

State of Minnesota

H. F. No. **732**

1.1 A bill for an act

1.2 relating to transportation; requiring the Department of Transportation to publish

1.3 certain information about project selection; requiring the Department of

1.4 Transportation to adopt certain project selection policies; amending Minnesota

1.5 Statutes 2020, sections 174.40, subdivision 5; 174.50, subdivision 7; 174.52,

1.6 subdivision 5.

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

1.8 Section 1. Minnesota Statutes 2020, section 174.40, subdivision 5, is amended to read:

1.9 Subd. 5. **Program administration.** (a) The commissioner shall establish general program

1.10 requirements and a competitive process for financial assistance, including but not limited

1.11 to eligibility requirements for grant recipients and projects; procedures for solicitation of

1.12 grants; application requirements; procedures for payment of financial assistance awards;

1.13 and a schedule for application, evaluation, and award of financial assistance. The

1.14 commissioner shall publish the program requirements and the competitive process on the

1.15 department's website.

1.16 (b) An application must include:

1.17 (1) a detailed and specific description of the project;

1.18 (2) an estimate, along with necessary supporting evidence, of the total costs for the

1.19 project and the allocation of identified and proposed funding sources for the project;

1.20 (3) an assessment of the need for and benefits of the project;

1.21 (4) a resolution adopted by the governing body of the school for which a safe routes to

1.22 school grant is requested, certifying that: (i) the governing body of the school supports the

project; and (ii) funds, if any, required to be supplied by the school to complete the project are available and committed;

(5) a timeline indicating the major milestones of the project and their anticipated completion dates; and

(6) any additional information or material the commissioner prescribes.

(c) The commissioner shall ~~make reasonable efforts to:~~

(1) publicize each solicitation for applications among all eligible recipients, ~~and;~~

(2) provide technical and informational assistance in creating and submitting applications; and

(3) publish on the department's website a list of all projects that were considered for funding. The list must identify the projects that were selected and the projects that were not selected. For each project that was not selected, the commissioner must include the reason it was not selected.

(d) By January 1, 2013, the commissioner of transportation shall publish and maintain a manual on the safe routes to school program that assists applicants for and recipients of financial assistance. The commissioner must publish the manual on the department's website. The manual must include a list of eligibility and general program requirements, an explanation of the application process, and a review of the criteria used to evaluate projects.

Sec. 2. Minnesota Statutes 2020, section 174.50, subdivision 7, is amended to read:

Subd. 7. **Bridge grant program; rulemaking.** (a) The commissioner of transportation shall develop rules, procedures for application for grants, conditions of grant administration, standards, and criteria as provided under subdivision 6, including bridge specifications, in cooperation with road authorities of political subdivisions, for use in the administration of funds appropriated to the commissioner and for the administration of grants to subdivisions. The commissioner must publish all rules, procedures, conditions, standards, and criteria on the department's website. Grants under this section are subject to the procedures and criteria established in this subdivision and in subdivisions 5 and 6.

(b) The maximum use of standardized bridges is encouraged. Regardless of the size of the existing bridge, a bridge or replacement bridge is eligible for assistance from the state transportation fund if a hydrological survey indicates that the bridge or replacement bridge must be ten feet or more in length.

(c) As part of the standards or rules, the commissioner shall, in consultation with local road authorities, establish a minimum distance between any two bridges that cross over the same river, stream, or waterway, so that only one of the bridges is eligible for a grant under this section. As appropriate, the commissioner may establish exceptions from the minimum distance requirement or procedures for obtaining a variance.

(d) Political subdivisions may use grants made under this section to construct or reconstruct bridges, including but not limited to:

(1) matching federal aid grants to construct or reconstruct key bridges;

(2) paying the costs to abandon an existing bridge that is deficient and in need of replacement but where no replacement will be made; and

(3) paying the costs to construct a road or street to facilitate the abandonment of an existing bridge if the commissioner determines that the bridge is deficient, and that construction of the road or street is more economical than replacement of the existing bridge.

(e) Funds appropriated to the commissioner from the Minnesota state transportation fund shall be segregated from the highway tax user distribution fund and other funds created by article XIV of the Minnesota Constitution.

(f) Except as provided in subdivision 6d, the commissioner is prohibited from awarding a grant under this section for a local bridge replacement or rehabilitation project with a total project cost estimate of \$7,000,000 or more.

(g) Notwithstanding paragraph (f), the commissioner may award a grant under this section for a portion of a local bridge replacement or rehabilitation project with a total project cost estimate of \$7,000,000 or more if every other local bridge replacement or rehabilitation project on the commissioner's priority list with a total project cost estimate of less than \$7,000,000 has been fully funded.

(h) The commissioner must publish on the department's website a list of all projects that were considered for funding. The list must identify the projects that were selected and the projects that were not selected. For each project that was not selected, the commissioner must include the reason it was not selected.

Sec. 3. Minnesota Statutes 2020, section 174.52, subdivision 5, is amended to read:

Subd. 5. **Grant procedures and criteria.** (a) The commissioner shall establish procedures for statutory or home rule charter cities, towns, and counties to apply for grants or loans from the fund and criteria to be used to select projects for funding. The commissioner must

publish the procedures on the department's website. The commissioner shall establish these procedures and criteria in consultation with representatives appointed by the Association of Minnesota Counties, League of Minnesota Cities, Minnesota Association of Townships, and the appropriate state agency as needed. The criteria for determining project priority and the amount of a grant or loan must be based upon consideration of:

(1) the availability of other state, federal, and local funds;

(2) the regional significance of the route;

(3) effectiveness of the proposed project in eliminating a transportation system deficiency;

(4) the number of persons who will be positively impacted by the project;

(5) the project's contribution to other local, regional, or state economic development or redevelopment efforts including livestock and other agricultural operations permitted after the effective date of this section; and

(6) ability of the local unit of government to adequately provide for the safe operation and maintenance of the facility upon project completion.

(b) The commissioner must publish on the department's website a list of all projects that were considered for funding. The list must identify the projects that were selected and the projects that were not selected. For each project that was not selected, the commissioner must include the reason it was not selected.

Sec. 4. TRANSPORTATION PROJECT SELECTION PROCESS.

Subdivision 1. **Adoption of policy.** (a) The commissioner of transportation must develop, adopt, and implement a policy for every program or process the commissioner uses to evaluate, prioritize, or select capital projects; award grants for capital projects; or allocate funding or resources for capital projects, including trunk highway and general obligation bonds. At a minimum, the commissioner must adopt a policy for capital project selections and programs for each of the following: rail grade separation program; greater Minnesota transit capital program; state airport development program; safety improvements on crude oil corridors; facilities capital improvement program; Minnesota rail service improvement program; port development assistance program; and passenger rail program. Prior to developing, adopting, or implementing a policy for a program or selection process, the commissioner must consult with the following entities, where appropriate: the Federal Highway Administration; metropolitan planning organizations; regional development commissions; area transportation partnerships; local governments; the Metropolitan Council; transportation stakeholders; or other appropriate federal, state, or local government agencies.

The commissioner must develop, adopt, and implement the policy no later than November 1, 2021, and may update the policy as appropriate. The commissioner must publish the policy and updates on the department's website and through other effective means selected by the commissioner.

(b) For each selection process, the policy adopted under this section must:

(1) establish a process that identifies criteria, the weight of each criterion, and a process to score each project based on the weighted criteria. The scoring system may consider project readiness as a criterion for evaluation, but project readiness must not be a major factor in determining the final score;

(2) identify and apply all relevant criteria contained in enacted Minnesota or federal law, or added by the commissioner;

(3) identify for stakeholders and the general public the candidate project selected under each selection process and every project considered that was not selected;

(4) involve area transportation partnerships and other local authorities, as appropriate, in the process of scoring and ranking candidate projects under consideration;

(5) publicize scoring and decision outcomes concerning each candidate project, including the projects that were considered but not selected, and the reason each project was not selected; and

(6) require that the projects in the state transportation improvement program include the score assigned to the project.

(c) This section does not apply to the following: the safe routes to school program under Minnesota Statutes, section 174.40; the local bridge replacement program under Minnesota Statutes, section 174.50; the local road improvement program under Minnesota Statutes, section 174.52; highway railroad grade crossing-warning devices replacement; statewide freight safety improvements; or high priority bridges for the trunk highway system. This section does not apply to any programs or processes for which the commissioner has already established a project selection process pursuant to Laws 2017, First Special Session chapter 3, article 3, section 124.

(d) For purposes of this section, a capital project means a project to purchase, replace, or recondition the physical assets that make up the transportation system.

Subd. 2. **Report to legislature.** By February 1, 2023, the commissioner must submit a report to the chairs, ranking minority members, and staff of the legislative committees with jurisdiction over transportation policy and finance concerning the adopted policy and how

6.1 the policy is anticipated to improve the consistency, objectivity, and transparency of the
6.2 selection process. The report must include information on input from members of the public
6.3 and the organizations identified in subdivision 1.

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