more

6.1 temporary lanes of travel, the commissioner
 6.2 must establish additional permanent general
 6.3 purpose lanes for that segment if (1) the
 6.4 project is on an Interstate Highway; (2) the
 6.5 total project cost estimate is at least
 6.6 \$30,000,000; and (3) the annual average daily
 6.7 traffic is at least 40,000 at any point within
 6.8 the project limits.

6.9 **(d) Corridors of Commerce** -0- 10,000,000

6.10 This appropriation is for the corridors of
 6.11 commerce program under Minnesota Statutes,
 6.12 section 161.088. This is a onetime
 6.13 appropriation.

6.14 **(e) Highway Debt Service** -0- 2,319,000

6.15 \$2,319,000 in fiscal year 2019 is for transfer
 6.16 to the state bond fund. If this appropriation is
 6.17 insufficient to make all transfers required in
 6.18 the year for which it is made, the
 6.19 commissioner of management and budget must
 6.20 transfer the deficiency amount under the
 6.21 statutory open appropriation and notify the
 6.22 chairs, ranking minority members, and staff
 6.23 of the legislative committees with jurisdiction
 6.24 over transportation finance and the chairs of
 6.25 the senate Finance Committee and the house
 6.26 of representatives Ways and Means Committee
 6.27 of the amount of the deficiency. Any excess
 6.28 appropriation cancels to the trunk highway
 6.29 fund.

6.30 **Subd. 5. Local Roads**

6.31 **(a) County State-Aid Roads** -0- 24,945,000

6.32 This appropriation is from the county state-aid
 6.33 highway fund under Minnesota Statutes,
 6.34 sections 161.081 and 297A.815, subdivision

7.1 3, and Minnesota Statutes, chapter 162, and
 7.2 is available until June 30, 2027. This is a
 7.3 onetime appropriation.

7.4 **(b) Municipal State-Aid Roads** -0- 6,552,000

7.5 This appropriation is from the municipal
 7.6 state-aid street fund under Minnesota Statutes,
 7.7 chapter 162, and is available until June 30,
 7.8 2027. This is a onetime appropriation.

7.9 **(c) Small Cities Assistance** -0- 7,000,000

7.10 This appropriation is for the small cities
 7.11 assistance program under Minnesota Statutes,
 7.12 section 162.145.

7.13 The base is \$8,081,000 in fiscal year 2020 and
 7.14 \$8,082,000 in fiscal year 2021.

7.15 **(d) Town Roads** -0- 2,000,000

7.16 This appropriation is for town roads, to be
 7.17 distributed in the manner provided under
 7.18 Minnesota Statutes, section 162.081. This is
 7.19 a onetime appropriation.

7.20 **Subd. 6. Tribal Training Program**

7.21 The commissioner must implement
 7.22 interagency billing to state agencies for costs
 7.23 related to that agency's participation in tribal
 7.24 training activities provided by the Department
 7.25 of Transportation.

7.26 **Sec. 3. METROPOLITAN COUNCIL** \$ -0- \$ 3,500,000

7.27 This appropriation is for financial assistance
 7.28 to replacement service providers under
 7.29 Minnesota Statutes, section 473.388, for the
 7.30 purposes of the suburb-to-suburb transit
 7.31 project authorized under Laws 2015, chapter
 7.32 75, article 1, section 4. Of the amount in the
 7.33 second year, \$2,500,000 is for capital

8.1 improvements, including bus replacement,
 8.2 associated with the project. The replacement
 8.3 service providers must collectively identify
 8.4 and notify the Metropolitan Council of the
 8.5 capital expenditures under this rider, and the
 8.6 Metropolitan Council must allocate funds as
 8.7 directed by the replacement service providers.
 8.8 The council is prohibited from retaining any
 8.9 portion of the funds under this appropriation.
 8.10 This is a onetime appropriation.
 8.11 Notwithstanding Laws 2017, First Special
 8.12 Session chapter 3, article 1, section 3, the base
 8.13 is \$90,747,000 in fiscal year 2020 and
 8.14 \$90,730,000 in fiscal year 2021.

8.15	<u>Sec. 4. DEPARTMENT OF MANAGEMENT</u>			
8.16	<u>AND BUDGET</u>	<u>\$</u>	<u>9,000,000</u>	<u>\$</u>
				<u>-0-</u>

8.17 This appropriation is for reimbursement grants
 8.18 to deputy registrars under Minnesota Statutes,
 8.19 section 168.335, provided that the time period
 8.20 under Minnesota Statutes, section 168.335,
 8.21 subdivision 3, paragraph (a), clause (1), is
 8.22 August 1, 2017, through January 31, 2018.
 8.23 \$6,265,000 in the first year is from the driver
 8.24 services operating account and \$2,735,000 in
 8.25 the first year is from the vehicle services
 8.26 operating account.

8.27 For the appropriation in the first year, the
 8.28 commissioner of management and budget must
 8.29 make efforts to reimburse deputy registrars
 8.30 within 30 days of the effective date of this
 8.31 section.

8.32 The base from the general fund is \$9,000,000
 8.33 in each of fiscal years 2020 and 2021. The
 8.34 base from the driver services operating

9.1 account is \$0 in each of fiscal years 2020 and
 9.2 2021. The base from the vehicle services
 9.3 operating account is \$0 in each of fiscal years
 9.4 2020 and 2021.

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

9.6 Sec. 5. Laws 2017, First Special Session chapter 3, article 1, section 2, subdivision 2, is
 9.7 amended to read:

9.8 **Subd. 2. Multimodal Systems**

9.9 **(a) Aeronautics**

9.10	(1) Airport Development and Assistance	26,001,000	16,598,000
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9.11 This appropriation is from the state airports
 9.12 fund and must be spent according to
 9.13 Minnesota Statutes, section 360.305,
 9.14 subdivision 4.

9.15 Notwithstanding Minnesota Statutes, section
 9.16 16A.28, subdivision 6, this appropriation is
 9.17 available for five years after the year of the
 9.18 appropriation. If the appropriation for either
 9.19 year is insufficient, the appropriation for the
 9.20 other year is available for it.

9.21 \$6,619,000 in the first year is for a grant to
 9.22 the Duluth Airport Authority for
 9.23 improvements at the Duluth International
 9.24 Airport and the Sky Harbor Airport in
 9.25 accordance with Minnesota Statutes, section
 9.26 360.017. For the purposes of this
 9.27 appropriation, the commissioner may waive
 9.28 the requirements of Minnesota Statutes,
 9.29 section 360.305, subdivision 4, paragraph (b).
 9.30 This appropriation may be used to reimburse
 9.31 the Authority for costs incurred after March
 9.32 1, 2015. This is a onetime appropriation.

10.1 \$2,334,000 in the first year is for a grant to
10.2 the city of Rochester for improvements to the
10.3 passenger terminal building at the Rochester
10.4 International Airport in accordance with
10.5 Minnesota Statutes, section 360.017. For the
10.6 purposes of this appropriation, the
10.7 commissioner of transportation may waive the
10.8 requirements of Minnesota Statutes, section
10.9 360.305, subdivision 4, paragraph (b). This
10.10 appropriation may be used to reimburse the
10.11 city for costs incurred after May 1, 2016. This
10.12 is a onetime appropriation.

10.13 Notwithstanding Minnesota Statutes, section
10.14 360.017, \$250,000 in the first year is for a
10.15 grant to the city of St. Cloud for an air
10.16 transport optimization planning study for the
10.17 St. Cloud Regional Airport. The study must
10.18 be comprehensive and market-based, using
10.19 economic development and air service
10.20 expertise to research, analyze, and develop
10.21 models and strategies that maximize the return
10.22 on investments made to enhance the use and
10.23 impact of the St. Cloud Regional Airport. By
10.24 January 5, 2018, the city of St. Cloud shall
10.25 submit a report to the governor and the
10.26 members and staff of the legislative
10.27 committees with jurisdiction over capital
10.28 investment, transportation, and economic
10.29 development with recommendations based on
10.30 the findings of the study. This is a onetime
10.31 appropriation.

10.32 If the commissioner of transportation
10.33 determines that a balance remains in the state
10.34 airports fund following the appropriations
10.35 made in this article and that the appropriations

11.1 made are insufficient for advancing airport
 11.2 development and assistance projects, an
 11.3 amount necessary to advance the projects, not
 11.4 to exceed the balance in the state airports fund,
 11.5 is appropriated in each year to the
 11.6 commissioner and must be spent according to
 11.7 Minnesota Statutes, section 360.305,
 11.8 subdivision 4. Within two weeks of a
 11.9 determination under this contingent
 11.10 appropriation, the commissioner of
 11.11 transportation must notify the commissioner
 11.12 of management and budget and the chairs,
 11.13 ranking minority members, and staff of the
 11.14 legislative committees with jurisdiction over
 11.15 transportation finance concerning the funds
 11.16 appropriated. Funds appropriated under this
 11.17 contingent appropriation do not adjust the base
 11.18 for fiscal years 2020 and 2021.

11.19 The base is \$15,298,000 in each of fiscal years
 11.20 2020 and 2021.

11.21 (2) Aviation Support and Services	6,710,000	6,854,000
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11.22 Appropriations by Fund

	2018	2019
11.24 Airports	5,231,000	5,231,000
11.25 Trunk Highway	1,479,000	1,623,000

11.26 (3) Civil Air Patrol	3,580,000	80,000
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11.27 This appropriation is from the state airports
 11.28 fund for the Civil Air Patrol.

11.29 \$3,500,000 in the first year is for a grant to:
 11.30 (1) perform site selection and analysis; (2)
 11.31 purchase, renovate a portion of and, or
 11.32 construct an addition to the training and
 11.33 maintenance facility located at the South St.
 11.34 Paul airport, facilities; and to (3) furnish and
 11.35 equip the facility facilities, including

12.1 communications equipment. If the Civil Air
 12.2 Patrol purchases an existing facility, predesign
 12.3 requirements are waived. The facilities must
 12.4 be located at an airport in Minnesota.
 12.5 Notwithstanding the matching requirements
 12.6 in Minnesota Statutes, section 360.305,
 12.7 subdivision 4, a nonstate contribution is not
 12.8 required for this appropriation.
 12.9 Notwithstanding Minnesota Statutes, section
 12.10 16A.28, subdivision 6, this appropriation is
 12.11 available for ~~five~~ six years after the year of
 12.12 the appropriation. This is a onetime
 12.13 appropriation.

12.14 **(b) Transit** 1,416,000 18,268,000

12.15	Appropriations by Fund	
12.16	2018	2019
12.17	General 570,000	17,395,000
12.18	Trunk Highway 846,000	873,000

12.19 \$150,000 in each year is from the general fund
 12.20 for grants to transportation management
 12.21 organizations that provide services exclusively
 12.22 or primarily in the city located along the
 12.23 marked Interstate Highway 494 corridor
 12.24 having the highest population as of the
 12.25 effective date of this section. The
 12.26 commissioner must not retain any portion of
 12.27 the funds appropriated under this section.
 12.28 From the appropriation in each fiscal year, the
 12.29 commissioner must make grant payments in
 12.30 full by July 31. Permissible uses of funds
 12.31 under this grant include administrative
 12.32 expenses and programming and service
 12.33 expansion, including but not limited to
 12.34 staffing, communications, outreach and
 12.35 education program development, and

13.1 operations management. This is a onetime
 13.2 appropriation.

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

13.5 **(c) Safe Routes to School** 500,000 500,000

13.6 This appropriation is from the general fund
 13.7 for the safe routes to school program under
 13.8 Minnesota Statutes, section 174.40.

13.9 **(d) Passenger Rail** 500,000 500,000

13.10 This appropriation is from the general fund
 13.11 for passenger rail system planning, alternatives
 13.12 analysis, environmental analysis, design, and
 13.13 preliminary engineering under Minnesota
 13.14 Statutes, sections 174.632 to 174.636.

13.15 **(e) Freight**

13.16 **Freight and Commercial Vehicle Operations** 8,506,000 6,578,000

13.17	Appropriations by Fund		
13.18		2018	2019
13.19	General	3,156,000	1,056,000
13.20	Trunk Highway	5,350,000	5,522,000

13.21 \$1,100,000 in the first year is from the general
 13.22 fund for port development assistance grants
 13.23 under Minnesota Statutes, chapter 457A, to
 13.24 the city of Red Wing and to the Port Authority
 13.25 of Winona. Any improvements made with the
 13.26 proceeds of the grants must be publicly owned.
 13.27 This is a onetime appropriation and is
 13.28 available in the second year.

13.29 \$800,000 in each year is from the general fund
 13.30 for additional rail safety and rail service
 13.31 activities.

13.32 \$1,000,000 in the first year is from the general
 13.33 fund for a grant to the city of Grand Rapids to

14.1 fund rail planning studies, design, and
 14.2 preliminary engineering relating to the
 14.3 construction of a freight rail line located in the
 14.4 counties of Itasca, St. Louis, and Lake to serve
 14.5 local producers and shippers. The city of
 14.6 Grand Rapids shall collaborate with the Itasca
 14.7 Economic Development Corporation and the
 14.8 Itasca County Regional Railroad Authority in
 14.9 the activities funded with the proceeds of this
 14.10 grant. This is a onetime appropriation and is
 14.11 available until June 30, 2019.

14.12 Sec. 6. Laws 2017, First Special Session chapter 3, article 1, section 4, subdivision 1, is
 14.13 amended to read:

14.14				199,407,000
14.15	Subdivision 1. Total Appropriation	\$	199,838,000	\$
				<u>198,041,000</u>

14.16	Appropriations by Fund		
14.17		2018	2019
14.18	General	19,971,000	14,381,000
14.19	Special Revenue	63,945,000	65,087,000
14.20			10,486,000
14.21	H.U.T.D.	10,474,000	<u>9,120,000</u>
14.22	Trunk Highway	105,448,000	109,453,000

14.23 The appropriations in this section are to the
 14.24 commissioner of public safety. The amounts
 14.25 that may be spent for each purpose are
 14.26 specified in the following subdivisions.

14.27 Sec. 7. Laws 2017, First Special Session chapter 3, article 1, section 4, subdivision 2, is
 14.28 amended to read:

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

14.30	(a) Office of Communications	553,000	573,000
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14.31	Appropriations by Fund		
14.32		2018	2019
14.33	General	127,000	130,000
14.34	Trunk Highway	426,000	443,000

15.1				6,569,000
15.2	(b) Public Safety Support		6,372,000	<u>5,203,000</u>
15.3	Appropriations by Fund			
15.4		2018	2019	
15.5	General	1,225,000	1,235,000	
15.6			1,366,000	
15.7	H.U.T.D.	1,366,000	<u>-0-</u>	
15.8	Trunk Highway	3,781,000	3,968,000	
15.9	(c) Public Safety Officer Survivor Benefits		640,000	640,000
15.10	This appropriation is from the general fund			
15.11	for payment of public safety officer survivor			
15.12	benefits under Minnesota Statutes, section			
15.13	299A.44.			
15.14	If the appropriation for either year is			
15.15	insufficient, the appropriation for the other			
15.16	year is available for it.			
15.17	(d) Public Safety Officer Reimbursements		1,367,000	1,367,000
15.18	This appropriation is from the general fund to			
15.19	be deposited in the public safety officer's			
15.20	benefit account. This money is available for			
15.21	reimbursements under Minnesota Statutes,			
15.22	section 299A.465.			
15.23	(e) Soft Body Armor Reimbursements		700,000	700,000
15.24	Appropriations by Fund			
15.25		2018	2019	
15.26	General	600,000	600,000	
15.27	Trunk Highway	100,000	100,000	
15.28	This appropriation is for soft body armor			
15.29	reimbursements under Minnesota Statutes,			
15.30	section 299A.38.			
15.31	(f) Technology and Support Service		3,777,000	3,814,000
15.32	Appropriations by Fund			
15.33		2018	2019	
15.34	General	1,353,000	1,365,000	
15.35	H.U.T.D.	19,000	19,000	

16.1 Trunk Highway 2,405,000 2,430,000

16.2 Sec. 8. **HIGHWAY USER TAX DISTRIBUTION FUND TRANSFER.**

16.3 \$75,270,000 in fiscal year 2019 is transferred from the general fund to the commissioner
16.4 of transportation for deposit in the highway user tax distribution fund.

16.5 Sec. 9. **RAIL SERVICE IMPROVEMENT ACCOUNT TRANSFER.**

16.6 On June 30, 2018, the commissioner of transportation must transfer the entire balance
16.7 in the rail service improvement account to the freight rail account in the special revenue
16.8 fund. Any encumbrance from the rail service improvement account made before the transfer
16.9 remains in effect from the freight rail account following the transfer.

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

16.11 Sec. 10. **DRIVER AND VEHICLE SERVICES FUND.**

16.12 The appropriations in fiscal year 2019 from the driver services operating account and
16.13 from the vehicle services operating account under Laws 2017, First Special Session chapter
16.14 3, article 1, section 4, are available from the corresponding account in the driver and vehicle
16.15 services fund under Minnesota Statutes, sections 299A.704 and 299A.705, for the purposes
16.16 specified under Laws 2017, First Special Session chapter 3, article 1, section 4.

16.17 Sec. 11. **RICE CREEK RAILROAD BRIDGE.**

16.18 (a) From funds specifically made available for purposes of this section, the commissioner
16.19 of transportation must provide a grant to Minnesota Commercial Railway Company to
16.20 demolish the existing railroad bridge over Rice Creek in New Brighton and to predesign,
16.21 design, acquire any needed right-of-way, engineer, construct, and equip a replacement
16.22 railroad bridge to meet the needs of the railroad operators that use the bridge.

16.23 (b) The grant under this section is contingent on:

16.24 (1) review and approval of the railway company's design, engineering, and plans for the
16.25 project by Ramsey County to ensure the project does not interfere with recreational use of
16.26 adjacent park property and Rice Creek, and by the Rice Creek Watershed District to ensure
16.27 that the project's impact on flows in the creek complies with the watershed district's adopted
16.28 rules. These reviews and approvals are in addition to any other reviews, permits, or approvals
16.29 required for the project;

17.1 (2) Minnesota Commercial Railway Company removing all structures related to the
 17.2 existing bridge, including any pilings, footings, or water control structures placed to protect
 17.3 the existing bridge structures, from the Rice Creek streambed as part of the demolition and
 17.4 removal of the existing bridge, except to the extent prohibited by a permitting authority,
 17.5 including but not limited to the Department of Natural Resources and the United States
 17.6 Army Corps of Engineers. The replacement bridge and structures are the property of the
 17.7 owner of the railroad right-of-way and railroad operator, as may be arranged between them;
 17.8 and

17.9 (3) Minnesota Commercial Railway Company entering into an agreement with Ramsey
 17.10 County that: (i) grants the company access to both construct and perform ongoing
 17.11 maintenance on the bridge; and (ii) provides for repair of the county trail damaged by railway
 17.12 maintenance work that occurred on the two years before the effective date of this section,
 17.13 as well as immediately after construction and any subsequent maintenance activities.

17.14 (c) By entering into a grant agreement with the commissioner of transportation, Minnesota
 17.15 Commercial Railway Company agrees to cooperate with the city of New Brighton and
 17.16 Ramsey County to develop crossings and trails in or near to the railway right-of-way in the
 17.17 city.

17.18 **ARTICLE 2**

17.19 **TRANSPORTATION BONDS**

17.20 Section 1. **BOND APPROPRIATIONS.**

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

17.28 **SUMMARY**

17.29 <u>Department of Transportation</u>	<u>\$ 250,000,000</u>
17.30 <u>Department of Management and Budget</u>	<u>250,000</u>
17.31 <u>TOTAL</u>	<u>\$ 250,250,000</u>

17.32 **APPROPRIATIONS**

18.1 **Sec. 2. DEPARTMENT OF**
 18.2 **TRANSPORTATION**

18.3 **Subdivision 1. Corridors of Commerce** **\$ 145,000,000**

18.4 This appropriation is to the commissioner of
 18.5 transportation for the corridors of commerce
 18.6 program under Minnesota Statutes, section
 18.7 161.088.

18.8 The commissioner may use up to 17 percent
 18.9 of the amount for program delivery.

18.10 **Subd. 2. Trunk Highway-Rail Grade Separations** **\$ 75,000,000**

18.11 This appropriation is to the commissioner of
 18.12 transportation for trunk highway-rail grade
 18.13 separation projects (1) identified as priority
 18.14 grade separation recommendations in the final
 18.15 report on highway-rail grade crossing
 18.16 improvements submitted under Laws 2014,
 18.17 chapter 312, article 10, section 10; and (2) for
 18.18 which trunk highway bond proceeds are a
 18.19 permissible use. The commissioner must first
 18.20 prioritize grade separation projects that
 18.21 eliminate a skewed intersection of two trunk
 18.22 highways.

18.23 If any proceeds under this subdivision remain
 18.24 following a determination by the
 18.25 commissioner that sufficient resources have
 18.26 been committed to complete all eligible
 18.27 projects, the remaining amount is available
 18.28 for the corridors of commerce program under
 18.29 Minnesota Statutes, section 161.088.

18.30 **Subd. 3. Transportation Facilities Capital** **\$ 30,000,000**

18.31 This appropriation is to the commissioner of
 18.32 transportation for the transportation facilities
 18.33 capital program under Minnesota Statutes,
 18.34 section 174.13.

19.1 Sec. 3. **BOND SALE EXPENSES** **\$** **250,000**

19.2 This appropriation is to the commissioner of
 19.3 management and budget for bond sale
 19.4 expenses under Minnesota Statutes, sections
 19.5 16A.641, subdivision 8, and 167.50,
 19.6 subdivision 4.

19.7 Sec. 4. **BOND SALE AUTHORIZATION.**

19.8 To provide the money appropriated in this article from the bond proceeds account in the
 19.9 trunk highway fund, the commissioner of management and budget shall sell and issue bonds
 19.10 of the state in an amount up to \$250,250,000 in the manner, upon the terms, and with the
 19.11 effect prescribed by Minnesota Statutes, sections 167.50 to 167.52, and by the Minnesota
 19.12 Constitution, article XIV, section 11, at the times and in the amounts requested by the
 19.13 commissioner of transportation. The proceeds of the bonds, except accrued interest and any
 19.14 premium received from the sale of the bonds, must be deposited in the bond proceeds account
 19.15 in the trunk highway fund.

19.16 **ARTICLE 3**

19.17 **TRANSPORTATION POLICY AND FINANCE**

19.18 Section 1. Minnesota Statutes 2017 Supplement, section 3.972, subdivision 4, is amended
 19.19 to read:

19.20 Subd. 4. **Certain transit financial activity reporting.** (a) The legislative auditor must
 19.21 perform a transit financial activity review of financial information for the Metropolitan
 19.22 Council's Transportation Division ~~and the joint powers board under section 297A.992.~~
 19.23 ~~Within 14 days of the end of each fiscal quarter,~~ two times each year. The first report, due
 19.24 April 1, must include the quarters ending on September 30 and December 31 of the previous
 19.25 calendar year. The second report, due October 1, must include the quarters ending on March
 19.26 31 and June 30 of the current year. The legislative auditor must submit the review to the
 19.27 Legislative Audit Commission and the chairs and ranking minority members of the legislative
 19.28 committees with jurisdiction over transportation policy and finance, finance, and ways and
 19.29 means.

19.30 (b) At a minimum, each transit financial activity review must include:

19.31 (1) a summary of monthly financial statements, including balance sheets and operating
 19.32 statements, that shows income, expenditures, and fund balance;

20.1 (2) a list of any obligations and agreements entered into related to transit purposes,
20.2 whether for capital or operating, including but not limited to bonds, notes, grants, and future
20.3 funding commitments;

20.4 (3) the amount of funds in clause (2) that has been committed;

20.5 (4) independent analysis by the fiscal oversight officer of the fiscal viability of revenues
20.6 and fund balance compared to expenditures, taking into account:

20.7 (i) all expenditure commitments;

20.8 (ii) cash flow;

20.9 (iii) sufficiency of estimated funds; and

20.10 (iv) financial solvency of anticipated transit projects; and

20.11 (5) a notification concerning whether the requirements under paragraph (c) have been
20.12 met.

20.13 (c) The Metropolitan Council ~~and the joint powers board under section 297A.992~~ must
20.14 produce monthly financial statements as necessary for the review under paragraph (b),
20.15 clause (1), and provide timely information as requested by the legislative auditor.

20.16 (d) This subdivision expires April 15, 2023.

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

20.18 Sec. 2. Minnesota Statutes 2016, section 13.461, is amended by adding a subdivision to
20.19 read:

20.20 Subd. 33. **Metropolitan Council special transportation service.** Data sharing between
20.21 the commissioner of human services and the Metropolitan Council to administer and
20.22 coordinate transportation services for individuals with disabilities and elderly individuals
20.23 is governed by section 473.386, subdivision 9.

20.24 **EFFECTIVE DATE.** This section is effective the day following final enactment and
20.25 applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

20.26 Sec. 3. Minnesota Statutes 2016, section 13.6905, subdivision 3, is amended to read:

20.27 Subd. 3. **Motor vehicle registration.** Various data on motor vehicle registrations are
20.28 classified under sections 168.327, subdivision 3, and 168.346. Use of vehicle registration
20.29 data is governed by section 168.345.

21.1 Sec. 4. Minnesota Statutes 2016, section 13.72, subdivision 10, is amended to read:

21.2 Subd. 10. **Transportation service data.** (a) Personal, medical, financial, familial, or
 21.3 locational information data pertaining to applicants for or users of services providing
 21.4 transportation for ~~the disabled~~ individuals with disabilities or elderly individuals are private
 21.5 data on individuals.

21.6 (b) Private transportation service data may be disclosed between the commissioner of
 21.7 human services and the Metropolitan Council to administer and coordinate human services
 21.8 programs and transportation services for individuals with disabilities and elderly individuals
 21.9 under section 473.386.

21.10 **EFFECTIVE DATE.** This section is effective the day following final enactment and
 21.11 applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

21.12 Sec. 5. Minnesota Statutes 2017 Supplement, section 160.02, subdivision 1a, is amended
 21.13 to read:

21.14 Subd. 1a. **Bikeway.** "Bikeway" means a bicycle lane, bicycle path, shared use path,
 21.15 bicycle route, or similar bicycle facility, regardless of whether designed for the exclusive
 21.16 use of bicycles or for shared use with other transportation modes has the meaning given in
 21.17 section 169.011, subdivision 9.

21.18 Sec. 6. Minnesota Statutes 2016, section 160.295, subdivision 5, is amended to read:

21.19 Subd. 5. **Rural agricultural business or tourist-oriented business.** (a) A rural
 21.20 agricultural or tourist-oriented business serviced by a specific service sign must be open a
 21.21 minimum of eight hours per day, six days per week, and 12 months per year. ~~However,~~

21.22 (b) A seasonal business ~~may qualify if it is~~ serviced by a specific service sign must be
 21.23 open eight hours per day and six days per week during the normal seasonal period.

21.24 (c) A farm winery serviced by a specific service sign must:

21.25 (1) be licensed under section 340A.315;

21.26 (2) be licensed by the Department of Health under section 157.16 or by the commissioner
 21.27 of agriculture under section 28A.04;

21.28 (3) provide continuous, staffed food service operation; and

21.29 (4) be open at least four hours per day and two days per week.

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

22.1 Sec. 7. Minnesota Statutes 2016, section 161.115, subdivision 111, is amended to read:

22.2 Subd. 111. **Route No. 180.** Beginning at a point on Route No. ~~392 southwest or west~~
22.3 ~~of Ashby 3~~ at or near Erdahl, thence extending in a general northerly or northeasterly
22.4 direction to a point on ~~Route No. 153 as herein established at or near Ashby, thence extending~~
22.5 ~~in a northeasterly direction to a point on~~ Route No. 181 as herein established at or near
22.6 Ottertail.

22.7 Sec. 8. Minnesota Statutes 2016, section 161.14, is amended by adding a subdivision to
22.8 read:

22.9 Subd. 87. **Specialist Noah Pierce Bridge.** The bridge on marked U.S. Highway 53 over
22.10 marked Trunk Highway 37 in the city of Eveleth is designated as "Specialist Noah Pierce
22.11 Bridge." Subject to section 161.139, the commissioner shall adopt a suitable design to mark
22.12 this bridge and erect appropriate signs.

22.13 Sec. 9. Minnesota Statutes 2016, section 161.14, is amended by adding a subdivision to
22.14 read:

22.15 Subd. 88. **Officer Bill Mathews Memorial Highway.** That segment of marked U.S.
22.16 Highway 12 within the city limits of Wayzata is designated as "Officer Bill Mathews
22.17 Memorial Highway." Subject to section 161.139, the commissioner shall adopt a suitable
22.18 design to mark this highway and erect appropriate signs.

22.19 Sec. 10. Minnesota Statutes 2016, section 161.14, is amended by adding a subdivision to
22.20 read:

22.21 Subd. 89. **Warrant Officer Dennis A. Groth Memorial Bridge.** The bridge on marked
22.22 U.S. Highway 52 over Dakota County State-Aid Highway 42, known as 145th Street within
22.23 the city of Rosemount, is designated as "Warrant Officer Dennis A. Groth Memorial Bridge."
22.24 Subject to section 161.139, the commissioner shall adopt a suitable design to mark the
22.25 bridge and erect appropriate signs.

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

22.27 Sec. 11. Minnesota Statutes 2016, section 161.14, is amended by adding a subdivision to
22.28 read:

22.29 Subd. 90. **State Trooper Ray Krueger Memorial Highway.** That segment of marked
22.30 Trunk Highway 210 within Cass County is designated as "State Trooper Ray Krueger
22.31 Memorial Highway." Subject to section 161.139, the commissioner shall adopt a suitable

23.1 design to mark this highway and erect appropriate signs in the vicinity of the location where
23.2 Trooper Krueger died.

23.3 Sec. 12. Minnesota Statutes 2016, section 161.32, subdivision 2, is amended to read:

23.4 Subd. 2. **Direct negotiation.** In cases where the estimated cost of construction work or
23.5 maintenance work does not exceed ~~\$150,000~~ \$250,000, the commissioner may enter into
23.6 a contract for the work by direct negotiation, by obtaining two or more quotations for the
23.7 work, and without advertising for bids or otherwise complying with the requirements of
23.8 competitive bidding if the total contractual obligation of the state for the directly negotiated
23.9 contract or contracts on any single project does not exceed ~~\$150,000~~ \$250,000. All quotations
23.10 obtained shall be kept on file for a period of at least one year after receipt of the quotation.

23.11 Sec. 13. **[161.369] INDIAN EMPLOYMENT PREFERENCE.**

23.12 (a) As authorized by United States Code, title 23, section 140(d), the commissioner of
23.13 transportation may implement an Indian employment preference for members of federally
23.14 recognized tribes on projects carried out under United States Code, title 23, near an Indian
23.15 reservation.

23.16 (b) For purposes of this section, a project is near a reservation if: (1) the project is within
23.17 the distance a person seeking employment could reasonably be expected to commute to and
23.18 from each work day; or (2) the commissioner, in consultation with federally recognized
23.19 Minnesota tribes, determines a project is near an Indian reservation.

23.20 Sec. 14. Minnesota Statutes 2016, section 168.10, subdivision 1h, is amended to read:

23.21 Subd. 1h. **Collector military vehicle.** (a) A motor vehicle, including a truck, shall be
23.22 listed and registered under this section if it meets the following conditions:

23.23 (1) it is at least 20 years old;

23.24 (2) its first owner following its manufacture was a branch of the armed forces of the
23.25 United States and it presently conforms to the vehicle specifications required during the
23.26 time of military ownership, or it has been restored and presently conforms to the
23.27 specifications required by a branch of the armed forces for the model year that the restored
23.28 vehicle could have been owned by that branch of the armed forces; and

23.29 (3) it is owned by a nonprofit organization and operated solely as a collector's vehicle.
23.30 For purposes of this subdivision, "nonprofit organization" means a corporation, society,
23.31 association, foundation, or institution organized and operated exclusively for historical or

24.1 educational purposes, no part of the net earnings of which inures to the benefit of a private
24.2 individual.

24.3 (b) The owner of the vehicle shall execute an affidavit stating the name and address of
24.4 the person from whom purchased and of the new owner; the make, year, and model number
24.5 of the motor vehicle; the manufacturer's identification number; and the collector military
24.6 vehicle identification number, if any, located on the exterior of the vehicle. The affidavit
24.7 must affirm that the vehicle is owned by a nonprofit organization and is operated solely as
24.8 a collector's item and not for general transportation purposes. If the commissioner is satisfied
24.9 that the affidavit is true and correct and the owner pays a \$25 tax and the plate fee authorized
24.10 under section 168.12, the commissioner shall list the vehicle for taxation and registration
24.11 and shall issue number plates. The number plates shall bear the inscriptions "Collector" and
24.12 "Minnesota" and the registration number, but no date. The number plates are valid without
24.13 renewal as long as the vehicle is in existence in Minnesota. The commissioner may revoke
24.14 the plates for failure to comply with this subdivision.

24.15 (c) Notwithstanding section 168.09, 168.12, or other law to the contrary, the owner of
24.16 a registered collector military vehicle is not required to display registration plates on the
24.17 exterior of the vehicle if the vehicle has an exterior number identification that conforms to
24.18 the identifying system for military vehicles in effect when the vehicle was last owned by
24.19 the branch of the armed forces of the United States or in effect in the year to which the
24.20 collector military vehicle has been restored. However, the state registration plates must be
24.21 carried in or on the collector military vehicle at all times.

24.22 (d) The owner of a registered collector military vehicle that is not required to display
24.23 registration plates under paragraph (c) may tow a registered trailer behind it. The trailer is
24.24 not required to display registration plates if the trailer:

24.25 (1) does not exceed a gross weight of 15,000 pounds;

24.26 (2) otherwise conforms to registration, licensing, and safety laws and specifications;

24.27 (3) conforms to military specifications for appearance and identification;

24.28 (4) is intended to represent and does represent a military trailer; and

24.29 (5) carries registration plates on or in the trailer or the collector military vehicle towing
24.30 the trailer.

24.31 (e) This subdivision does not apply to a decommissioned military vehicle that (1) was
24.32 also manufactured and sold as a comparable civilian vehicle, and (2) has the same size
24.33 dimensions and vehicle weight as the comparable civilian vehicle. A decommissioned

25.1 military vehicle under this paragraph is eligible for a motor vehicle title under chapter 168A
25.2 and is subject to the same registration, insurance, and operating requirements as a motor
25.3 vehicle.

25.4 Sec. 15. Minnesota Statutes 2016, section 168.101, subdivision 2a, is amended to read:

25.5 Subd. 2a. ~~Failure to send to registrar~~ submit within ten days. Any person who fails
25.6 to mail in the application for registration or transfer with appropriate taxes and fees to the
25.7 commissioner or a deputy registrar of motor vehicles, or otherwise fails to submit ~~said the~~
25.8 forms and remittance ~~to the registrar,~~ within ten days following date of sale ~~shall be~~ is guilty
25.9 of a misdemeanor.

25.10 **EFFECTIVE DATE.** This section is effective July 1, 2019.

25.11 Sec. 16. Minnesota Statutes 2016, section 168.127, subdivision 6, is amended to read:

25.12 Subd. 6. ~~Fee. Instead of the filing fee described in section 168.33, subdivision 7, For~~
25.13 each vehicle in the fleet, the applicant for fleet registration shall pay:

25.14 (1) the filing fee in section 168.33, subdivision 7, for transactions processed by a deputy
25.15 registrar; or

25.16 (2) an equivalent administrative fee to the for transactions processed by the commissioner
25.17 for each vehicle in the fleet, which is imposed in lieu of but in the same amount as the filing
25.18 fee in section 168.33, subdivision 7.

25.19 **EFFECTIVE DATE.** This section is effective July 1, 2019.

25.20 Sec. 17. Minnesota Statutes 2016, section 168.326, is amended to read:

25.21 **168.326 EXPEDITED DRIVER AND VEHICLE SERVICES; FEE.**

25.22 (a) When an applicant requests and pays an expedited service fee of \$20, in addition to
25.23 other specified and statutorily mandated fees and taxes, the commissioner or, if appropriate,
25.24 a driver's license agent or deputy registrar, shall expedite the processing of an application
25.25 for a driver's license, driving instruction permit, Minnesota identification card, or vehicle
25.26 title transaction.

25.27 (b) A driver's license agent or deputy registrar may retain \$10 of the expedited service
25.28 fee for each expedited service request processed by the licensing agent or deputy registrar.

25.29 (c) When expedited service is requested, materials must be mailed or delivered to the
25.30 requester within three days of receipt of the expedited service fee excluding Saturdays,

26.1 Sundays, or the holidays listed in section 645.44, subdivision 5. The requester shall comply
26.2 with all relevant requirements of the requested document.

26.3 (d) The commissioner may decline to accept an expedited service request if it is apparent
26.4 at the time it is made that the request cannot be granted. The commissioner must not decline
26.5 an expedited service request and must not prevent a driver's license agent or deputy from
26.6 accepting an expedited service request solely on the basis of limitations of the driver and
26.7 vehicle services information technology system.

26.8 (e) The expedited service fees collected under this section for an application for a driver's
26.9 license, driving instruction permit, or Minnesota identification card minus any portion
26.10 retained by a licensing agent or deputy registrar under paragraph (b) must be paid into the
26.11 driver services operating account in the special revenue fund specified under section
26.12 299A.705.

26.13 (f) The expedited service fees collected under this section for a transaction for a vehicle
26.14 service minus any portion retained by a licensing agent or deputy registrar under paragraph
26.15 (b) must be paid into the vehicle services operating account in the special revenue fund
26.16 specified under section 299A.705.

26.17 **EFFECTIVE DATE.** This section is effective November 1, 2019.

26.18 Sec. 18. Minnesota Statutes 2016, section 168.33, is amended by adding a subdivision to
26.19 read:

26.20 Subd. 8b. **Transactions by mail.** A deputy registrar may receive motor vehicle
26.21 applications and submissions under this chapter and chapter 168A by mail, process the
26.22 transactions, and retain the appropriate filing fee under subdivision 7.

26.23 **EFFECTIVE DATE.** This section is effective July 1, 2019.

26.24 Sec. 19. **[168.335] DEPUTY REGISTRAR REIMBURSEMENTS.**

26.25 Subdivision 1. **Reimbursement grants.** (a) By August 1 of a fiscal year in which funds
26.26 are specifically made available for purposes of this section, the commissioner of management
26.27 and budget must provide reimbursement grants to deputy registrars.

26.28 (b) The commissioner must use existing resources to administer the reimbursements.

26.29 Subd. 2. **Eligibility.** A deputy registrar office operated by the state is not eligible to
26.30 receive funds under this section.

27.1 Subd. 3. **Aid distribution.** (a) The reimbursement grant to each deputy registrar, as
27.2 identified by the Driver and Vehicle Services-designated office location number, is calculated
27.3 as follows:

27.4 (1) 50 percent of available funds allocated proportionally based on (i) the number of
27.5 transactions where a filing fee under section 168.33, subdivision 7, is retained by each
27.6 deputy registrar during the preceding fiscal year, compared to (ii) the total number of
27.7 transactions where a filing fee is retained by all deputy registrars during that time period;
27.8 and

27.9 (2) 50 percent of available funds allocated proportionally based on (i) the number of
27.10 transactions where a filing fee is retained by each deputy registrar from July 1, 2014, through
27.11 June 30, 2017, compared to (ii) the total number of transactions where a filing fee is retained
27.12 by all deputy registrars during that time period.

27.13 (b) For a deputy registrar appointed after July 1, 2014, the commissioner of management
27.14 and budget must identify whether a corresponding discontinued deputy registrar appointment
27.15 exists. If a corresponding discontinued deputy registrar is identified, the commissioner must
27.16 include the transactions of the discontinued deputy registrar in the calculations under
27.17 paragraph (a) for the deputy registrar appointed after July 1, 2014.

27.18 (c) For a deputy registrar appointed after July 1, 2014, for which paragraph (b) does not
27.19 apply, the commissioner of management and budget must calculate that deputy registrar's
27.20 proportional share under paragraph (a), clause (2), based on the average number of
27.21 transactions where a filing fee is retained among the deputy registrars, as calculated excluding
27.22 any deputy registrars for which this paragraph applies.

27.23 (d) In the calculations under paragraph (a), the commissioner of management and budget
27.24 must exclude transactions for (1) a deputy registrar office operated by the state, and (2) a
27.25 discontinued deputy registrar for which paragraph (b) does not apply.

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

27.27 Sec. 20. Minnesota Statutes 2016, section 168.345, subdivision 2, is amended to read:

27.28 **Subd. 2. Lessees; information.** The commissioner may not furnish information about
27.29 registered owners of passenger automobiles who are lessees under a lease for a term of 180
27.30 days or more to any person except the personnel of law enforcement agencies ~~and~~, trade
27.31 associations performing a member service under section 604.15, subdivision 4a, federal,
27.32 state, and local governmental units, and, at the commissioner's discretion, to persons who
27.33 use the information to notify lessees of automobile recalls. The commissioner may release

28.1 information about lessees in the form of summary data, as defined in section 13.02, to
28.2 persons who use the information in conducting statistical analysis and market research.

28.3 Sec. 21. Minnesota Statutes 2016, section 168A.02, subdivision 1, is amended to read:

28.4 Subdivision 1. **Application for certificate of title.** (a) Except as provided in section
28.5 168A.03, every owner of a vehicle which is in this state and for which no currently effective
28.6 certificate of title has been issued in this state shall make application to the department for
28.7 a certificate of title of the vehicle, pursuant to rules adopted by the department under section
28.8 168A.24, subdivision 2, clause ~~3~~ (3).

28.9 (b) A decommissioned military vehicle that (1) was also manufactured and sold as a
28.10 comparable civilian vehicle, and (2) has the same size dimensions and vehicle weight as
28.11 the comparable civilian vehicle, is eligible for a certificate of title under this chapter.

28.12 Sec. 22. Minnesota Statutes 2016, section 168A.151, subdivision 1, is amended to read:

28.13 Subdivision 1. **Salvage titles.** (a) When an insurer, licensed to conduct business in
28.14 Minnesota, acquires ownership of a ~~late-model or high-value~~ vehicle through payment of
28.15 damages, the insurer shall immediately apply for a salvage certificate of title or shall stamp
28.16 the existing certificate of title with the legend "SALVAGE CERTIFICATE OF TITLE" in
28.17 a manner prescribed by the department. Within ten days of obtaining the title of a vehicle
28.18 through payment of damages, an insurer must notify the department in a manner prescribed
28.19 by the department.

28.20 (b) A person shall immediately apply for a salvage certificate of title if the person acquires
28.21 a ~~damaged late-model or high-value~~ vehicle with an out-of-state title and the vehicle:

28.22 (1) is a vehicle that was acquired by an insurer through payment of damages;

28.23 (2) is a vehicle for which the cost of repairs exceeds the value of the damaged vehicle;

28.24 or

28.25 (3) has an out-of-state salvage certificate of title as proof of ownership.

28.26 (c) A self-insured owner of a ~~late-model or high-value~~ vehicle that sustains damage by
28.27 collision or other occurrence which exceeds 80 percent of its actual cash value shall
28.28 immediately apply for a salvage certificate of title.

28.29 Sec. 23. Minnesota Statutes 2016, section 168A.29, subdivision 1, is amended to read:

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

29.1 (1) for filing an application for and the issuance of an original certificate of title, ~~the~~
 29.2 ~~sum of:~~

29.3 ~~(i) until December 31, 2016, \$6.25 of which \$3.25 must be paid into the vehicle services~~
 29.4 ~~operating account of the special revenue fund under section 299A.705, and from July 1,~~
 29.5 ~~2012, to June 30, 2016, a surcharge of \$1 must be added to the fee and credited to the driver~~
 29.6 ~~and vehicle services technology account; and~~

29.7 ~~(ii) on and after January 1, 2017, \$8.25₂ of which \$4.15 must be paid into the vehicle~~
 29.8 ~~services operating account under section 299A.705;~~

29.9 (2) for each security interest when first noted upon a certificate of title, including the
 29.10 concurrent notation of any assignment thereof and its subsequent release or satisfaction, ~~the~~
 29.11 ~~sum of \$2~~, except that no fee is due for a security interest filed by a public authority under
 29.12 section 168A.05, subdivision 8;

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

29.18 ~~(4) (3)~~ for each assignment of a security interest when first noted on a certificate of title,
 29.19 unless noted concurrently with the security interest, ~~the sum of \$1; and~~

29.20 ~~(5) (4)~~ for issuing a duplicate certificate of title, ~~the sum of \$7.25₂ of which \$3.25 must~~
 29.21 ~~be paid into the vehicle services operating account of the special revenue fund under section~~
 29.22 ~~299A.705; from July 1, 2012, to June 30, 2016, a surcharge of \$1 must be added to the fee~~
 29.23 ~~and credited to the driver and vehicle services technology account.~~

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

29.28 **EFFECTIVE DATE.** This section is effective July 1, 2018.

29.29 Sec. 24. Minnesota Statutes 2016, section 169.011, subdivision 5, is amended to read:

29.30 Subd. 5. **Bicycle lane.** "Bicycle lane" means a portion of a roadway ~~or shoulder~~ designed
 29.31 for exclusive or preferential use by persons using bicycles. Bicycle lanes are to be

30.1 distinguished from the portion of the roadway ~~or shoulder~~ used for motor vehicle traffic by
 30.2 physical barrier, striping, marking, or other similar device.

30.3 Sec. 25. Minnesota Statutes 2016, section 169.011, subdivision 9, is amended to read:

30.4 Subd. 9. **Bikeway.** "Bikeway" means a bicycle lane, bicycle path, ~~or bicycle route,~~ shared
 30.5 use path, or similar bicycle facility, regardless of whether it is designed for the exclusive
 30.6 use of bicycles or ~~is to be~~ for shared use with other transportation modes.

30.7 Sec. 26. Minnesota Statutes 2016, section 169.011, subdivision 60, is amended to read:

30.8 Subd. 60. **Railroad train.** "Railroad train" means a steam engine, electric or other motor,
 30.9 with or without cars coupled thereto, operated upon rails, except streetcars. Railroad train
 30.10 includes on-track equipment or other rolling stock operated upon rails, whether the on-track
 30.11 equipment or rolling stock is self-propelled or coupled to another device.

30.12 Sec. 27. Minnesota Statutes 2016, section 169.18, subdivision 3, is amended to read:

30.13 Subd. 3. **Passing.** ~~The following rules shall govern the overtaking and passing of vehicles~~
 30.14 ~~proceeding in the same direction, subject to the limitations, exceptions, and special rules~~
 30.15 ~~hereinafter stated:~~

30.16 ~~(1)~~ (a) The driver of a vehicle overtaking another vehicle proceeding in the same direction
 30.17 ~~shall~~ must pass to the left ~~thereof~~ of the other vehicle at a safe distance and ~~shall not again~~
 30.18 ~~drive~~ is prohibited from returning to the right side of the roadway until safely clear of the
 30.19 overtaken vehicle;

30.20 ~~(2)~~ (b) Except when overtaking and passing on the right is permitted, the driver of an
 30.21 overtaken vehicle ~~shall~~ must give way to the right in favor of the overtaking vehicle ~~on~~
 30.22 ~~audible warning,~~ and ~~shall~~ must not increase the speed of the overtaken vehicle until
 30.23 completely passed by the overtaking vehicle; ~~and.~~

30.24 ~~(3)~~ (c) The operator of a motor vehicle overtaking a bicycle or individual proceeding in
 30.25 the same direction on the roadway ~~shall leave~~ or shoulder must:

30.26 (1) either (i) maintain a safe clearance distance while passing, but in no case less than
 30.27 three feet clearance, when passing the bicycle or individual or one-half the width of the
 30.28 motor vehicle, whichever is greater; or (ii) completely enter another lane of the roadway
 30.29 while passing; and shall

30.30 (2) maintain clearance until the motor vehicle has safely past passed the overtaken bicycle
 30.31 or individual.

31.1 Sec. 28. Minnesota Statutes 2016, section 169.222, subdivision 1, is amended to read:

31.2 Subdivision 1. **Traffic laws apply.** (a) Every person operating a bicycle shall have has
 31.3 all of the rights and duties applicable to the driver of any other vehicle by this chapter,
 31.4 except in respect to those provisions in this chapter relating expressly to bicycles and in
 31.5 respect to those provisions of this chapter which by their nature cannot reasonably be applied
 31.6 to bicycles. This subdivision applies to a bicycle operating on the shoulder of a roadway.

31.7 (b) A person lawfully operating a bicycle (1) on a sidewalk, or (2) across a roadway or
 31.8 shoulder on a crosswalk, has all the rights and duties applicable to a pedestrian under the
 31.9 same circumstances.

31.10 Sec. 29. Minnesota Statutes 2016, section 169.222, subdivision 4, is amended to read:

31.11 Subd. 4. **Riding rules.** (a) Every person operating a bicycle ~~upon a roadway shall~~ on a
 31.12 road must ride as close as ~~practicable~~ to the right-hand curb or edge of the ~~roadway except~~
 31.13 ~~under any of the following situations~~ road as the bicycle operator determines is safe. A
 31.14 person operating a bicycle is not required to ride as close to the right-hand curb when:

31.15 (1) ~~when~~ overtaking and passing another vehicle proceeding in the same direction;

31.16 (2) ~~when~~ preparing for a left turn at an intersection or into a private road or driveway;

31.17 (3) ~~when~~ reasonably necessary to avoid conditions that make it unsafe to continue along
 31.18 the right-hand curb or edge, including fixed or moving objects, vehicles, pedestrians, animals,
 31.19 surface hazards, or narrow width lanes, ~~that make it unsafe to continue along the right-hand~~
 31.20 ~~curb or edge; or~~

31.21 (4) ~~when~~ operating on the shoulder of a roadway or in a bicycle lane; or

31.22 (5) operating in a right-hand turn lane before entering an intersection.

31.23 (b) If a bicycle is traveling on a shoulder of a roadway, the bicycle ~~shall~~ operator must
 31.24 travel in the same direction as adjacent vehicular traffic.

31.25 (c) Persons riding bicycles upon a roadway or shoulder shall not ride more than two
 31.26 abreast and shall not impede the normal and reasonable movement of traffic and, on a laned
 31.27 roadway, shall ride within a single lane.

31.28 (d) A person operating a bicycle upon a sidewalk, or across a roadway or shoulder on a
 31.29 crosswalk, shall yield the right-of-way to any pedestrian and shall give an audible signal
 31.30 when necessary before overtaking and passing any pedestrian. No person shall ride a bicycle
 31.31 upon a sidewalk within a business district unless permitted by local authorities. Local

32.1 authorities may prohibit the operation of bicycles on any sidewalk or crosswalk under their
32.2 jurisdiction.

32.3 (e) An individual operating a bicycle or other vehicle on a bikeway shall leave a safe
32.4 distance when overtaking a bicycle or individual proceeding in the same direction on the
32.5 bikeway, and shall maintain clearance until safely past the overtaken bicycle or individual.

32.6 ~~(f) A person lawfully operating a bicycle on a sidewalk, or across a roadway or shoulder
32.7 on a crosswalk, shall have all the rights and duties applicable to a pedestrian under the same
32.8 circumstances.~~

32.9 ~~(g)~~ (f) A person may operate an electric-assisted bicycle on the shoulder of a roadway,
32.10 on a bikeway, or on a bicycle trail if not otherwise prohibited under section 85.015,
32.11 subdivision 1d; 85.018, subdivision 2, paragraph (d); or 160.263, subdivision 2, paragraph
32.12 (b), as applicable.

32.13 (g) Notwithstanding section 169.06, subdivision 4, a bicycle operator may cross an
32.14 intersection proceeding from a dedicated right-hand turn lane without turning right.

32.15 Sec. 30. Minnesota Statutes 2016, section 169.26, subdivision 1, is amended to read:

32.16 Subdivision 1. **Requirements.** (a) Except as provided in section 169.28, subdivision 1,
32.17 when any person driving a vehicle approaches a railroad grade crossing under any of the
32.18 circumstances stated in this paragraph, the driver shall stop the vehicle not less than ten feet
32.19 from the nearest railroad track and shall not proceed until safe to do so and until the roadway
32.20 is clear of traffic so that the vehicle can proceed without stopping until the rear of the vehicle
32.21 is at least ten feet past the farthest railroad track. These requirements apply when:

32.22 (1) a clearly visible electric or mechanical signal device warns of the immediate approach
32.23 of a railroad train; or

32.24 (2) an approaching railroad train is plainly visible and is in hazardous proximity.

32.25 (b) The fact that a moving railroad train approaching a railroad grade crossing is visible
32.26 from the crossing is prima facie evidence that it is not safe to proceed.

32.27 (c) The driver of a vehicle shall stop and remain stopped and not traverse the grade
32.28 crossing when a human flagger signals the approach or passage of a railroad train or when
32.29 a crossing gate is lowered warning of the immediate approach or passage of a railroad train.
32.30 No person may drive a vehicle past a flagger at a railroad crossing until the flagger signals
32.31 that the way is clear to proceed or drive a vehicle past a lowered crossing gate.

33.1 Sec. 31. Minnesota Statutes 2016, section 169.28, is amended to read:

33.2 **169.28 CERTAIN VEHICLES TO STOP AT RAILROAD CROSSING.**

33.3 Subdivision 1. **Requirements.** (a) The driver of any motor vehicle carrying passengers
33.4 for hire, or of any school bus whether carrying passengers or not, or of any Head Start bus
33.5 whether carrying passengers or not, or of any vehicle that is required to stop at railroad
33.6 grade crossings under Code of Federal Regulations, title 49, section 392.10, before crossing
33.7 at grade any track or tracks of a railroad, shall stop the vehicle not less than 15 feet nor more
33.8 than 50 feet from the nearest rail of the railroad and while so stopped shall listen and look
33.9 in both directions along the track for any approaching railroad train, and for signals indicating
33.10 the approach of a railroad train, except as ~~hereinafter~~ otherwise provided, and in this section.
33.11 The driver shall not proceed until safe to do so and until the roadway is clear of traffic so
33.12 that the vehicle can proceed without stopping until the rear of the vehicle is at least ten feet
33.13 past the farthest railroad track. The driver must not shift gears while crossing the railroad
33.14 tracks.

33.15 (b) A school bus or Head Start bus shall not be flagged across railroad grade crossings
33.16 except at those railroad grade crossings that the local school administrative officer may
33.17 designate.

33.18 (c) A type III vehicle, as defined in section 169.011, is exempt from the requirement of
33.19 school buses to stop at railroad grade crossings.

33.20 (d) The requirements of this subdivision do not apply to the crossing of light rail vehicle
33.21 track or tracks that are located in a public street when:

33.22 (1) the crossing occurs within the intersection of two or more public streets;

33.23 (2) the intersection is controlled by a traffic-control signal; and

33.24 (3) the intersection is marked with signs indicating to drivers that the requirements of
33.25 this subdivision do not apply. Notwithstanding any other provision of law, the owner or
33.26 operator of the track or tracks is authorized to place, maintain, and display the signs upon
33.27 and in the view of the public street or streets.

33.28 Subd. 2. **Exempt crossing.** (a) The commissioner may designate a crossing as an exempt
33.29 crossing:

33.30 (1) if the crossing is on a rail line on which service has been abandoned;

33.31 (2) if the crossing is on a rail line that carries fewer than five trains each year, traveling
33.32 at speeds of ten miles per hour or less; or

34.1 (3) as agreed to by the operating railroad and the Department of Transportation, following
34.2 a diagnostic review of the crossing.

34.3 (b) The commissioner shall direct the railroad to erect at the crossing signs bearing the
34.4 word "Exempt" that conform to section 169.06. The installation or presence of an exempt
34.5 sign does not relieve a driver of the duty to use due care.

34.6 (c) A railroad train must not proceed across an exempt crossing unless a police officer
34.7 is present to direct traffic or a railroad employee is on the ground to warn traffic until the
34.8 railroad train enters the crossing.

34.9 ~~(e)~~ (d) A vehicle that must stop at grade crossings under subdivision 1 is not required
34.10 to stop at a marked exempt crossing unless directed otherwise by a police officer or a railroad
34.11 employee.

34.12 Sec. 32. Minnesota Statutes 2016, section 169.29, is amended to read:

34.13 **169.29 CROSSING RAILROAD TRACKS WITH CERTAIN EQUIPMENT.**

34.14 (a) No person shall operate or move any caterpillar tractor, steam shovel, derrick, roller,
34.15 or any equipment or structure having a normal operating speed of six or less miles per hour
34.16 or a vertical body or load clearance of less than nine inches above the level surface of a
34.17 roadway upon or across any tracks at a railroad grade crossing without first complying with
34.18 this section.

34.19 (b) Before making any crossing, the person operating or moving any vehicle or equipment
34.20 set forth in this section shall first stop the same not less than ten, nor more than 50, feet
34.21 from the nearest rail of the railway, and while so stopped shall listen and look in both
34.22 directions along the track for any approaching railroad train and for signals indicating the
34.23 approach of a railroad train, and shall not proceed until the crossing can be made safely.

34.24 (c) No crossing shall be made when warning is given by automatic signal or crossing
34.25 gates or a flagger or otherwise of the immediate approach of a railroad train or car.

34.26 (d) No stop need be made at a crossing on a rail line on which service has been abandoned
34.27 and where a sign erected in conformance with section 169.06 and bearing the word "Exempt"
34.28 has been installed, unless directed otherwise by a flagger. The installation or presence of
34.29 an exempt sign shall not relieve any driver of the duty to use due care.

35.1 Sec. 33. Minnesota Statutes 2016, section 169.345, subdivision 2, is amended to read:

35.2 Subd. 2. **Definitions.** (a) For the purpose of section 168.021 and this section, the following
35.3 terms have the meanings given them in this subdivision.

35.4 (b) "Health professional" means a licensed physician, licensed physician assistant,
35.5 advanced practice registered nurse, licensed physical therapist, or licensed chiropractor.

35.6 (c) "Long-term certificate" means a certificate issued for a period greater than 12 months
35.7 but not greater than 71 months.

35.8 (d) "Organization certificate" means a certificate issued to an entity other than a natural
35.9 person for a period of three years.

35.10 (e) "Permit" refers to a permit that is issued for a period of 30 days, in lieu of the
35.11 certificate referred to in subdivision 3, while the application is being processed.

35.12 (f) "Physically disabled person" means a person who:

35.13 (1) because of disability cannot walk without significant risk of falling;

35.14 (2) because of disability cannot walk 200 feet without stopping to rest;

35.15 (3) because of disability cannot walk without the aid of another person, a walker, a cane,
35.16 crutches, braces, a prosthetic device, or a wheelchair;

35.17 (4) is restricted by a respiratory disease to such an extent that the person's forced
35.18 (respiratory) expiratory volume for one second, when measured by spirometry, is less than
35.19 one liter;

35.20 (5) has an arterial oxygen tension (PaO₂) of less than 60 mm/Hg on room air at rest;

35.21 (6) uses portable oxygen;

35.22 (7) has a cardiac condition to the extent that the person's functional limitations are
35.23 classified in severity as class III or class IV according to standards set by the American
35.24 Heart Association;

35.25 (8) has lost an arm or a leg and does not have or cannot use an artificial limb; or

35.26 (9) has a disability that would be aggravated by walking 200 feet under normal
35.27 environmental conditions to an extent that would be life threatening.

35.28 (g) "Short-term certificate" means a certificate issued for a period greater than six months
35.29 but not greater than 12 months.

35.30 (h) "Six-year certificate" means a certificate issued for a period of six years.

36.1 (i) "Temporary certificate" means a certificate issued for a period not greater than six
36.2 months.

36.3 Sec. 34. Minnesota Statutes 2016, section 169.4503, subdivision 5, is amended to read:

36.4 Subd. 5. **Colors.** Fenderettes may be black. The beltline may be painted yellow over
36.5 black or black over yellow. The rub rails ~~shall~~ must be black or yellow. The area around
36.6 the lenses of alternately flashing signal lamps extending outward from the edge of the lamp
36.7 three inches, plus or minus one-quarter inch, to the sides and top and at least one inch to
36.8 the bottom, ~~shall~~ must be black. Visors or hoods, black in color, with a minimum of four
36.9 inches may be provided.

36.10 Sec. 35. Minnesota Statutes 2016, section 169.81, is amended by adding a subdivision to
36.11 read:

36.12 Subd. 11. **Automobile transporter.** (a) For purposes of this subdivision, the following
36.13 terms have the meanings given them:

36.14 (1) "automobile transporter" means any vehicle combination designed and used to
36.15 transport assembled highway vehicles, including truck camper units;

36.16 (2) "stinger-steered combination automobile transporter" means a truck tractor semitrailer
36.17 having the fifth wheel located on a drop frame located behind and below the rear-most axle
36.18 of the power unit; and

36.19 (3) "backhaul" means the return trip of a vehicle transporting cargo or general freight,
36.20 especially when carrying goods back over all or part of the same route.

36.21 (b) Stinger-steered combination automobile transporters having a length of 80 feet or
36.22 less may be operated on interstate highways and other highways designated in this section,
36.23 and in addition may carry a load that extends the length by four feet or less in the front of
36.24 the vehicle and six feet or less in the rear of the vehicle.

36.25 (c) An automobile transporter may transport cargo or general freight on a backhaul,
36.26 provided it complies with weight limitations for a truck tractor and semitrailer combination
36.27 under section 169.824.

36.28 Sec. 36. Minnesota Statutes 2016, section 169.8261, subdivision 2, is amended to read:

36.29 Subd. 2. **Conditions.** (a) A vehicle or combination of vehicles described in subdivision
36.30 1 must:

37.1 (1) comply with seasonal load restrictions in effect between the dates set by the
37.2 commissioner under section 169.87, subdivision 2;

37.3 (2) comply with bridge load limits posted under section 169.84;

37.4 (3) be equipped and operated with six or more axles and brakes on all wheels;

37.5 (4) not exceed 90,000 pounds gross vehicle weight, or 99,000 pounds gross vehicle
37.6 weight during the time when seasonal increases are authorized under section 169.826;

37.7 (5) not be operated on interstate highways;

37.8 (6) obtain an annual permit from the commissioner of transportation;

37.9 (7) obey all road postings; and

37.10 (8) not exceed 20,000 pounds gross weight on any single axle.

37.11 (b) A vehicle operated under this section may exceed the legal axle weight limits listed
37.12 in section 169.824 by not more than 12.5 percent; except that, the weight limits may be
37.13 exceeded by not more than 23.75 percent during the time when seasonal increases are
37.14 authorized under section 169.826, subdivision 1.

37.15 (c) Notwithstanding paragraph (a), clause (5), a vehicle or combination of vehicles
37.16 hauling raw or unfinished forest products may also operate on the segment of marked
37.17 Interstate Highway 35 provided under United States Code, title 23, section 127(q)(2)(D).

37.18 Sec. 37. Minnesota Statutes 2017 Supplement, section 169.829, subdivision 4, is amended
37.19 to read:

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

37.23 (b) Emergency vehicles designed to transport personnel and equipment to support the
37.24 suppression of fires and to mitigate other hazardous situations are subject to the following
37.25 weight limitations when operated on an interstate highway: (1) 24,000 pounds on a single
37.26 steering axle; (2) 33,500 pounds on a single drive axle; (3) 52,000 pounds on a tandem rear
37.27 drive steer axle; and (4) 62,000 pounds on a tandem axle. The gross weight of an emergency
37.28 vehicle operating on an interstate highway must not exceed 86,000 pounds.

38.1 Sec. 38. Minnesota Statutes 2016, section 169.829, is amended by adding a subdivision
38.2 to read:

38.3 Subd. 5. Sewage septic tank trucks. (a) Sections 169.823 and 169.826 to 169.828 do
38.4 not apply to a sewage septic tank truck used exclusively to transport sewage from septic or
38.5 holding tanks.

38.6 (b) The weight limitations under section 169.824 are increased by ten percent for a
38.7 single-unit vehicle transporting sewage from the point of service to (1) another point of
38.8 service, or (2) the point of unloading.

38.9 (c) Notwithstanding sections 169.824, subdivision 1, paragraph (d); 169.826, subdivision
38.10 3; or any other law to the contrary, a permit is not required to operate a vehicle under this
38.11 subdivision.

38.12 (d) The seasonal weight increases under section 169.826, subdivision 1, do not apply to
38.13 a vehicle operated under this subdivision.

38.14 (e) A vehicle operated under this subdivision is subject to bridge load limits posted under
38.15 section 169.84.

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

38.17 Sec. 39. Minnesota Statutes 2016, section 169.87, subdivision 6, is amended to read:

38.18 **Subd. 6. Recycling and garbage vehicles.** (a) Except as provided in paragraph (b) While
38.19 a vehicle is engaged in the type of collection the vehicle was designed to perform, weight
38.20 restrictions imposed under subdivisions 1 and 2 do not apply to:

38.21 (1) a vehicle that does not exceed 20,000 pounds per single axle and is designed and
38.22 used exclusively for recycling, while engaged in recycling operating in a political subdivision
38.23 that mandates curbside recycling pickup;

38.24 ~~(b) Weight restrictions imposed under subdivisions 1 and 2 do not apply to:~~ (1) (2) a
38.25 vehicle that does not exceed 14,000 pounds per single axle and is used exclusively for
38.26 recycling as described in paragraph (a);

38.27 ~~(2) (3) a vehicle that does not exceed 14,000 pounds per single axle and is designed and~~
38.28 used exclusively for collecting mixed municipal solid waste, as defined in section 115A.03,
38.29 subdivision 21, while engaged in such collection; or

38.30 ~~(3) (4) a portable toilet service vehicle that does not exceed 14,000 pounds per single~~
38.31 axle or 26,000 pounds gross vehicle weight, and is designed and used exclusively for
38.32 collecting liquid waste from portable toilets, while engaged in such collection; or

39.1 (5) a sewage septic tank truck that is designed and used exclusively to haul sewage from
39.2 septic or holding tanks.

39.3 ~~(e)(b) Notwithstanding section 169.80, subdivision 1, a violation of the owner or operator~~
39.4 ~~of a vehicle that violates the weight restrictions imposed under subdivisions 1 and 2 by a~~
39.5 ~~vehicle designed and used exclusively for recycling while engaged in recycling in a political~~
39.6 ~~subdivision that mandates curbside recycling pickup while engaged in such collection, by~~
39.7 ~~a vehicle that is designed and used exclusively for collecting mixed municipal solid waste~~
39.8 ~~as defined in section 115A.03, subdivision 21, while engaged in such collection, or by a~~
39.9 ~~portable toilet service vehicle that is designed and used exclusively for collecting liquid~~
39.10 ~~waste from portable toilets, while engaged in such collection, is not subject to criminal~~
39.11 ~~penalties but is subject to a civil penalty for excess weight under section 169.871 if the~~
39.12 ~~vehicle (1) meets the requirements under paragraph (a), and (2) is engaged in the type of~~
39.13 ~~collection the vehicle was designed to perform.~~

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

39.15 Sec. 40. Minnesota Statutes 2016, section 169.974, subdivision 2, is amended to read:

39.16 Subd. 2. **License endorsement and permit requirements.** (a) No person shall operate
39.17 a motorcycle on any street or highway without having a valid driver's license with a
39.18 two-wheeled vehicle endorsement as provided by law. A person may operate an autocycle
39.19 without a two-wheeled vehicle endorsement, provided the person has a valid driver's license
39.20 issued under section 171.02.

39.21 (b) The commissioner of public safety shall issue a two-wheeled vehicle endorsement
39.22 only if the applicant (1) has in possession a valid two-wheeled vehicle instruction permit
39.23 as provided in paragraph (c), (2) has passed a written examination and road test administered
39.24 by the Department of Public Safety for the endorsement, and (3) in the case of applicants
39.25 under 18 years of age, presents a certificate or other evidence of having successfully
39.26 completed an approved two-wheeled vehicle driver's safety course in this or another state,
39.27 in accordance with rules adopted by the commissioner of public safety for courses offered
39.28 by a public, private, or commercial school or institute. The commissioner of public safety
39.29 may waive the road test for any applicant on determining that the applicant possesses a valid
39.30 license to operate a two-wheeled vehicle issued by a jurisdiction that requires a comparable
39.31 road test for license issuance.

39.32 (c) The commissioner of public safety shall issue a two-wheeled vehicle instruction
39.33 permit to any person over 16 years of age who (1) is in possession of a valid driver's license,
39.34 (2) is enrolled in an approved two-wheeled vehicle driver's safety course, and (3) has passed

40.1 a written examination for the permit and paid a fee prescribed by the commissioner of public
 40.2 safety. A two-wheeled vehicle instruction permit is effective for one year and may be
 40.3 renewed under rules prescribed by the commissioner of public safety.

40.4 (d) No person who is operating by virtue of a two-wheeled vehicle instruction permit
 40.5 shall:

40.6 (1) carry any passengers on the streets and highways of this state on the motorcycle
 40.7 while the person is operating the motorcycle;

40.8 (2) drive the motorcycle at night; or

40.9 ~~(3) drive the motorcycle on any highway marked as an interstate highway pursuant to~~
 40.10 ~~title 23 of the United States Code; or~~

40.11 ~~(4)~~ (3) drive the motorcycle without wearing protective headgear that complies with
 40.12 standards established by the commissioner of public safety.

40.13 (e) Notwithstanding paragraphs (a) to (d), the commissioner of public safety may issue
 40.14 a special motorcycle permit, restricted or qualified as the commissioner of public safety
 40.15 deems proper, to any person demonstrating a need for the permit and unable to qualify for
 40.16 a driver's license.

40.17 Sec. 41. Minnesota Statutes 2017 Supplement, section 171.06, subdivision 2, is amended
 40.18 to read:

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

40.20 REAL ID Compliant or				
40.21 Noncompliant Classified				
40.22 Driver's License	D-\$17.25	C-\$21.25	B-\$28.25	A-\$36.25
40.23 REAL ID Compliant or				
40.24 Noncompliant Classified				
40.25 Under-21 D.L.	D-\$17.25	C-\$21.25	B-\$28.25	A-\$16.25
40.26 Enhanced Driver's License	D-\$32.25	C-\$36.25	B-\$43.25	A-\$51.25
40.27 REAL ID Compliant or				
40.28 Noncompliant Instruction				
40.29 Permit				\$5.25
40.30 Enhanced Instruction				
40.31 Permit				\$20.25
40.32 Commercial Learner's				
40.33 Permit				\$2.50
40.34 REAL ID Compliant or				
40.35 Noncompliant Provisional				
40.36 License				\$8.25

41.1	Enhanced Provisional	
41.2	License	\$23.25
41.3	Duplicate REAL ID	
41.4	Compliant or Noncompliant	
41.5	License or duplicate REAL	
41.6	ID Compliant or	
41.7	Noncompliant identification	
41.8	card	\$6.75
41.9	Enhanced Duplicate	
41.10	License or enhanced	
41.11	duplicate identification card	\$21.75
41.12	REAL ID Compliant or	
41.13	Noncompliant Minnesota	
41.14	identification card or REAL	
41.15	ID Compliant or	
41.16	Noncompliant Under-21	
41.17	Minnesota identification	
41.18	card, other than duplicate,	
41.19	except as otherwise	
41.20	provided in section 171.07,	
41.21	subdivisions 3 and 3a	\$11.25
41.22	Enhanced Minnesota	
41.23	identification card	\$26.25
41.24	In addition to each fee required in this paragraph, the commissioner shall collect a surcharge	
41.25	of: (1) \$1.75 until June 30, 2012; and (2) \$1.00 from July 1, 2012, to June 30, 2016.	
41.26	Surcharges collected under this paragraph must be credited to the driver and vehicle services	
41.27	technology account in the special revenue fund under section 299A.705.	
41.28	(b) Notwithstanding paragraph (a), an individual who holds a provisional license and	
41.29	has a driving record free of (1) convictions for a violation of section 169A.20, 169A.33,	
41.30	169A.35, sections 169A.50 to 169A.53, or section 171.177, (2) convictions for crash-related	
41.31	moving violations, and (3) convictions for moving violations that are not crash related, shall	
41.32	have a \$3.50 credit toward the fee for any classified under-21 driver's license. "Moving	
41.33	violation" has the meaning given it in section 171.04, subdivision 1.	
41.34	(c) In addition to the driver's license fee required under paragraph (a), the commissioner	
41.35	shall collect an additional \$4 processing fee from each new applicant or individual renewing	
41.36	a license with a school bus endorsement to cover the costs for processing an applicant's	
41.37	initial and biennial physical examination certificate. The department shall not charge these	
41.38	applicants any other fee to receive or renew the endorsement.	
41.39	(d) In addition to the fee required under paragraph (a), a driver's license agent may charge	
41.40	and retain a filing fee as provided under section 171.061, subdivision 4.	

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

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

42.9 **Sec. 42. [174.13] TRANSPORTATION FACILITIES CAPITAL PROGRAM.**

42.10 Subdivision 1. Program established. (a) A transportation facilities capital program is
42.11 established to prioritize among eligible projects that:

42.12 (1) support the programmatic mission of the department;

42.13 (2) extend the useful life of existing buildings; or

42.14 (3) renovate or construct facilities to meet the department's current and future operational
42.15 needs.

42.16 (b) Projects under the transportation facilities capital program may be funded by proceeds
42.17 from the sale of trunk highway bonds or from other funds appropriated for the purposes of
42.18 this section.

42.19 Subd. 2. Accounts. (a) A transportation facilities capital account is established in the
42.20 trunk highway fund. The account consists of all money made available from the trunk
42.21 highway fund for the purposes of this section and any other money donated, allotted,
42.22 transferred, or otherwise provided to the account by law. Money in the account is appropriated
42.23 to the commissioner for the purposes specified and consistent with the standards and criteria
42.24 set forth in this section.

42.25 (b) A transportation facilities capital account is established in the bond proceeds account
42.26 of the trunk highway fund. The account consists of trunk highway bond proceeds appropriated
42.27 to the commissioner for the transportation facilities capital program. Money in the account
42.28 may only be expended on trunk highway purposes, which includes the purposes in this
42.29 section.

42.30 Subd. 3. Standards. (a) The legislature finds that many projects for preservation and
42.31 replacement of portions of existing capital assets constitute the construction, improvement,
42.32 and maintenance of the public highway system within the meaning of the Minnesota

43.1 Constitution, article XIV, section 11, and capital expenditures under generally accepted
43.2 accounting principles as applied to public expenditures. Projects can be financed more
43.3 efficiently and economically under the program than by direct appropriations for specific
43.4 projects.

43.5 (b) When allocating funding under this section, the commissioner must review the
43.6 projects deemed eligible under subdivision 4 and prioritize allocations using the criteria in
43.7 subdivision 5. Money allocated to a specific project in an appropriation or other law must
43.8 be allocated as provided by the law.

43.9 Subd. 4. **Eligible expenditures; limitations.** (a) A project is eligible under this section
43.10 only if it is a capital expenditure on a capital building asset owned or to be owned by the
43.11 state within the meaning of generally accepted accounting principles as applied to public
43.12 expenditures.

43.13 (b) Capital budget expenditures that are eligible under this section include but are not
43.14 limited to: (1) acquisition of land and buildings; and (2) the predesign, engineering,
43.15 construction, furnishing and equipping of district headquarter buildings, truck stations, salt
43.16 storage or other unheated storage buildings, deicing and anti-icing facilities, fuel dispensing
43.17 facilities, highway rest areas, and vehicle weigh and inspection stations.

43.18 Subd. 5. **Criteria for priorities.** When prioritizing funding allocation among projects
43.19 eligible under subdivision 4, the commissioner must consider:

43.20 (1) whether a project ensures the effective and efficient condition and operation of the
43.21 facility;

43.22 (2) the urgency in ensuring the safe use of existing buildings;

43.23 (3) the project's total life-cycle cost;

43.24 (4) additional criteria for priorities otherwise specified in state law, statute, or rule that
43.25 applies to a category listed in the act making an appropriation for the program; and

43.26 (5) any other criteria the commissioner deems necessary.

43.27 Sec. 43. Minnesota Statutes 2016, section 174.66, is amended to read:

43.28 **174.66 CONTINUATION OF CARRIER RULES.**

43.29 (a) Orders and directives in force, issued, or promulgated under authority of chapters
43.30 174A, 216A, 218, 219, 221, and 222 remain and continue in force and effect until repealed,
43.31 modified, or superseded by duly authorized orders or directives of the commissioner of
43.32 transportation. To the extent allowed under federal law or regulation, rules adopted under

44.1 authority of the following sections are transferred to the commissioner of transportation
 44.2 and continue in force and effect until repealed, modified, or superseded by duly authorized
 44.3 rules of the commissioner:

44.4 (1) section 218.041 except rules related to the form and manner of filing railroad rates,
 44.5 railroad accounting rules, and safety rules;

44.6 (2) section 219.40;

44.7 (3) rules relating to rates or tariffs, or the granting, limiting, or modifying of permits
 44.8 under section 221.031, subdivision 1; and

44.9 ~~(4) rules relating to rates, charges, and practices under section 221.161, subdivision 4;~~
 44.10 ~~and~~

44.11 ~~(5)~~ rules relating to rates, tariffs, or the granting, limiting, or modifying of permits under
 44.12 section 221.121.

44.13 (b) The commissioner shall review the transferred rules, orders, and directives and, when
 44.14 appropriate, develop and adopt new rules, orders, or directives.

44.15 Sec. 44. Minnesota Statutes 2016, section 221.031, subdivision 2d, is amended to read:

44.16 Subd. 2d. **Hours of service exemptions; agricultural purposes.** The federal regulations
 44.17 incorporated in section 221.0314, subdivision 9, for ~~maximum driving and on-duty time,~~
 44.18 hours of service do not apply to drivers engaged in intrastate transportation within a
 44.19 150-air-mile radius from the source of the commodities, or from the retail or wholesale
 44.20 distribution point of the farm supplies, for:

44.21 (1) agricultural commodities; or

44.22 (2) farm supplies for agricultural purposes from March 15 to December 15 of each year;

44.23 ~~or~~.

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

44.25 Sec. 45. Minnesota Statutes 2016, section 221.031, is amended by adding a subdivision
 44.26 to read:

44.27 Subd. 2f. Hours of service exemptions; utility construction. (a) The federal regulations
 44.28 incorporated in section 221.0314, subdivision 9, for hours of service do not apply to drivers
 44.29 engaged in intrastate transportation of utility construction materials within a 50-mile radius
 44.30 from the site of a construction or maintenance project.

45.1 (b) For purposes of this subdivision, utility construction materials includes supplies and
45.2 materials used in a project to construct or maintain (1) a street or highway; (2) equipment
45.3 or facilities to furnish electric transmission service; (3) a telecommunications system or
45.4 cable communications system; (4) a waterworks system, sanitary sewer, or storm sewer;
45.5 (5) a gas heating service line; (6) a pipeline; and (7) a facility for other similar utility service.

45.6 Sec. 46. Minnesota Statutes 2016, section 221.0314, subdivision 9, is amended to read:

45.7 Subd. 9. **Hours of service of driver.** (a) Code of Federal Regulations, title 49, part 395,
45.8 is incorporated by reference, except that paragraphs (a), (c), (d), (f), (h), (i), ~~(k)~~, (m), and
45.9 (n) of section 395.1 of that part are not incorporated. In addition, cross-references to sections
45.10 or paragraphs not incorporated in this subdivision are not incorporated by reference.

45.11 (b) For purposes of Code of Federal Regulations, title 49, part 395.1, paragraph (k), the
45.12 planting and harvest period for Minnesota is from January 1 through December 31 each
45.13 year.

45.14 (c) The requirements of Code of Federal Regulations, title 49, part 395, do not apply to
45.15 drivers of lightweight vehicles.

45.16 Sec. 47. Minnesota Statutes 2016, section 221.036, subdivision 1, is amended to read:

45.17 Subdivision 1. **Order.** The commissioner may issue an order requiring violations to be
45.18 corrected and administratively assessing monetary penalties for a violation of (1) section
45.19 221.021; (2) section 221.033, subdivision 2b; (3) section 221.171; (4) section 221.141; (5)
45.20 a federal, state, or local law, regulation, rule, or ordinance pertaining to railroad-highway
45.21 grade crossings; or (6) rules of the commissioner relating to the transportation of hazardous
45.22 waste, motor carrier operations, or insurance, ~~or tariffs and accounting~~. An order must be
45.23 issued as provided in this section.

45.24 Sec. 48. Minnesota Statutes 2016, section 221.036, subdivision 3, is amended to read:

45.25 Subd. 3. **Amount of penalty; considerations.** (a) The commissioner may issue an order
45.26 assessing a penalty of up to \$5,000 for all violations identified during a single audit or
45.27 investigation of (1) section 221.021₂, 221.141₂, or 221.171, or (2) rules of the commissioner
45.28 relating to motor carrier operations; or insurance, ~~or tariffs and accounting~~, ~~identified during~~
45.29 ~~a single inspection, audit, or investigation.~~

45.30 (b) The commissioner may issue an order assessing a penalty up to a maximum of
45.31 \$10,000 for all violations of section 221.033, subdivision 2b, identified during a single
45.32 inspection or audit.

46.1 (c) In determining the amount of a penalty, the commissioner shall consider:

46.2 (1) the willfulness of the violation;

46.3 (2) the gravity of the violation, including damage to humans, animals, air, water, land,
46.4 or other natural resources of the state;

46.5 (3) the history of past violations, including the similarity of the most recent violation
46.6 and the violation to be penalized, the time elapsed since the last violation, the number of
46.7 previous violations, and the response of the person to the most recent violation identified;

46.8 (4) the economic benefit gained by the person by allowing or committing the violation;
46.9 and

46.10 (5) other factors as justice may require, if the commissioner specifically identifies the
46.11 additional factors in the commissioner's order.

46.12 (d) The commissioner shall assess a penalty in accordance with Code of Federal
46.13 Regulations, title 49, section 383.53, against:

46.14 (1) a driver who is convicted of a violation of an out-of-service order;

46.15 (2) an employer who knowingly allows or requires an employee to operate a commercial
46.16 motor vehicle in violation of an out-of-service order; or

46.17 (3) an employer who knowingly allows or requires an employee to operate a commercial
46.18 motor vehicle in violation of a federal, state, or local law or regulation pertaining to
46.19 railroad-highway grade crossings.

46.20 Sec. 49. Minnesota Statutes 2016, section 221.122, subdivision 1, is amended to read:

46.21 Subdivision 1. **Registration, insurance, and filing requirements.** (a) An order issued
46.22 by the commissioner which grants a certificate or permit must contain a service date.

46.23 (b) The person to whom the order granting the certificate or permit is issued shall do
46.24 the following within 45 days from the service date of the order:

46.25 (1) register vehicles which will be used to provide transportation under the permit or
46.26 certificate with the commissioner and pay the vehicle registration fees required by law; and

46.27 (2) file and maintain insurance or bond as required by section 221.141 and rules of the
46.28 commissioner; ~~and~~.

46.29 ~~(3) file rates and tariffs as required by section 221.161 and rules of the commissioner.~~

47.1 Sec. 50. Minnesota Statutes 2016, section 221.161, subdivision 1, is amended to read:

47.2 Subdivision 1. ~~Filing; hearing upon commissioner initiative~~ Tariff maintenance and
 47.3 contents. A household goods carrier shall file and mover must maintain with the
 47.4 commissioner a tariff showing rates and charges for transporting household goods. Tariffs
 47.5 must be prepared and filed in accordance with the rules of the commissioner. When tariffs
 47.6 are filed in accordance with the rules and accepted by the commissioner, the filing constitutes
 47.7 notice to the public and interested parties of the contents of the tariffs. The commissioner
 47.8 shall not accept for filing tariffs that are unjust, unreasonable, unjustly discriminatory,
 47.9 unduly preferential or prejudicial, or otherwise in violation of this section or rules adopted
 47.10 under this section. If the tariffs appear to be unjust, unreasonable, unjustly discriminatory,
 47.11 unduly preferential or prejudicial, or otherwise in violation of this section or rules adopted
 47.12 under this section, after notification and investigation by the department, the commissioner
 47.13 may suspend and postpone the effective date of the tariffs and assign the tariffs for hearing
 47.14 upon notice to the household goods carrier filing the proposed tariffs and to other interested
 47.15 parties, including users of the service and competitive carriers by motor vehicle and rail.
 47.16 At the hearing, the burden of proof is on the household goods carrier filing the proposed
 47.17 tariff to sustain the validity of the proposed schedule of rates and charges. The tariffs and
 47.18 subsequent supplements to them or reissues of them must state the effective date, which
 47.19 may not be less than ten days following the date of filing, unless the period of time is reduced
 47.20 by special permission of the commissioner. A household goods mover must prepare a tariff
 47.21 under this section that complies with Code of Federal Regulations, title 49, part 1310.3.

47.22 Sec. 51. Minnesota Statutes 2016, section 221.161, is amended by adding a subdivision
 47.23 to read:

47.24 Subd. 5. Tariff availability. (a) A household goods mover subject to this section must
 47.25 maintain all of its effective tariffs at its principal place of business and at each of its terminal
 47.26 locations, and must make the tariffs available to the public for inspection at all times the
 47.27 household goods mover is open for business. Any publication referred to in a tariff must be
 47.28 maintained with that tariff.

47.29 (b) Upon request, a household goods mover must provide copies of tariffs, specific tariff
 47.30 provisions, or tariff subscriptions to the commissioner or any interested person.

47.31 Sec. 52. Minnesota Statutes 2016, section 221.171, subdivision 1, is amended to read:

47.32 Subdivision 1. **Compensation fixed by schedule on file.** ~~No~~ A household goods carrier
 47.33 shall mover must not charge or receive a greater, lesser, or different compensation for the

48.1 transportation ~~of persons or property or for related service~~; provided than the rates and
 48.2 charges named in the carrier's schedule on file and in effect with the commissioner including
 48.3 ~~any rate fixed by the commissioner~~ specified in the tariff under section 221.161; ~~nor shall~~.
 48.4 A household goods ~~carrier~~ mover ~~must not~~ refund or remit in any manner or by any device,
 48.5 directly or indirectly, the rates and charges required to be collected by the ~~carrier~~ mover
 48.6 under the ~~carrier's~~ mover's schedules ~~or under the rates, if any, fixed by the commissioner.~~

48.7 Sec. 53. Minnesota Statutes 2016, section 222.46, is amended to read:

48.8 **222.46 FREIGHT RAIL SERVICE IMPROVEMENT ACT; PURPOSE.**

48.9 The legislature finds and determines that integrated transportation systems, including
 48.10 railways, highways and airways, are necessary in order to meet the economic and energy
 48.11 needs of the citizens of the state, both now and in the future. The legislature finds that a
 48.12 portion of the present railroad system in the state does not provide adequate service to
 48.13 citizens of the state. The legislature further finds and determines that it is in the best interest
 48.14 of the state to establish and fund a freight rail service improvement economic development
 48.15 program and to establish a railroad planning process in order to preserve and improve
 48.16 essential rail service in the state.

48.17 **EFFECTIVE DATE.** This section is effective June 30, 2018.

48.18 Sec. 54. Minnesota Statutes 2016, section 222.50, subdivision 3, is amended to read:

48.19 Subd. 3. **Commissioner's powers; rules.** The commissioner ~~shall have~~ has the power
 48.20 to:

48.21 ~~(1) set priorities for the allocation and expenditure of money or in kind contributions~~
 48.22 ~~authorized under the rail service improvement program and develop criteria for eligibility~~
 48.23 ~~and approval of projects under the program. The criteria shall include the anticipated~~
 48.24 ~~economic and social benefits to the state and to the area being served and the economic~~
 48.25 ~~viability of the project;~~

48.26 ~~(2)~~ negotiate and enter into contracts for rail line rehabilitation or other rail service
 48.27 improvement;

48.28 ~~(3)~~ (2) disburse state and federal money for rail service improvements; and

48.29 ~~(4)~~ (3) adopt rules necessary to carry out the purposes of sections 222.46 to 222.54.

48.30 **EFFECTIVE DATE.** This section is effective June 30, 2018.

49.1 Sec. 55. Minnesota Statutes 2016, section 222.50, subdivision 4, is amended to read:

49.2 Subd. 4. **Contract.** The commissioner may negotiate and enter into contracts for the
49.3 purpose of rail service improvement and may incorporate funds available from the federal
49.4 government. The participants in these contracts shall be railroads, rail users, and the
49.5 department, and may be political subdivisions of the state and the federal government. In
49.6 such contracts, participation by all parties shall be voluntary. The commissioner may provide
49.7 a portion of the money required to carry out the terms of any such contract by expenditure
49.8 from the freight rail service improvement account.

49.9 **EFFECTIVE DATE.** This section is effective June 30, 2018.

49.10 Sec. 56. **[222.505] FREIGHT RAIL ECONOMIC DEVELOPMENT PROGRAM.**

49.11 **Subdivision 1. Definition.** (a) For purposes of this section, "program" means the freight
49.12 rail economic development program established in this section.

49.13 **Subd. 2. Program established.** (a) The commissioner, in consultation with the
49.14 commissioner of employment and economic development, must establish a freight rail
49.15 economic development program as provided under this section.

49.16 (b) By January 1, 2019, the commissioners must implement the program and begin
49.17 accepting applications.

49.18 **Subd. 3. Freight rail accounts; appropriation.** (a) A freight rail account is established
49.19 in the special revenue fund. The account consists of funds provided under paragraphs (b)
49.20 and (c), section 222.63, subdivision 8, and any other money donated, allotted, transferred,
49.21 or otherwise provided to the account. The account must not include any bond proceeds
49.22 authorized by the Minnesota Constitution, article XI, section 5, clause (i). Funds in the
49.23 account are annually appropriated to the commissioner for the program under this section.

49.24 (b) All funds provided to the commissioner from agreements or loans under section
49.25 222.50 must be deposited in the freight rail account in the special revenue fund.

49.26 (c) All funds made available to the commissioner from the disposition of railroad
49.27 right-of-way or of any other property acquired pursuant to sections 222.46 to 222.62 must
49.28 be deposited in the freight rail account in the special revenue fund.

49.29 (d) A freight rail account is established in the bond proceeds fund. The account consists
49.30 of state bond proceeds appropriated to the commissioner for the program under this section.
49.31 Money in the account may be expended only for bond-eligible purposes.

50.1 Subd. 4. **Program administration.** (a) The commissioner, in consultation with the
50.2 commissioner of employment and economic development, must establish a project selection
50.3 process for financial assistance under the program. The process must include public notice
50.4 of available funds, procedures to submit applications, public access to information on project
50.5 evaluation and selection, and financial assistance awards. The process must minimize
50.6 applicant burdens and the length of time for application evaluation.

50.7 (b) The commissioner must maintain on an ongoing basis a project requests list that
50.8 identifies all eligible projects that have been evaluated for grant awards under the program.

50.9 (c) An applicant must apply for financial assistance in the manner and at the times
50.10 determined by the commissioners.

50.11 (d) The commissioner must make reasonable efforts to (1) publicize each solicitation
50.12 for applications among all eligible recipients, and (2) provide technical and informational
50.13 assistance related to applications.

50.14 Subd. 5. **Consultation.** In developing the program and on an ongoing basis, the
50.15 commissioner must consult with eligible recipients of financial assistance under subdivision
50.16 8 and with counties and statutory and home rule charter cities in which industrial parks are
50.17 located or proposed to be located. At a minimum, consultation must address:

50.18 (1) the project selection process, including project eligibility requirements, evaluation
50.19 criteria and prioritization, and any significant policies in the program;

50.20 (2) flexibility of evaluation criteria to address unique situations;

50.21 (3) timeliness of project evaluation and award of financial assistance;

50.22 (4) adequacy of the program funding level; and

50.23 (5) legislative proposals for program funding.

50.24 Subd. 6. **Financial assistance; grants and loans.** The commissioner may provide
50.25 financial assistance under the program through grants or through loans in the manner provided
50.26 under section 222.50, subdivisions 4 and 5.

50.27 Subd. 7. **Financial assistance; limitations.** (a) When calculated in conjunction with
50.28 any other state funding sources, a grant award under the program must not provide combined
50.29 state funding that exceeds 85 percent of the total project cost estimate.

50.30 (b) The commissioner must ensure that financial assistance is provided in a manner that
50.31 is balanced throughout the state, including with respect to (1) the number of projects receiving
50.32 funding in a particular geographic location or region of the state, and (2) the total amount

51.1 of financial assistance provided for projects in a particular geographic location or region of
51.2 the state.

51.3 Subd. 8. **Award recipient eligibility.** (a) Eligible recipients of financial assistance under
51.4 the program are:

51.5 (1) railroad companies that are classified by federal law or regulation as Class II railroads,
51.6 Class II rail carriers, Class III railroads, or Class III rail carriers;

51.7 (2) rail users; and

51.8 (3) political subdivisions.

51.9 (b) An eligible recipient may receive funds regardless of rail facility ownership.

51.10 Subd. 9. **Project eligibility.** (a) The commissioner, in consultation with the commissioner
51.11 of employment and economic development, must establish project eligibility criteria under
51.12 the program. At a minimum, an eligible project must:

51.13 (1) improve safety, efficiency, service, or capacity of railroad freight movement;

51.14 (2) provide for rail line capital maintenance, preservation, rehabilitation, or improvements;

51.15 (3) improve rail service for a rail user or rail carrier; or

51.16 (4) promote the development of industrial parks primarily or substantially served by rail
51.17 service.

51.18 (b) A project must be consistent with transportation plans adopted by the commissioner,
51.19 including the statewide freight and passenger rail plan under section 174.03, subdivision
51.20 1b.

51.21 Subd. 10. **Project evaluation and prioritization.** The commissioner, in consultation
51.22 with the commissioner of employment and economic development, must establish project
51.23 evaluation criteria for grant awards under the program. At a minimum, the criteria must
51.24 objectively prioritize projects based on:

51.25 (1) economic and employment impacts, including but not limited to responsiveness to
51.26 emergent market conditions;

51.27 (2) addressing rail lines that have deteriorated or are in danger of deteriorating to such
51.28 a degree that the rail line is unable to carry the speeds and weights necessary to efficiently
51.29 transport goods and products; and

51.30 (3) percentage commitment of funding or in-kind assistance for the project from nonpublic
51.31 sources.

52.1 Subd. 11. **Expenditures.** The commissioner may provide financial assistance and expend
52.2 funds under the program for:

52.3 (1) capital improvement projects designed to improve a rail user or a rail carrier's rail
52.4 service which includes but is not limited to rail track, track structures, and rail facilities and
52.5 buildings;

52.6 (2) rehabilitation projects designed to improve a rail user or a rail carrier's rail service;

52.7 (3) rail-related development of industrial parks primarily or substantially served by rail
52.8 service, which:

52.9 (i) includes capital improvements to or rehabilitation of main industrial lead track; and

52.10 (ii) excludes siding track designed to serve areas of an industrial park for which occupants
52.11 are unidentified or uncommitted;

52.12 (4) highway-rail grade crossing improvement or grade separation projects, including
52.13 but not limited to the local matching portion for federal grants;

52.14 (5) capital improvement projects designed to improve capacity or safety at rail yards;

52.15 (6) acquisition, maintenance, management, and disposition of railroad right-of-way
52.16 under the state rail bank program in section 222.63;

52.17 (7) acquisition of a rail line by a regional railroad authority established under chapter
52.18 398A;

52.19 (8) rail planning studies;

52.20 (9) costs related to contractual agreements under section 222.52; and

52.21 (10) financial assistance under this section.

52.22 Subd. 12. **Design, engineering, and construction standards.** (a) The commissioner is
52.23 prohibited from establishing specifications or engineering standards that are more restrictive
52.24 than federal track safety standards under Code of Federal Regulations, title 49, part 213, or
52.25 successor requirements, for track and track structures awarded financial assistance under
52.26 the program.

52.27 (b) Sections 16B.30 to 16B.355 do not apply to rail facilities and buildings awarded
52.28 financial assistance under the program.

52.29 Subd. 13. **Political subdivisions.** Any political subdivision may, with the approval of
52.30 the commissioner, appropriate money for freight rail or rail service improvement and may
52.31 participate in the freight rail economic development program and federal rail programs.

53.1 **EFFECTIVE DATE.** This section is effective June 30, 2018.

53.2 Sec. 57. Minnesota Statutes 2016, section 222.52, is amended to read:

53.3 **222.52 COOPERATION BETWEEN STATES.**

53.4 The commissioner may cooperate with other states in connection with the freight rail
 53.5 ~~service improvement~~ economic development program under section 222.505 and the railroad
 53.6 planning process. In exercising the authority conferred by this section, the commissioner
 53.7 may enter into contractual agreements with other states, including multistate coalitions.

53.8 **EFFECTIVE DATE.** This section is effective June 30, 2018.

53.9 Sec. 58. Minnesota Statutes 2016, section 222.57, is amended to read:

53.10 **222.57 RAIL USER AND RAIL CARRIER LOAN GUARANTEE ACCOUNT.**

53.11 There is created a rail user and rail carrier loan guarantee account as a separate account
 53.12 in the rail service improvement account, which shall be used by the commissioner for
 53.13 carrying out the provisions of sections 222.55 to 222.62 with respect to loans insured under
 53.14 section 222.58. The commissioner may transfer to the rail user and rail carrier loan guarantee
 53.15 account from money otherwise available in the freight rail ~~service improvement~~ account
 53.16 whatever amount is necessary to implement the rail user and rail carrier loan guarantee
 53.17 program, except that bond proceeds may not be transferred to the account for insurance of
 53.18 loans made for the purposes specified in section 222.58, subdivision 2, paragraph (b), clauses
 53.19 (3) to (5). The commissioner may withdraw any amount from the rail user and rail carrier
 53.20 loan guarantee account that is not required to insure outstanding loans as provided in section
 53.21 222.60, subdivision 1.

53.22 **EFFECTIVE DATE.** This section is effective June 30, 2018.

53.23 Sec. 59. Minnesota Statutes 2016, section 222.63, subdivision 8, is amended to read:

53.24 Subd. 8. **Rail bank accounts; appropriation.** (a) ~~A special account shall be maintained~~
 53.25 ~~in the state treasury, designated as the rail bank maintenance account, is established in the~~
 53.26 special revenue fund to record the receipts and expenditures of the commissioner of
 53.27 transportation for the maintenance of rail bank property. Funds received by the commissioner
 53.28 of transportation from interest earnings, administrative payments, rentals, fees, or charges
 53.29 for the use of rail bank property, or received from rail line rehabilitation contracts ~~shall be~~
 53.30 are credited to the rail bank maintenance account and must be used for the maintenance of
 53.31 ~~that~~ to maintain the property and held as a reserve for maintenance expenses in an amount

54.1 determined by the commissioner, ~~and~~. Amounts received in the rail bank maintenance
 54.2 account in excess of the reserve requirements ~~shall~~ must be transferred to the freight rail
 54.3 ~~service improvement~~ account under section 222.505, subdivision 3.

54.4 (b) All proceeds of the sale of abandoned rail lines shall must be deposited in the freight
 54.5 rail service improvement account.

54.6 (c) All money to be deposited in this the rail service improvement bank maintenance
 54.7 account as provided in this subdivision is appropriated to the commissioner of transportation
 54.8 for the purposes of this section. The appropriations shall do not lapse but shall be and are
 54.9 available until the purposes for which the funds are appropriated are accomplished.

54.10 **EFFECTIVE DATE.** This section is effective June 30, 2018.

54.11 Sec. 60. Minnesota Statutes 2016, section 297A.993, is amended by adding a subdivision
 54.12 to read:

54.13 Subd. 2a. **Reporting.** (a) Annually by March 1, a county that imposes a tax under this
 54.14 section and previously imposed a local sales tax as part of a joint powers agreement under
 54.15 section 297A.992 must submit a report on the use of funds to the members and staff of the
 54.16 legislative committees with jurisdiction over transportation policy and finance.

54.17 (b) At a minimum, the report must identify:

54.18 (1) the amount of revenue under this section in each of the previous three years;

54.19 (2) a breakdown of expenditures for each of the previous three years, including but not
 54.20 limited to a summary list of funded projects or operations;

54.21 (3) the balance in available funds as of the end of previous year; and

54.22 (4) any projects funded under this section and completed in the previous year.

54.23 Sec. 61. **299A.704] DRIVER AND VEHICLE SERVICES FUND.**

54.24 A driver and vehicle services fund is established within the state treasury. The fund
 54.25 consists of accounts and money as specified by law, and any other money otherwise donated,
 54.26 allotted, appropriated, or legislated to the fund.

54.27 Sec. 62. Minnesota Statutes 2016, section 299A.705, is amended to read:

54.28 **299A.705 DRIVER AND VEHICLE SERVICES ACCOUNTS.**

54.29 Subdivision 1. **Vehicle services operating account.** (a) The vehicle services operating
 54.30 account is created in the ~~special revenue~~ driver and vehicle services fund, consisting of all

55.1 money from the vehicle services fees specified in chapters 168, 168A, and 168D, and any
55.2 other money otherwise donated, allotted, appropriated, or legislated to ~~this~~ the account.

55.3 (b) Funds appropriated ~~are available~~ from this account must be used by the commissioner
55.4 of public safety to administer the vehicle services as specified in chapters 168, 168A, and
55.5 168D, and section 169.345, including:

55.6 (1) designing, producing, issuing, and mailing vehicle registrations, plates, emblems,
55.7 and titles;

55.8 (2) collecting title and registration taxes and fees;

55.9 (3) transferring vehicle registration plates and titles;

55.10 (4) maintaining vehicle records;

55.11 (5) issuing disability certificates and plates;

55.12 (6) licensing vehicle dealers;

55.13 (7) appointing, monitoring, and auditing deputy registrars; and

55.14 (8) inspecting vehicles when required by law.

55.15 Subd. 2. **Driver services operating account.** (a) The driver services operating account
55.16 is created in the ~~special revenue~~ driver and vehicle services fund, consisting of all money
55.17 collected under chapter 171 and any other money otherwise donated, allotted, appropriated,
55.18 or legislated to the account.

55.19 (b) ~~Money in the~~ Funds appropriated from this account must be used by the commissioner
55.20 of public safety to administer the driver services specified in chapters 169A and 171,
55.21 including the activities associated with producing and mailing drivers' licenses and
55.22 identification cards and notices relating to issuance, renewal, or withdrawal of driving and
55.23 identification card privileges for any fiscal year or years and for the testing and examination
55.24 of drivers.

55.25 Subd. 3. **Driver and vehicle services technology account.** (a) The driver and vehicle
55.26 services technology account is created in the ~~special revenue~~ driver and vehicle services
55.27 fund, consisting of the technology surcharge collected as specified in ~~chapters 168, 168A,~~
55.28 ~~and 171; the filing fee revenue collected under section 168.33, subdivision 7; section 168.33~~
55.29 and any other money otherwise donated, allotted, appropriated, or legislated to this account.

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

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

56.10 Subd. 4. **Prohibited expenditures.** The commissioner is prohibited from expending
56.11 money from driver and vehicle services accounts created in the ~~special revenue~~ driver and
56.12 vehicle services fund for any purpose that is not specifically authorized in this section or in
56.13 the chapters specified in this section.

56.14 Sec. 63. Minnesota Statutes 2016, section 360.013, is amended by adding a subdivision
56.15 to read:

56.16 Subd. 46a. **Comprehensive plan.** "Comprehensive plan" has the meaning given in
56.17 section 394.22, subdivision 9, or 462.352, subdivision 5.

56.18 Sec. 64. Minnesota Statutes 2016, section 360.017, subdivision 1, is amended to read:

56.19 Subdivision 1. **Creation; authorized disbursements.** (a) There is hereby created a
56.20 fund to be known as the state airports fund. The fund shall consist of all money appropriated
56.21 to it, or directed to be paid into it, by the legislature.

56.22 (b) The state airports fund shall be paid out on authorization of the commissioner and
56.23 shall be used:

56.24 (1) to acquire, construct, improve, maintain, and operate airports and other air navigation
56.25 facilities;

56.26 (2) to assist municipalities in the planning, acquisition, construction, improvement, and
56.27 maintenance of airports and other air navigation facilities;

56.28 (3) to assist municipalities to initiate, enhance, and market scheduled air service at their
56.29 airports;

56.30 (4) to promote interest and safety in aeronautics through education and information; and

57.1 (5) to pay the salaries and expenses of the Department of Transportation related to
57.2 aeronautic planning, administration, and operation. All allotments of money from the state
57.3 airports fund for salaries and expenses shall be approved by the commissioner of management
57.4 and budget.

57.5 ~~(e) A municipality that adopts a comprehensive plan that the commissioner finds is~~
57.6 ~~incompatible with the state aviation plan is not eligible for assistance from the state airports~~
57.7 ~~fund.~~

57.8 Sec. 65. Minnesota Statutes 2016, section 360.021, subdivision 1, is amended to read:

57.9 Subdivision 1. **Authority to establish.** The commissioner is authorized and empowered,
57.10 on behalf of and in the name of this state, within the limitation of available appropriations,
57.11 to acquire, by purchase, gift, devise, lease, condemnation proceedings, or otherwise, property,
57.12 real or personal, for the purpose of establishing and constructing restricted landing areas
57.13 and other air navigation facilities and to acquire in like manner, own, control, establish,
57.14 construct, enlarge, improve, maintain, equip, operate, regulate, and police such restricted
57.15 landing areas and other air navigation facilities, either within or without this state; and to
57.16 make, prior to any such acquisition, investigations, surveys, and plans. The commissioner
57.17 may maintain, equip, operate, regulate, and police airports, either within or without this
57.18 state. The operation and maintenance of airports is an essential public service. The
57.19 commissioner may maintain at such airports facilities for the servicing of aircraft and for
57.20 the comfort and accommodation of air travelers. The commissioner may dispose of any
57.21 such property, airport, restricted landing area, or any other air navigation facility, by sale,
57.22 lease, or otherwise, in accordance with the laws of this state governing the disposition of
57.23 other like property of the state. The commissioner may not acquire or take over any restricted
57.24 landing area, or other air navigation facility without the consent of the owner. The
57.25 commissioner shall not acquire any additional state airports nor establish any additional
57.26 state-owned airports. The commissioner may erect, equip, operate, and maintain on any
57.27 airport buildings and equipment necessary and proper to maintain, and conduct such airport
57.28 and air navigation facilities connected therewith. The commissioner shall not expend money
57.29 for land acquisition, or for the construction, improvement, or maintenance of airports, or
57.30 for air navigation facilities for an airport, unless the ~~governmental unit~~ municipality, county,
57.31 or joint airport zoning board involved has or is establishing a zoning authority for that
57.32 airport, and the authority has made a good-faith showing that it is in the process of and will
57.33 complete with due diligence, an airport zoning ordinance in accordance with sections 360.061
57.34 to 360.074. The commissioner may provide funds to support airport safety projects that
57.35 maintain existing infrastructure, regardless of a zoning authority's efforts to complete a

58.1 zoning regulation. The commissioner may withhold funding from only the airport subject
58.2 to the proposed zoning ordinance. Notwithstanding the foregoing prohibition, the
58.3 commissioner may continue to maintain the state-owned airport at Pine Creek.

58.4 Sec. 66. Minnesota Statutes 2016, section 360.062, is amended to read:

58.5 **360.062 AIRPORT HAZARD PREVENTION; PROTECTING EXISTING**
58.6 **NEIGHBORHOOD LAND USES.**

58.7 (a) It is hereby found that an airport hazard endangers the lives and property of users of
58.8 the airport and of occupants of land in its vicinity, and may reduce the size of the area
58.9 available for the landing, takeoff, and maneuvering of aircraft, thereby impairing the utility
58.10 of the airport and the public investment therein. It is also found that the social and financial
58.11 costs of disrupting existing land uses around airports ~~in built-up urban areas, particularly~~
58.12 ~~established residential neighborhoods,~~ often outweigh the benefits of a reduction in airport
58.13 hazards that might result from the elimination or removal of those uses.

58.14 (b) Accordingly, it is hereby declared: (1) ~~that~~ the creation or establishment of an airport
58.15 hazard is a public nuisance and an injury to the community served by the airport in question;
58.16 (2) ~~that~~ it is ~~therefor~~ necessary in the interest of the public health, public safety, and general
58.17 welfare that the creation or establishment of airport hazards be prevented and that this should
58.18 be accomplished to the extent legally possible, by exercise of the police power, without
58.19 compensation; and (3) ~~that~~ the elimination or removal of existing land uses, ~~particularly~~
58.20 ~~established residential neighborhoods in built-up urban areas,~~ or their designation as
58.21 nonconforming uses is not in the public interest and should be avoided whenever possible
58.22 consistent with reasonable standards of safety.

58.23 (c) It is further declared that the prevention of the creation or establishment of airport
58.24 hazards and the elimination, removal, alteration, mitigation, or marking and lighting of
58.25 existing airport hazards are essential public purposes services for which political subdivisions
58.26 may raise and expend public funds and acquire land or property interests therein.

58.27 Sec. 67. Minnesota Statutes 2016, section 360.063, subdivision 1, is amended to read:

58.28 Subdivision 1. **Enforcement under police power.** (a) In order to prevent the creation
58.29 or establishment of airport hazards, every municipality having an airport hazard area within
58.30 its territorial limits may, unless a joint airport zoning board is permitted under subdivision
58.31 3, adopt, amend from time to time, administer, and enforce, under the police power and in
58.32 the manner and upon the conditions hereinafter prescribed, airport zoning regulations for
58.33 such airport hazard area, which regulations may divide such area into zones, and, within

59.1 such zones, specify the land uses permitted and regulate and restrict the height to which
59.2 structures and trees may be erected or allowed to grow.

59.3 (b) ~~For the purpose of promoting~~ In order to promote health, safety, order, convenience,
59.4 prosperity, general welfare and ~~for conserving~~ to conserve property values and ~~encouraging~~
59.5 encourage the most appropriate use of land, the municipality may regulate ~~the location, size~~
59.6 ~~and use of buildings and the density of population in that portion of an airport hazard area~~
59.7 ~~under approach zones for a distance not to exceed two miles from the airport boundary and~~
59.8 ~~in other portions of an~~ in airport hazard area may regulate by land use zoning for a distance
59.9 ~~not to exceed one mile from the airport boundary, and by height restriction zoning for a~~
59.10 ~~distance not to exceed 1-1/2 miles from the airport boundary~~ areas: (1) land use; (2) height
59.11 restrictions; (3) the location, size, and use of buildings; and (4) the density of population.

59.12 (c) The powers granted by this subdivision may be exercised by metropolitan airports
59.13 commissions in contiguous cities of the first class in and for which they have been created.

59.14 (d) In the case of airports owned or operated by the state of Minnesota such powers shall
59.15 be exercised by the state airport zoning boards or by the commissioner of transportation as
59.16 authorized herein.

59.17 Sec. 68. Minnesota Statutes 2016, section 360.063, subdivision 3, is amended to read:

59.18 Subd. 3. **Joint airport zoning board.** (a) Where an airport is owned or controlled by a
59.19 municipality and an airport hazard area appertaining to the airport is located within the
59.20 territorial limits of another county or municipality, the municipality owning or controlling
59.21 the airport may request a county or municipality in which an airport hazard area is located:

59.22 (1) to adopt and enforce airport zoning regulations for the area in question ~~that conform~~
59.23 ~~to standards prescribed by the commissioner pursuant to subdivision 4~~ under sections
59.24 360.0655 and 360.0656; or

59.25 (2) to join in creating a joint airport zoning board pursuant to paragraph (b). The owning
59.26 or controlling municipality shall determine which of these actions it shall request, except
59.27 as provided in paragraph (e) for the Metropolitan Airports Commission. The request shall
59.28 be made by certified mail to the governing body of each county and municipality in which
59.29 an airport hazard area is located.

59.30 (b) Where an airport is owned or controlled by a municipality and an airport hazard area
59.31 appertaining to the airport is located within the territorial limits of another county or
59.32 municipality, the municipality owning or controlling the airport and the county or other
59.33 municipality within which the airport hazard area is located may, by ordinance or resolution

60.1 duly adopted, create a joint airport zoning board, which board shall have the same power
60.2 to adopt, administer, and enforce airport zoning regulations applicable to the airport hazard
60.3 area in question as that vested by subdivision 1 in the municipality within which the area
60.4 is located. A joint board shall have as members two representatives appointed by the
60.5 municipality owning or controlling the airport and two from the county or municipality, or
60.6 in case more than one county or municipality is involved two from each county or
60.7 municipality, in which the airport hazard is located, and in addition a chair elected by a
60.8 majority of the members so appointed. All members shall serve at the pleasure of their
60.9 respective appointing authority. Notwithstanding any other provision of law to the contrary,
60.10 if the owning and controlling municipality is a city of the first class it shall appoint four
60.11 members to the board, and the chair of the board shall be elected from the membership of
60.12 the board.

60.13 (c) If a county or municipality, within 60 days of receiving a request from an owning
60.14 or controlling municipality pursuant to paragraph (a), fails to adopt, or thereafter fails to
60.15 enforce, the zoning regulations or fails to join in creating a joint airport zoning board, the
60.16 owning or controlling municipality, or a joint airport zoning board created without
60.17 participation by the subdivisions which fail to join the board, may itself adopt, administer,
60.18 and enforce airport zoning regulations for the airport hazard area in question. In the event
60.19 of conflict between the regulations and airport zoning regulations adopted by the county or
60.20 municipality within which the airport hazard area is located, section 360.064, subdivision
60.21 2, applies.

60.22 (d) "Owning or controlling municipality," as used in this subdivision, includes:

60.23 (1) a joint airport operating board created pursuant to section 360.042 that has been
60.24 granted all the powers of a municipality in zoning matters under the agreement creating the
60.25 board;

60.26 (2) a joint airport operating board created pursuant to section 360.042 that has not been
60.27 granted zoning powers under the agreement creating the board; provided that the board shall
60.28 not itself adopt zoning regulations nor shall a joint airport zoning board created at its request
60.29 adopt zoning regulations unless all municipalities that created the joint operating board join
60.30 to create the joint zoning board; and

60.31 (3) the Metropolitan Airports Commission established and operated pursuant to chapter
60.32 473.

60.33 (e) The Metropolitan Airports Commission shall request creation of one joint airport
60.34 zoning board for each airport operated under its authority.

61.1 Sec. 69. Minnesota Statutes 2016, section 360.064, subdivision 1, is amended to read:

61.2 Subdivision 1. **Comprehensive regulations.** In the event that a municipality has adopted,
61.3 or hereafter adopts, a comprehensive zoning ordinance regulating, among other things the
61.4 height of buildings, any airport zoning regulations applicable to the same area or portion
61.5 thereof ~~may~~ must be incorporated by reference or incorporated in and made a part of such
61.6 comprehensive zoning regulations and be administered and enforced in connection therewith.

61.7 Sec. 70. Minnesota Statutes 2016, section 360.065, subdivision 1, is amended to read:

61.8 Subdivision 1. **Notice of proposed zoning regulations, hearing.** (a) No airport zoning
61.9 regulations shall be adopted, amended, or changed under sections 360.011 to 360.076,
61.10 except by action of the governing body of the municipality or county in question, or joint
61.11 airport zoning board under section 360.0655 or 360.0656, or the boards provided for in
61.12 section 360.063, subdivisions 3 and 7, or by the commissioner as provided in subdivisions
61.13 6 and 8, after public hearings, at which parties in interest and citizens shall have an
61.14 opportunity to be heard.

61.15 (b) A public hearing shall must be held on the proposed airport zoning regulations
61.16 proposed by a municipality, county, or joint airport zoning board before they are submitted
61.17 for approval to the commissioner and after that approval but before final adoption by the
61.18 local zoning authority for approval. If any changes that alter the regulations placed on a
61.19 parcel of land are made to the proposed airport zoning regulations after the initial public
61.20 hearing, the municipality, county, or joint airport zoning board must hold a second public
61.21 hearing before final adoption of the regulation. The commissioner may require a second
61.22 hearing as determined necessary.

61.23 (c) Notice of a hearing required pursuant to this subdivision shall must be published by
61.24 the local zoning authority municipality, county, or joint airport zoning board at least three
61.25 times during the period between 15 days and five days before the hearing in an official
61.26 newspaper and in a second newspaper designated by that authority which has a wide general
61.27 circulation in the area affected by the proposed regulations; and posted on the municipality's,
61.28 county's, or joint airport zoning board's Web site. If there is not a second newspaper of wide
61.29 general circulation in the area that the municipality, county, or joint airport zoning board
61.30 can designate for the notice, the municipality, county, or joint airport zoning board is only
61.31 required to publish the notice once in the official newspaper of the jurisdiction. The notice
61.32 shall not be published in the legal notice section of a newspaper. The notice must specify
61.33 the time, location, and purpose of the hearing, and must identify any additional location and

62.1 time the proposed regulations will be available for public inspection. A copy of the published
 62.2 notice must be added to the record of the proceedings.

62.3 ~~(d) Notice of a hearing shall also be mailed to the governing body of each political~~
 62.4 ~~subdivision in which property affected by the regulations is located. Notice shall must be~~
 62.5 ~~given by mail at least ~~15~~ ten days before each hearing to any persons in municipalities that~~
 62.6 ~~own land proposed to be included in safety zone A or B as provided in the rules of the~~
 62.7 ~~Department of Transportation and landowners where the location or size of a building, or~~
 62.8 ~~the density of population, will be regulated. Mailed notice must also be provided at least~~
 62.9 ~~ten days before each hearing to persons or municipalities that have previously requested~~
 62.10 ~~such notice from the ~~authority.~~ municipality, county, or joint airport zoning board. The~~
 62.11 ~~notice must specify the time, location, and purpose of the hearing, and must identify any~~
 62.12 ~~additional location and time the proposed regulations will be made available for public~~
 62.13 ~~inspection. Mailed notice must also identify the property affected by the regulations. For~~
 62.14 ~~the purpose of ~~giving~~ providing mailed notice, the ~~authority~~ municipality, county, or joint~~
 62.15 ~~airport zoning board may use any appropriate records to determine the names and addresses~~
 62.16 ~~of owners. A copy of the notice and a list of the owners and addresses to which the notice~~
 62.17 ~~was sent ~~shall be attested to by the responsible person and shall must be made a part of~~~~
 62.18 ~~added to the records of the proceedings. ~~The Failure to give~~ provide mailed notice to~~
 62.19 ~~individual property owners; or ~~defects a defect~~ in the notice, ~~shall~~ does not invalidate the~~
 62.20 ~~proceedings; ~~provided~~ if a bona fide attempt to comply with this subdivision ~~has been~~ was~~
 62.21 ~~made. A notice shall describe the property affected by the proposed regulations and the~~
 62.22 ~~restrictions to be imposed on the property by the regulations and shall state the place and~~
 62.23 ~~time at which the proposed regulations are available for public inspection.~~

62.24 **Sec. 71. [360.0655] AIRPORT ZONING REGULATIONS BASED ON**
 62.25 **COMMISSIONER'S STANDARDS; SUBMISSION PROCESS.**

62.26 Subdivision 1. **Submission to commissioner; review.** (a) Except as provided in section
 62.27 360.0656, prior to adopting zoning regulations the municipality, county, or joint airport
 62.28 zoning board must submit the proposed regulations to the commissioner for the commissioner
 62.29 to determine whether the regulations conform to the standards prescribed by the
 62.30 commissioner. The municipality, county, or joint airport zoning board may elect to complete
 62.31 custom airport zoning under section 360.0656 instead of using the commissioner's standard,
 62.32 but only after providing written notice to the commissioner.

62.33 (b) Notwithstanding section 15.99, the commissioner must examine the proposed
 62.34 regulations within 90 days of receipt of the regulations and report to the municipality, county,

63.1 or joint airport zoning board the commissioner's approval or objections, if any. Failure to
63.2 respond within 90 days is deemed an approval. The commissioner may request additional
63.3 information from the municipality, county, or joint airport zoning board within the 90-day
63.4 review period. If the commissioner requests additional information, the 90-day review period
63.5 is tolled until the commissioner receives information and deems the information satisfactory.

63.6 (c) If the commissioner objects on the grounds that the regulations do not conform to
63.7 the standards prescribed by the commissioner, the municipality, county, or joint airport
63.8 zoning board must make amendments necessary to resolve the objections or provide written
63.9 notice to the commissioner that the municipality, county, or joint airport zoning board has
63.10 elected to proceed with zoning under section 360.0656.

63.11 (d) If the municipality, county, or joint airport zoning board makes revisions to the
63.12 proposed regulations after its initial public hearing, the municipality, county, or joint airport
63.13 zoning board must conduct a second public hearing on the revisions and resubmit the revised
63.14 proposed regulations to the commissioner for review. The commissioner must examine the
63.15 revised proposed regulations within 90 days of receipt to determine whether the revised
63.16 proposed regulations conform to the standards prescribed by the commissioner.

63.17 (e) If, after a second review period, the commissioner determines that the municipality,
63.18 county, or joint airport zoning board failed to submit proposed regulations that conform to
63.19 the commissioner's standards, the commissioner must provide a final written decision to
63.20 the municipality, county, or joint airport zoning board.

63.21 (f) The municipality, county, or joint airport zoning board must not adopt regulations
63.22 or take other action until the proposed regulations are approved by the commissioner.

63.23 (g) The commissioner may approve local zoning ordinances that are more stringent than
63.24 the commissioner's standards.

63.25 (h) If the commissioner approves the proposed regulations, the municipality, county, or
63.26 joint airport zoning board may adopt the regulations.

63.27 (i) A copy of the adopted regulations must be filed with the county recorder in each
63.28 county that contains a zoned area subject to the regulations.

63.29 (j) Substantive rights that existed and had been exercised prior to August 1, 2018, are
63.30 not affected by the filing of the regulations.

63.31 Subd. 2. **Protection of existing land uses.** (a) In order to ensure minimum disruption
63.32 of existing land uses, the commissioner's airport zoning standards and local airport zoning
63.33 ordinances or regulations adopted under this section must distinguish between the creation

64.1 or establishment of a use and the elimination of an existing use, and must avoid the
64.2 elimination, removal, or reclassification of existing uses to the extent consistent with
64.3 reasonable safety standards. The commissioner's standards must include criteria for
64.4 determining when an existing land use may constitute an airport hazard so severe that public
64.5 safety considerations outweigh the public interest in preventing disruption to that land use.

64.6 (b) Airport zoning regulations that classify as a nonconforming use or require
64.7 nonconforming use classification with respect to any existing low-density structure or
64.8 existing isolated low-density building lots must be adopted under sections 360.061 to
64.9 360.074.

64.10 (c) A local airport zoning authority may classify a land use described in paragraph (b)
64.11 as an airport hazard if the authority finds that the classification is justified by public safety
64.12 considerations and is consistent with the commissioner's airport zoning standards. Any land
64.13 use described in paragraph (b) that is classified as an airport hazard must be acquired, altered,
64.14 or removed at public expense.

64.15 (d) This subdivision must not be construed to affect the classification of any land use
64.16 under any zoning ordinances or regulations not adopted under sections 360.061 to 360.074.

64.17 **Sec. 72. [360.0656] CUSTOM AIRPORT ZONING STANDARDS.**

64.18 Subdivision 1. **Custom airport zoning standards; factors.** (a) Notwithstanding section
64.19 360.0655, a municipality, county, or joint airport zoning board must provide notice to the
64.20 commissioner when the municipality, county, or joint airport zoning board intends to establish
64.21 and adopt custom airport zoning regulations under this section.

64.22 (b) Airport zoning regulations submitted to the commissioner under this subdivision are
64.23 not subject to the commissioner's zoning regulations under section 360.0655 or Minnesota
64.24 Rules, part 8800.2400.

64.25 (c) When developing and adopting custom airport zoning regulations under this section,
64.26 the municipality, county, or joint airport zoning board must include in the record a detailed
64.27 analysis that explains how the proposed custom airport zoning regulations addressed the
64.28 following factors to ensure a reasonable level of safety:

64.29 (1) the location of the airport, the surrounding land uses, and the character of
64.30 neighborhoods in the vicinity of the airport, including:

64.31 (i) the location of vulnerable populations, including schools, hospitals, and nursing
64.32 homes, in the airport hazard area;

- 65.1 (ii) the location of land uses that attract large assemblies of people in the airport hazard
65.2 area;
- 65.3 (iii) the availability of contiguous open spaces in the airport hazard area;
- 65.4 (iv) the location of wildlife attractants in the airport hazard area;
- 65.5 (v) airport ownership or control of the federal Runway Protection Zone and the
65.6 department's Clear Zone;
- 65.7 (vi) land uses that create or cause interference with the operation of radio or electronic
65.8 facilities used by the airport or aircraft;
- 65.9 (vii) land uses that make it difficult for pilots to distinguish between airport lights and
65.10 other lights, result in glare in the eyes of pilots using the airport, or impair visibility in the
65.11 vicinity of the airport;
- 65.12 (viii) land uses that otherwise inhibit a pilot's ability to land, take off, or maneuver the
65.13 aircraft;
- 65.14 (ix) airspace protection to prevent the creation of air navigation hazards in the airport
65.15 hazard area; and
- 65.16 (x) the social and economic costs of restricting land uses;
- 65.17 (2) the airport's type of operations and how the operations affect safety surrounding the
65.18 airport;
- 65.19 (3) the accident rate at the airport compared to a statistically significant sample, including
65.20 an analysis of accident distribution based on the rate with a higher accident incidence;
- 65.21 (4) the planned land uses within an airport hazard area, including any applicable platting,
65.22 zoning, comprehensive plan, or transportation plan; and
- 65.23 (5) any other information relevant to safety or the airport.
- 65.24 **Subd. 2. Submission to commissioner; review.** (a) Except as provided in section
65.25 360.0655, prior to adopting zoning regulations, the municipality, county, or joint airport
65.26 zoning board must submit its proposed regulations and the supporting record to the
65.27 commissioner for review. The commissioner must determine whether the proposed custom
65.28 airport zoning regulations and supporting record (1) evaluate the criteria under subdivision
65.29 1, and (2) provide a reasonable level of safety.
- 65.30 (b) Notwithstanding section 15.99, the commissioner must examine the proposed
65.31 regulations within 90 days of receipt of the regulations and report to the municipality, county,

66.1 or joint airport zoning board the commissioner's approval or objections, if any. Failure to
66.2 respond within 90 days is deemed an approval. The commissioner may request additional
66.3 information from the municipality, county, or joint airport zoning board within the 90-day
66.4 review period.

66.5 (c) If the commissioner objects on the grounds that the regulations do not provide a
66.6 reasonable level of safety, the municipality, county, or joint airport zoning board must
66.7 review, consider, and provide a detailed explanation demonstrating how it evaluated the
66.8 objections and what action it took or did not take in response to the objections. If the
66.9 municipality, county, or joint airport zoning board submits amended regulations after its
66.10 initial public hearing, the municipality, county, or joint airport zoning board must conduct
66.11 a second public hearing on the revisions and resubmit the revised proposed regulations to
66.12 the commissioner for review. The commissioner must examine the revised proposed
66.13 regulations within 90 days of receipt of the regulations. If the commissioner requests
66.14 additional information, the 90-day review period is tolled until satisfactory information is
66.15 received by the commissioner. Failure to respond within 90 days is deemed an approval.

66.16 (d) If, after the second review period, the commissioner determines that the municipality,
66.17 county, or joint airport zoning board failed to submit proposed regulations that provide a
66.18 reasonable safety level, the commissioner must provide a final written decision to the
66.19 municipality, county, or joint airport zoning board.

66.20 (e) A municipality, county, or joint airport zoning board is prohibited from adopting
66.21 custom regulations or taking other action until the proposed regulations are approved by
66.22 the commissioner.

66.23 (f) If the commissioner approves the proposed regulations, the municipality, county, or
66.24 joint airport zoning board may adopt the regulations.

66.25 (g) A copy of the adopted regulations must be filed with the county recorder in each
66.26 county that contains a zoned area subject to the regulations.

66.27 (h) Substantive rights that existed and had been exercised prior to August 1, 2018, are
66.28 not affected by the filing of the regulations.

66.29 Sec. 73. Minnesota Statutes 2016, section 360.066, subdivision 1, is amended to read:

66.30 Subdivision 1. **Reasonableness.** ~~Standards of the commissioner~~ Zoning standards defining
66.31 airport hazard areas and the categories of uses permitted and airport zoning regulations
66.32 adopted under sections 360.011 to 360.076, ~~shall~~ must be reasonable; and none shall impose
66.33 a requirement or restriction ~~which~~ that is not reasonably necessary to effectuate the purposes

67.1 of sections 360.011 to 360.076. ~~In determining what minimum airport zoning regulations~~
67.2 ~~may be adopted, the commissioner and a local airport zoning authority shall consider, among~~
67.3 ~~other things, the character of the flying operations expected to be conducted at the airport,~~
67.4 ~~the location of the airport, the nature of the terrain within the airport hazard area, the existing~~
67.5 ~~land uses and character of the neighborhood around the airport, the uses to which the property~~
67.6 ~~to be zoned are planned and adaptable, and the social and economic costs of restricting land~~
67.7 ~~uses versus the benefits derived from a strict application of the standards of the commissioner.~~

67.8 Sec. 74. Minnesota Statutes 2016, section 360.067, is amended by adding a subdivision
67.9 to read:

67.10 Subd. 5. **Federal no hazard determination.** (a) Notwithstanding subdivisions 1 and 2,
67.11 a municipality, county, or joint airport zoning board may include in its custom airport zoning
67.12 regulations adopted under section 360.0656 an option to permit construction of a structure,
67.13 an increase or alteration of the height of a structure, or the growth of an existing tree without
67.14 a variance from height restrictions if the Federal Aviation Administration has analyzed the
67.15 proposed construction, alteration, or growth under Code of Federal Regulations, title 14,
67.16 part 77, and has determined the proposed construction, alteration, or growth does not:

67.17 (1) pose a hazard to air navigation;

67.18 (2) require changes to airport or aircraft operations; or

67.19 (3) require any mitigation conditions by the Federal Aviation Administration that cannot
67.20 be satisfied by the landowner.

67.21 (b) A municipality, county, or joint airport zoning board that permits an exception to
67.22 height restrictions under this subdivision must require the applicant to file the Federal
67.23 Aviation Administration's no hazard determination with the applicable zoning administrator.
67.24 The applicant must obtain written approval of the zoning administrator before construction,
67.25 alteration, or growth may occur. Failure of the administrator to respond within 60 days to
67.26 a filing under this subdivision is deemed a denial. The Federal Aviation Administration's
67.27 no hazard determination does not apply to requests for variation from land use, density, or
67.28 any other requirement unrelated to the height of structures or the growth of trees.

67.29 Sec. 75. Minnesota Statutes 2016, section 360.071, subdivision 2, is amended to read:

67.30 Subd. 2. **Membership.** (a) Where a zoning board of appeals or adjustment already exists,
67.31 it may be appointed as the board of adjustment. Otherwise, the board of adjustment shall
67.32 consist of five members, each to be appointed for a term of three years by the authority

68.1 adopting the regulations and to be removable by the appointing authority for cause, upon
68.2 written charges and after public hearing. The length of initial appointments may be staggered.

68.3 (b) In the case of a Metropolitan Airports Commission, five members shall be appointed
68.4 by the commission chair from the area in and for which the commission was created, any
68.5 of whom may be members of the commission. In the case of an airport owned or operated
68.6 by the state of Minnesota, the board of commissioners of the county, or counties, in which
68.7 the airport hazard area is located shall constitute the airport board of adjustment and shall
68.8 exercise the powers and duties of such board as provided herein.

68.9 Sec. 76. Minnesota Statutes 2016, section 360.305, subdivision 6, is amended to read:

68.10 Subd. 6. **Zoning required.** The commissioner ~~shall~~ must not expend money for planning
68.11 or land acquisition, or for the construction, improvement, or maintenance of airports, or for
68.12 air navigation facilities for an airport, unless the ~~governmental unit~~ municipality, county,
68.13 or joint airport zoning board involved has or is establishing a zoning authority for that
68.14 airport, and the authority has made a good-faith showing that it is in the process of and will
68.15 complete with due diligence, an airport zoning ordinance in accordance with sections 360.061
68.16 to 360.074. The commissioner may provide funds to support airport safety projects that
68.17 maintain existing infrastructure, regardless of a zoning authority's efforts to complete a
68.18 zoning regulation. The commissioner ~~shall~~ must make maximum use of zoning and easements
68.19 to eliminate runway and other potential airport hazards rather than land acquisition in fee.

68.20 Sec. 77. Minnesota Statutes 2016, section 394.22, is amended by adding a subdivision to
68.21 read:

68.22 Subd. 1a. **Airport safety zone.** "Airport safety zone" means an area subject to land use
68.23 zoning controls adopted under sections 360.061 to 360.074 if the zoning controls regulate
68.24 (1) the size or location of buildings, or (2) the density of population.

68.25 Sec. 78. Minnesota Statutes 2016, section 394.23, is amended to read:

68.26 **394.23 COMPREHENSIVE PLAN.**

68.27 The board has the power and authority to prepare and adopt by ordinance, a
68.28 comprehensive plan. A comprehensive plan or plans when adopted by ordinance must be
68.29 the basis for official controls adopted under the provisions of sections 394.21 to 394.37.
68.30 The commissioner of natural resources must provide the natural heritage data from the
68.31 county biological survey, if available, to each county for use in the comprehensive plan.
68.32 When adopting or updating the comprehensive plan, the board must, if the data is available

69.1 to the county, consider natural heritage data resulting from the county biological survey. In
 69.2 a county that is not a greater than 80 percent area, as defined in section 103G.005, subdivision
 69.3 10b, the board must consider adopting goals and objectives that will protect open space and
 69.4 the environment. The board must consider the location and dimensions of airport safety
 69.5 zones in any portion of the county, and of any airport improvements, identified in the airport's
 69.6 most recent approved airport layout plan.

69.7 Sec. 79. Minnesota Statutes 2016, section 394.231, is amended to read:

69.8 **394.231 COMPREHENSIVE PLANS IN GREATER MINNESOTA; OPEN SPACE.**

69.9 A county adopting or updating a comprehensive plan in a county outside the metropolitan
 69.10 area as defined by section 473.121, subdivision 2, and that is not a greater than 80 percent
 69.11 area, as defined in section 103G.005, subdivision 10b, shall consider adopting goals and
 69.12 objectives for the preservation of agricultural, forest, wildlife, and open space land, and
 69.13 minimizing development in sensitive shoreland areas. Within three years of updating the
 69.14 comprehensive plan, the county shall consider adopting ordinances as part of the county's
 69.15 official controls that encourage the implementation of the goals and objectives. The county
 69.16 shall consider the following goals and objectives:

69.17 (1) minimizing the fragmentation and development of agricultural, forest, wildlife, and
 69.18 open space lands, including consideration of appropriate minimum lot sizes;

69.19 (2) minimizing further development in sensitive shoreland areas;

69.20 (3) minimizing development near wildlife management areas, scientific and natural
 69.21 areas, and nature centers;

69.22 (4) encouraging land uses in airport safety zones that are compatible with the safe
 69.23 operation of the airport and the safety of people in the vicinity of the airport;

69.24 ~~(4)~~ (5) identification of areas of preference for higher density, including consideration
 69.25 of existing and necessary water and wastewater services, infrastructure, other services, and
 69.26 to the extent feasible, encouraging full development of areas previously zoned for
 69.27 nonagricultural uses;

69.28 ~~(5)~~ (6) encouraging development close to places of employment, shopping centers,
 69.29 schools, mass transit, and other public and private service centers;

69.30 ~~(6)~~ (7) identification of areas where other developments are appropriate; and

69.31 ~~(7)~~ (8) other goals and objectives a county may identify.

70.1 Sec. 80. Minnesota Statutes 2016, section 394.25, subdivision 3, is amended to read:

70.2 Subd. 3. **In district zoning, maps.** Within each such district zoning ordinances or maps
70.3 may also be adopted designating or limiting the location, height, width, bulk, type of
70.4 foundation, number of stories, size of, and the specific uses for which dwellings, buildings,
70.5 and structures may be erected or altered; the minimum and maximum size of yards, courts,
70.6 or other open spaces; setback from existing roads and highways and roads and highways
70.7 designated on an official map; protective measures necessary to protect the public interest
70.8 including but not limited to controls relating to appearance, signs, lighting, hours of operation
70.9 and other aesthetic performance characteristics including but not limited to noise, heat,
70.10 glare, vibrations and smoke; the area required to provide for off street loading and parking
70.11 facilities; heights of trees and structures near airports; and to avoid too great concentration
70.12 or scattering of the population. All such provisions shall be uniform for each class of land
70.13 or building throughout each district, but the provisions in one district may differ from those
70.14 in other districts. No provision may prohibit earth sheltered construction as defined in section
70.15 216C.06, subdivision 14, or manufactured homes built in conformance with sections 327.31
70.16 to 327.35 that comply with all other zoning ordinances promulgated pursuant to this section.
70.17 Airport safety zones must be included on maps that illustrate boundaries of zoning districts
70.18 and that are adopted as official controls.

70.19 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to maps
70.20 created or updated under this section on or after that date.

70.21 Sec. 81. Minnesota Statutes 2016, section 462.352, is amended by adding a subdivision
70.22 to read:

70.23 Subd. 1a. **Airport safety zone.** "Airport safety zone" has the meaning given in section
70.24 394.22, subdivision 1a.

70.25 Sec. 82. Minnesota Statutes 2016, section 462.355, subdivision 1, is amended to read:

70.26 Subdivision 1. **Preparation and review.** The planning agency shall prepare the
70.27 comprehensive municipal plan. In discharging this duty the planning agency shall consult
70.28 with and coordinate the planning activities of other departments and agencies of the
70.29 municipality to insure conformity with and to assist in the development of the comprehensive
70.30 municipal plan. In its planning activities the planning agency shall take due cognizance of
70.31 the planning activities of adjacent units of government and other affected public agencies.
70.32 The planning agency shall periodically review the plan and recommend amendments
70.33 whenever necessary. When preparing or recommending amendments to the comprehensive

71.1 plan, the planning agency of a municipality located within a county that is not a greater than
 71.2 80 percent area, as defined in section 103G.005, subdivision 10b, must consider adopting
 71.3 goals and objectives that will protect open space and the environment. When preparing or
 71.4 recommending amendments to the comprehensive plan, the planning agency must consider
 71.5 (1) the location and dimensions of airport safety zones in any portion of the municipality,
 71.6 and (2) any airport improvements identified in the airport's most recent approved airport
 71.7 layout plan.

71.8 Sec. 83. Minnesota Statutes 2016, section 462.357, is amended by adding a subdivision
 71.9 to read:

71.10 Subd. 1i. **Airport safety zones on zoning maps.** Airport safety zones must be included
 71.11 on maps that illustrate boundaries of zoning districts and that are adopted as official controls.

71.12 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to maps
 71.13 created or updated under this section on or after that date.

71.14 Sec. 84. Minnesota Statutes 2016, section 462.357, subdivision 9, is amended to read:

71.15 Subd. 9. **Development goals and objectives.** In adopting official controls after July 1,
 71.16 2008, in a municipality outside the metropolitan area, as defined by section 473.121,
 71.17 subdivision 2, the municipality shall consider restricting new residential, commercial, and
 71.18 industrial development so that the new development takes place in areas subject to the
 71.19 following goals and objectives:

71.20 (1) minimizing the fragmentation and development of agricultural, forest, wildlife, and
 71.21 open space lands, including consideration of appropriate minimum lot sizes;

71.22 (2) minimizing further development in sensitive shoreland areas;

71.23 (3) minimizing development near wildlife management areas, scientific and natural
 71.24 areas, and nature centers;

71.25 (4) encouraging land uses in airport safety zones that are compatible with the safe
 71.26 operation of the airport and the safety of people in the vicinity of the airport;

71.27 ~~(4)~~ (5) identification of areas of preference for higher density, including consideration
 71.28 of existing and necessary water and wastewater services, infrastructure, other services, and
 71.29 to the extent feasible, encouraging full development of areas previously zoned for
 71.30 nonagricultural uses;

- 72.1 ~~(5)~~ (6) encouraging development close to places of employment, shopping centers,
 72.2 schools, mass transit, and other public and private service centers;
- 72.3 ~~(6)~~ (7) identification of areas where other developments are appropriate; and
- 72.4 ~~(7)~~ (8) other goals and objectives a municipality may identify.

72.5 Sec. 85. Minnesota Statutes 2016, section 473.13, is amended by adding a subdivision to
 72.6 read:

72.7 Subd. 1d. **Budget amendments.** In conjunction with the adoption of any amendment
 72.8 to a budget under subdivision 1, the council must submit a summary of the budget changes
 72.9 and a copy of the amended budget to the members and staff of the legislative committees
 72.10 with jurisdiction over transportation policy and finance and to the Legislative Commission
 72.11 on Metropolitan Government.

72.12 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following
 72.13 final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey,
 72.14 Scott, and Washington.

72.15 Sec. 86. Minnesota Statutes 2016, section 473.13, is amended by adding a subdivision to
 72.16 read:

72.17 Subd. 6. **Overview of revenues and expenditures; forecast.** (a) In cooperation with
 72.18 the Department of Management and Budget and as required by section 16A.103, in February
 72.19 and November of each year the council must prepare a financial overview and forecast of
 72.20 revenues and expenditures for the transportation components of the council's budget.

72.21 (b) At a minimum, the financial overview and forecast must identify:

72.22 (1) actual revenues, expenditures, transfers, reserves, and balances for each of the previous
 72.23 four budget years;

72.24 (2) budgeted and forecasted revenues, expenditures, transfers, reserves, and balances
 72.25 for each year within the state forecast period; and

72.26 (3) a comparison of the information under clause (2) to the prior forecast, including any
 72.27 changes made.

72.28 (c) The information under paragraph (b), clauses (1) and (2), must include:

72.29 (1) a breakdown for each transportation operating budget category established by the
 72.30 council, including but not limited to bus, light rail transit, commuter rail, planning, special

73.1 transportation service under section 473.386, and assistance to replacement service providers
73.2 under section 473.388;

73.3 (2) data for both transportation operating and capital expenditures; and

73.4 (3) fund balances for each replacement service provider under section 473.388.

73.5 (d) The financial overview and forecast must summarize reserve policies, identify the
73.6 methodology for cost allocation, and review revenue assumptions and variables affecting
73.7 the assumptions.

73.8 (e) The council must review the financial overview and forecast information with the
73.9 chairs, ranking minority members, and staff of the legislative committees with jurisdiction
73.10 over finance, ways and means, and transportation finance no later than two weeks following
73.11 the release of the forecast.

73.12 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following
73.13 final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey,
73.14 Scott, and Washington.

73.15 Sec. 87. Minnesota Statutes 2016, section 473.386, subdivision 3, is amended to read:

73.16 Subd. 3. **Duties of council.** In implementing the special transportation service, the council
73.17 shall:

73.18 (a) encourage participation in the service by public, private, and private nonprofit
73.19 providers of special transportation currently receiving capital or operating assistance from
73.20 a public agency;

73.21 (b) when feasible and cost-efficient, contract with public, private, and private nonprofit
73.22 providers that have demonstrated their ability to effectively provide service at a reasonable
73.23 cost;

73.24 (c) encourage individuals using special transportation to use the type of service most
73.25 appropriate to their particular needs;

73.26 (d) encourage shared rides to the greatest extent practicable;

73.27 (e) encourage public agencies that provide transportation to eligible individuals as a
73.28 component of human services and educational programs to coordinate with this service and
73.29 to allow reimbursement for transportation provided through the service at rates that reflect
73.30 the public cost of providing that transportation;

74.1 (f) establish criteria to be used in determining individual eligibility for special
74.2 transportation services;

74.3 (g) consult with the Transportation Accessibility Advisory Committee in a timely manner
74.4 before changes are made in the provision of special transportation services;

74.5 (h) provide for effective administration and enforcement of council policies and standards;
74.6 and

74.7 (i) ensure that, taken as a whole including contracts with public, private, and private
74.8 nonprofit providers, the geographic coverage area of the special transportation service is
74.9 continuous within the boundaries of the transit taxing district, as defined as of March 1,
74.10 2006, in section 473.446, subdivision 2, and any area added to the transit taxing district
74.11 under section 473.4461 that received capital improvements financed in part by the Minnesota
74.12 Urban Partnership Agreement (UPA) under the United States Department of Transportation
74.13 UPA program.

74.14 **EFFECTIVE DATE; APPLICATION.** This section is effective July 1, 2019, and
74.15 applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

74.16 Sec. 88. Minnesota Statutes 2016, section 473.386, is amended by adding a subdivision
74.17 to read:

74.18 Subd. 9. **Data practices.** (a) For purposes of administering this section, and only with
74.19 the consent of the data subject, the commissioner of human services and the Metropolitan
74.20 Council may share the following private data on individuals eligible for special transportation
74.21 services:

74.22 (1) name;

74.23 (2) date of birth;

74.24 (3) residential address; and

74.25 (4) program eligibility status with expiration date, to inform the other party of program
74.26 eligibility.

74.27 (b) The commissioner of human services and the Metropolitan Council must provide
74.28 notice regarding data sharing to each individual applying for or renewing eligibility to use
74.29 special transportation services. The notice must seek consent to engage in data sharing under
74.30 paragraph (a), and must state how and for what purposes the individual's private data will
74.31 be shared between the commissioner of human services and the Metropolitan Council. A

75.1 consent to engage in data sharing is effective until the individual's eligibility expires, but
75.2 may be renewed if the individual applies to renew eligibility.

75.3 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following
75.4 final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey,
75.5 Scott, and Washington. Within 60 days of this section's effective date, the commissioner
75.6 of human services and the Metropolitan Council must provide notice regarding data sharing
75.7 to each individual who is currently receiving special transportation services under Minnesota
75.8 Statutes, section 473.386. The notice must provide an opportunity to opt out of data sharing
75.9 under paragraph (a) of this section, and must state how and for what purposes the individual's
75.10 private data will be shared between the commissioner of human services and the Metropolitan
75.11 Council. An individual who is currently receiving special transportation services on this
75.12 section's effective date is presumed to have consented to data sharing under paragraph (a)
75.13 unless, within 60 days of the dissemination of the notice, the individual appropriately informs
75.14 the commissioner of human services or the Metropolitan Council that the individual opts
75.15 out of data sharing.

75.16 Sec. 89. Minnesota Statutes 2017 Supplement, section 473.4051, subdivision 2, is amended
75.17 to read:

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

75.21 (b) Notwithstanding paragraph (a), all operating and ongoing capital maintenance costs
75.22 must be paid from nonstate sources for a segment of a light rail transit line or line extension
75.23 project that formally entered the engineering phase of the Federal Transit Administration's
75.24 "New Starts" capital investment grant program between August 1, 2016, and December 31,
75.25 2016.

75.26 (c) For purposes of this subdivision, operating costs consist of the costs associated with
75.27 light rail system daily operations and the maintenance costs associated with keeping light
75.28 rail services and facilities operating. Operating costs do not include costs incurred to construct
75.29 new buildings or facilities, purchase new vehicles, or make technology improvements.

75.30 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following
75.31 final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey,
75.32 Scott, and Washington.

76.1 Sec. 90. Minnesota Statutes 2016, section 473.4051, subdivision 3, is amended to read:

76.2 Subd. 3. **Capital costs.** State money ~~may~~ must not be used to pay more than ten percent
76.3 of ~~for~~ the total capital cost of a light rail transit project.

76.4 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following
76.5 final enactment for appropriations encumbered on or after that date and applies in the
76.6 counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

76.7 Sec. 91. Minnesota Statutes 2016, section 574.26, subdivision 1a, is amended to read:

76.8 Subd. 1a. **Exemptions: certain manufacturers; commissioner of transportation;**
76.9 **road maintenance.** (a) Sections 574.26 to 574.32 do not apply to a manufacturer of public
76.10 transit buses that manufactures at least 100 public transit buses in a calendar year. For
76.11 purposes of this section, "public transit bus" means a motor vehicle designed to transport
76.12 people, with a design capacity for carrying more than 40 passengers, including the driver.
76.13 The term "public transit bus" does not include a school bus, as defined in section 169.011,
76.14 subdivision 71.

76.15 (b) At the discretion of the commissioner of transportation, sections 574.26 to 574.32
76.16 do not apply to any projects of the Department of Transportation (1) costing less than the
76.17 amount in section 471.345, subdivision 3, ~~or~~ (2) involving the permanent or semipermanent
76.18 installation of heavy machinery, fixtures, or other capital equipment to be used primarily
76.19 for maintenance or repair, or (3) awarded under section 161.32, subdivision 2.

76.20 (c) Sections 574.26 to 574.32 do not apply to contracts for snow removal, ice removal,
76.21 grading, or other similar routine road maintenance on town roads.

76.22 Sec. 92. Laws 2014, chapter 312, article 11, section 38, subdivision 5, is amended to read:

76.23 Subd. 5. **Pilot program evaluation.** In coordination with the city, the commissioner of
76.24 transportation shall evaluate effectiveness of the pilot program under this section, which
76.25 must include analysis of traffic safety impacts, utility to motorists and tourists, costs and
76.26 expenditures, extent of community support, and pilot program termination or continuation.
76.27 By January 15, ~~2021~~ 2024, the commissioner shall submit a report on the evaluation to the
76.28 ~~chairs and ranking minority members~~ and staff of the legislative committees with jurisdiction
76.29 over transportation policy and finance.

76.30 Sec. 93. Laws 2014, chapter 312, article 11, section 38, subdivision 6, is amended to read:

76.31 Subd. 6. **Expiration.** The pilot program under this section expires January 1, ~~2022~~ 2025.

77.1 Sec. 94. **LEGISLATIVE ROUTE NO. 222 REMOVED.**

77.2 (a) Minnesota Statutes, section 161.115, subdivision 153, is repealed effective the day
77.3 after the commissioner of transportation receives a copy of the agreement between the
77.4 commissioner and the governing body of Red Lake County to transfer jurisdiction of
77.5 Legislative Route No. 222 and after the commissioner notifies the revisor of statutes under
77.6 paragraph (b).

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

77.10 Sec. 95. **LEGISLATIVE ROUTE NO. 253 REMOVED.**

77.11 (a) Minnesota Statutes, section 161.115, subdivision 184, is repealed effective the day
77.12 after the commissioner of transportation receives a copy of the agreement between the
77.13 commissioner and the governing body of Faribault County to transfer jurisdiction of
77.14 Legislative Route No. 253 and after the commissioner notifies the revisor of statutes under
77.15 paragraph (b).

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

77.19 Sec. 96. **LEGISLATIVE ROUTE NO. 254 REMOVED.**

77.20 (a) Minnesota Statutes, section 161.115, subdivision 185, is repealed effective the day
77.21 after the commissioner of transportation receives a copy of the agreement between the
77.22 commissioner and the governing body of Faribault County to transfer jurisdiction of
77.23 Legislative Route No. 254 and after the commissioner notifies the revisor of statutes under
77.24 paragraph (b).

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

77.28 Sec. 97. **LEGISLATIVE ROUTE NO. 277 REMOVED.**

77.29 (a) Minnesota Statutes, section 161.115, subdivision 208, is repealed effective the day
77.30 after the commissioner of transportation receives a copy of the agreement between the
77.31 commissioner and the governing body of Chippewa County to transfer jurisdiction of

78.1 Legislative Route No. 277 and after the commissioner notifies the revisor of statutes under
78.2 paragraph (b).

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

78.6 **Sec. 98. LEGISLATIVE ROUTE NO. 298 REMOVED.**

78.7 (a) Minnesota Statutes, section 161.115, subdivision 229, is repealed effective the day
78.8 after the commissioner of transportation receives a copy of the agreement between the
78.9 commissioner and the governing body of the city of Faribault to transfer jurisdiction of
78.10 Legislative Route No. 298 and after the commissioner notifies the revisor of statutes under
78.11 paragraph (b).

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

78.15 **Sec. 99. LEGISLATIVE ROUTE NO. 299 REMOVED.**

78.16 (a) Minnesota Statutes, section 161.115, subdivision 230, is repealed effective the day
78.17 after the commissioner of transportation receives a copy of the agreement between the
78.18 commissioner and the governing body of the city of Faribault to transfer jurisdiction of
78.19 Legislative Route No. 299 and after the commissioner notifies the revisor of statutes under
78.20 paragraph (b).

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

78.24 **Sec. 100. LEGISLATIVE ROUTE NO. 323 REMOVED.**

78.25 (a) Minnesota Statutes, section 161.115, subdivision 254, is repealed effective the day
78.26 after the commissioner of transportation receives a copy of the agreement between the
78.27 commissioner and the governing body of the city of Faribault to transfer jurisdiction of
78.28 Legislative Route No. 323 and after the commissioner notifies the revisor of statutes under
78.29 paragraph (b).

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

79.4 Sec. 101. **DEPARTMENT OF TRANSPORTATION LOAN CONVERSION AND**
79.5 **LIEN RELEASE.**

79.6 The commissioner of transportation must (1) convert to a grant the remaining balance
79.7 on Minnesota Department of Transportation Contract No. 1000714, originally executed as
79.8 of June 1, 2015, with Minnesota Commercial Railway Company; (2) cancel all future
79.9 payments under the contract; (3) release liens on the locomotives designated as MNNR 49
79.10 and MNNR 84; and (4) perform the appropriate filing. The commissioner is prohibited from
79.11 requiring or accepting additional payments under the contract as of the effective date of this
79.12 section. Notwithstanding the loan conversion and payment cancellation under this section,
79.13 all other terms and conditions under Contract No. 1000714 remain effective for the duration
79.14 of the period specified in the contract.

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

79.16 Sec. 102. **NORTHSTAR CORRIDOR EXTENSION; NEGOTIATIONS.**

79.17 The Department of Transportation must contact Burlington Northern Santa Fe Railway
79.18 (BNSF) to negotiate an extension of the Northstar Corridor between Big Lake and St. Cloud.
79.19 Negotiations under this section are subject to the following conditions:

79.20 (1) the Northstar Corridor will add at least one morning round trip departure between
79.21 the St. Cloud Amtrak Depot and Big Lake Station with continuing service to Target Station
79.22 each weekday, plus one evening round trip between Big Lake Station and St. Cloud Amtrak
79.23 Depot that must begin at Target Station, with the departure and arrival times set so that
79.24 approximately ten or more hours elapse between the morning departure and evening return
79.25 each day for both round trips. The Department of Transportation may also negotiate weekend
79.26 departures and arrivals between St. Cloud and Target Station;

79.27 (2) the Department of Transportation may negotiate for fewer round trip departures from
79.28 Big Lake to Target Station each weekday, and fewer round trip departures on weekends;

79.29 (3) BNSF must continue to crew and dispatch all trains and provide other track-related
79.30 services;

79.31 (4) the St. Cloud Metropolitan Transit Commission (MTC) must be responsible for fare
79.32 collection in St. Cloud and must negotiate with Amtrak for using the Amtrak station. The

80.1 MTC must negotiate an agreement with the Metropolitan Council, which is subject to
80.2 approval by the city of St. Cloud, regarding the sharing of revenues and expenses related
80.3 to the Amtrak Depot, fare collection, and advertising. The MTC, city of St. Cloud, and
80.4 Stearns, Benton, and Sherburne Counties are prohibited from entering into agreements with
80.5 the Metropolitan Council on any subject other than the operation of the Northstar Corridor;

80.6 (5) the Department of Transportation is prohibited from committing to spend any state
80.7 funds on capital expenditures;

80.8 (6) the Department of Transportation is prohibited from committing to spend any more
80.9 state funds on operating costs than the total sum it and the Metropolitan Council have
80.10 budgeted for the Northstar Corridor; and

80.11 (7) the Department of Transportation may negotiate with the federal government, counties
80.12 and cities, or the Northstar Corridor Development Authority to provide additional funding
80.13 for services necessary to extend the Northstar Corridor.

80.14 Sec. 103. **NORTHSTAR COMMUTER RAIL OPERATING COSTS; EXCEPTION.**

80.15 (a) Minnesota Statutes, section 398A.10, subdivision 2, does not apply for reserve funds
80.16 available to the Anoka County Regional Railroad Authority as of June 30, 2018, that are
80.17 used to pay operating and maintenance costs of Northstar Commuter Rail.

80.18 (b) This section expires on January 1, 2021.

80.19 Sec. 104. **MARKED INTERSTATE HIGHWAY 35 SIGNS.**

80.20 The commissioner of transportation must erect signs that identify and direct motorists
80.21 to the campuses of Minnesota State Academy for the Deaf and Minnesota State Academy
80.22 for the Blind under Minnesota Statutes, sections 125A.61 to 125A.73. At least one sign in
80.23 each direction of travel must be placed on marked Interstate Highway 35, located as near
80.24 as practical to exits that reasonably access the campuses. The commissioner is prohibited
80.25 from removing signs for the campuses posted on marked Trunk Highway 60.

80.26 Sec. 105. **COMMERCIAL DRIVER'S LICENSE FEDERAL REGULATION**
80.27 **WAIVER REQUEST.**

80.28 The commissioner of public safety must apply to the Federal Motor Carrier Safety
80.29 Administration for a waiver from the federal regulation that requires a person to have a
80.30 passenger endorsement to drive a bus with no passengers for the sole purpose of delivering
80.31 the bus to the purchaser.

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

81.2 Sec. 106. **REVISOR INSTRUCTIONS.**

81.3 (a) The revisor of statutes shall renumber Minnesota Statutes, section 160.02, subdivision
81.4 27a, as Minnesota Statutes, section 169.011, subdivision 73a. The revisor shall correct any
81.5 cross-references made necessary by this renumbering.

81.6 (b) The revisor of statutes shall change the term "special revenue fund" to "driver and
81.7 vehicle services fund" wherever the term appears in Minnesota Statutes when referring to
81.8 the accounts under Minnesota Statutes, section 299A.705.

81.9 Sec. 107. **REPEALER.**

81.10 (a) Minnesota Statutes 2016, section 168.013, subdivision 21, is repealed.

81.11 (b) Minnesota Statutes 2016, section 221.161, subdivisions 2, 3, and 4, are repealed.

81.12 (c) Minnesota Statutes 2016, sections 360.063, subdivision 4; 360.065, subdivision 2;
81.13 and 360.066, subdivisions 1a and 1b, are repealed.

81.14 (d) Minnesota Statutes 2016, sections 222.47; 222.50, subdivisions 1 and 7; and 222.51,
81.15 are repealed.

81.16 (e) Minnesota Statutes 2017 Supplement, sections 222.49; and 222.50, subdivision 6,
81.17 are repealed.

81.18 Sec. 108. **EFFECTIVE DATE; APPLICATION.**

81.19 (a) Sections 63 to 84 and section 107, paragraph (c), are effective August 1, 2018, and
81.20 apply to airport sponsors that make or plan to make changes to runway lengths or
81.21 configurations on or after that date.

81.22 (b) Sections 63 to 84 and section 107, paragraph (c), do not apply to airports that (1)
81.23 have airport safety zoning ordinances approved by this commissioner in effect on August
81.24 1, 2018; (2) have not made and are not planning to make changes to runway lengths or
81.25 configurations; and (3) are not required to update airport safety zoning ordinances.

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168.013 VEHICLE REGISTRATION TAXES.

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

221.161 SCHEDULE OF RATES AND CHARGES.

Subd. 2. **Hearing upon complaint.** Tariffs, supplements, and reissues must be prepared and filed in accordance with rules of the commissioner. Rates or charges, including pickup charges named therein, are subject to complaint to the commissioner by an interested party. The commissioner, after investigation by the department, by order on not less than ten days' notice, may assign the complaint for hearing, and if at the hearing, the complainant submits facts and evidence sufficient to establish proof that the rates or charges complained of are excessive or noncompensatory, the commissioner may order the rates or charges canceled, and require the filing of alternative and reasonable rates and charges, the reasonable level of which at that time must be indicated by the commissioner in the order.

Subd. 3. **Hearing upon petition by another carrier.** Upon the filing of a tariff or subsequent supplement or reissue, any other carrier has the right to petition the commissioner to suspend it from taking effect until opportunity is had for a hearing on the reasonableness of the rates or charges, and the commissioner may suspend the rates or charges if in its judgment the rates or charges complained of are so unreasonably low as to create destructive competitive practices among or jeopardize the economic position of competing carriers. In determining whether the rates or charges are excessive or noncompensatory, the commissioner shall include in consideration, among other things, the reasonable cost of the services rendered for the transportation, including a reasonable return on the money invested in the business and an adequate sum for maintenance and depreciation of the property used.

Subd. 4. **Hearing on merits of rates and charges.** The commissioner, (1) after a suspension and hearing upon a schedule of rates and charges, or upon complaint, or upon the commissioner's own initiative, either in extension of an existing complaint or without a complaint whatever, (2) after department investigation and petition, (3) upon notice to the permit carrier or tariff agent proposing, maintaining, or charging a schedule of rates and charges on a single group of related commodities, and (4) upon notice to the users of the service and competitive carriers by motor vehicle and rail, may assign for hearing the schedule of rates and charges proposed, maintained, or charged by any or all permit carriers. Upon a finding, after a hearing, that the schedule of rates and charges are unjust or unreasonable or unjustly discriminatory or unduly preferential or prejudicial or otherwise in violation of this section, the commissioner may prescribe minimum rates and charges and the rates, rules, and practices thereafter to be maintained and applied by the permit carrier or tariff agent. In the hearing the burden of proof is upon the permit carrier or tariff agent whose schedules of rates and charges are under investigation to show that the schedules are not below a minimum reasonable level or are not noncompensatory.

222.47 CITATION.

Sections 222.46 to 222.54 may be cited as the "Minnesota Rail Service Improvement Act."

222.49 RAIL SERVICE IMPROVEMENT ACCOUNT; APPROPRIATION.

The rail service improvement account is created in the special revenue fund in the state treasury. The account consists of funds as provided by law, and any other money donated, allotted, transferred, or otherwise provided to the account, excluding bond proceeds as authorized by article XI, section 5, clause (i), of the Minnesota Constitution. All money so deposited is appropriated to the department for expenditure for rail service improvement in accordance with applicable state and federal law. This appropriation shall not lapse but shall be available until the purpose for which it was appropriated has been accomplished.

222.50 RAIL SERVICE IMPROVEMENT PROGRAM.

Subdivision 1. **Creation.** There is created the rail service improvement program to provide assistance for improvement of rail service in the state.

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Subd. 6. **Grants.** The commissioner may approve grants from the rail service improvement account for freight rail service improvements that support economic development.

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

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

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

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

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

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

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

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

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

(9) to fund rail planning studies; and

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

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

222.51 PARTICIPATION BY POLITICAL SUBDIVISION.

The governing body of any political subdivision of the state may, with the approval of the commissioner, appropriate money for rail service improvement and may participate in the state rail service improvement program and federal rail programs.

360.063 AIRPORT ZONING; AUTHORITY, PROCEDURE.

Subd. 4. **Airport approach.** The commissioner may recommend an airport approach plan for each publicly owned airport in the state and for each privately owned airport of the publicly owned class and from time to time recommend revisions of the plan. A plan shall indicate the circumstances in which structures or trees are or would be airport hazards, the airport hazard area, and what measures should be taken to eliminate airport hazards. The commissioner shall prescribe airport approach and turning standards for airports of various classes, and airport zoning regulations adopted by a municipality, county, or joint airport zoning board shall conform to the standards, except as provided in sections 360.065 and 360.066.

360.065 AIRPORT ZONING; ADOPTION AND APPROVAL OF PROPOSED REGULATIONS.

Subd. 2. **Regulations submitted to commissioner.** Prior to adopting zoning regulations for an airport hazard area under sections 360.011 to 360.076, the municipality, county, or joint airport zoning board which is to adopt the regulations shall submit its proposed regulations to the commissioner in order that the commissioner may determine whether it conforms to the standards prescribed by the commissioner. The commissioner shall immediately examine the proposed regulations and report to the municipality, county, or joint airport zoning board the commissioner's approval, or objections, if any. If objections are made by the commissioner on the ground that the

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regulations do not conform to the standards prescribed by the commissioner for the class of airport involved, the municipality, county, or joint zoning board shall make amendments as are necessary to meet the objections unless it demonstrates that the social and economic costs of restricting land uses in accordance with the standards outweigh the benefits of a strict application of the standards. The governing body of the municipality or county or the joint airport zoning board shall not adopt the regulations or take other action until the proposed regulations are approved by the commissioner. The commissioner may approve local zoning ordinances that are more stringent than the standards. A copy of the regulations as adopted shall be filed with the county recorder in each county in which the zoned area is located.

Substantive rights existing prior to the passage of this subdivision and previously exercised are not affected by the filing of the regulations.

360.066 AIRPORT ZONING; MINIMUM STANDARDS, LAND USES.

Subd. 1a. **Protection of existing neighborhood.** (a) In order to ensure the minimum disruption of existing land uses, particularly established residential neighborhoods in built-up urban areas, the airport zoning standards of the commissioner and the local airport zoning ordinances or regulations adopted under sections 360.061 to 360.074 shall distinguish between the creation or establishment of a use and the elimination of an existing use, and shall avoid the elimination, removal, or reclassification of existing uses to the extent consistent with reasonable standards of safety. The standards of the commissioner shall include criteria for determining when an existing land use may constitute an airport hazard so severe that considerations of public safety outweigh the public interest in preventing disruption to that land use.

(b) No airport zoning standards or local airport zoning ordinances or regulations shall be adopted pursuant to sections 360.061 to 360.074 that classify as a nonconforming use or require such classification with respect to any low-density residential structure or isolated low-density residential building lots existing on January 1, 1978 in an established residential neighborhood.

(c) A local airport zoning authority may classify a land use described in paragraph (b) as an airport hazard if that authority finds that this classification is justified by considerations of public safety and is consistent with the airport zoning standards of the commissioner. Any land use described in paragraph (b) which is classified as an airport hazard shall be acquired, altered, or removed at public expense.

(d) The provisions of this subdivision shall not be construed to affect the classification of any land use under any zoning ordinances or regulations not adopted pursuant to sections 360.061 to 360.074.

Subd. 1b. **Amendment of standards.** Within nine months after March 29, 1978, the commissioner shall amend the standards defining airport hazard areas and categories of uses permitted therein to conform with the requirements of Laws 1978, chapter 654. Until the commissioner adopts amended standards as required by this subdivision the unamended standards, insofar as they require classification of any residential property as a nonconforming use contrary to the provisions of subdivision 1a, paragraph (b), shall be without force or effect.