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# State of Minnesota

## HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. **899**

02/16/2015 Authored by Runbeck and Scott

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

02/26/2015 By motion, recalled and re-referred to the Committee on Government Operations and Elections Policy

1.1 A bill for an act  
1.2 relating to transportation; governing transitway development and finance;  
1.3 establishing certain legislative authorization requirements; specifying permissible  
1.4 uses and prioritizing uses of revenue from a metropolitan transportation area  
1.5 sales tax; amending Minnesota Statutes 2014, sections 174.636, by adding a  
1.6 subdivision; 174.92; 174.93, subdivision 1; 297A.992, subdivisions 1, 6, 6a;  
1.7 398A.04, by adding a subdivision; 473.399, by adding a subdivision; 473.4051,  
1.8 subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 174;  
1.9 repealing Minnesota Statutes 2014, section 297A.992, subdivision 12.

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

1.11 Section 1. Minnesota Statutes 2014, section 174.636, is amended by adding a  
1.12 subdivision to read:

1.13 Subd. 5. **Legislative authorization.** The powers conferred to the commissioner  
1.14 under sections 174.636 to 174.650 are subject to the requirements under section 174.94.

1.15 Sec. 2. Minnesota Statutes 2014, section 174.92, is amended to read:

1.16 **174.92 EXERCISE OF POWER; COMMUTER RAIL; EXERCISE OF**  
1.17 **POWER.**

1.18 Subdivision 1. **Powers.** The commissioner of transportation may exercise the  
1.19 powers granted in this chapter, as necessary, to plan, design, acquire, construct, and equip  
1.20 commuter rail facilities.

1.21 Subd. 2. **Legislative authorization.** The powers conferred to the commissioner  
1.22 under sections 174.90 to 174.92 are subject to the requirements under section 174.94.

1.23 Sec. 3. Minnesota Statutes 2014, section 174.93, subdivision 1, is amended to read:

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

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

(2) "guideway" means a form of transportation service provided to the public on a regular and ongoing basis, that operates on exclusive or controlled rights-of-way or rails in whole or in part, and includes (i) each line for intercity passenger rail, commuter rail, light rail transit, streetcars, and highway bus rapid transit, and express bus service operated primarily within a dedicated right-of-way; and (ii) any multimodal station serving two or more lines identified in item (i); and

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

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

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

(d) For purposes of this section, guideway excludes arterial bus rapid transit, limited-stop bus service, and express bus service that is not operated primarily within a dedicated right-of-way.

#### Sec. 4. [174.94] GUIDEWAY DEVELOPMENT AUTHORIZATION.

(a) For purposes of this section, guideway has the meaning given the section 174.93, subdivision 1.

(b) The commissioner and any political subdivision, including but not limited to the Metropolitan Council, a regional railroad authority, a county, and a statutory or home rule charter city, may not complete an alternatives analysis or select a locally preferred alternative for a guideway project unless (1) a law is enacted that specifically identifies and authorizes the project, or (2) state funds are appropriated specifically for the project.

**EFFECTIVE DATE.** This section is effective the day following final enactment, and applies for any project not approved by the Federal Transit Administration for preliminary engineering or a subsequent project phase as of the effective date of this section. This section applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

3.1 Sec. 5. Minnesota Statutes 2014, section 297A.992, subdivision 1, is amended to read:

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

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

3.6 (2) "eligible county" means the county of Anoka, Carver, Dakota, Hennepin,  
3.7 Ramsey, Scott, or Washington;

3.8 (3) "committee" means the Grant Evaluation and Ranking System (GEARS)  
3.9 Committee;

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

3.14 (5) "population" means the population, as defined in section 477A.011, subdivision  
3.15 3, estimated or established by July 15 of the year prior to the calendar year in which  
3.16 the representatives will serve on the Grant Evaluation and Ranking System Committee  
3.17 established under subdivision 5; and

3.18 (6) "transitway" means a guideway, as defined in section 174.93, subdivision 1, but  
3.19 excluding intercity passenger rail.

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

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

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

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

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

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

3.31 (iv) operating assistance for transitways; or

3.32 (2) capital and operating assistance for transit systems, including but not limited to  
3.33 bus operations and arterial bus rapid transit.

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

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

Sec. 7. Minnesota Statutes 2014, section 297A.992, subdivision 6a, is amended to read:

Subd. 6a. **Priority of fund uses.** (a) The joint powers board shall allocate all revenues from the taxes imposed under this section in conformance with the following priority order:

(1) payment of debt service necessary for the fiscal year on bonds or other obligations issued prior to January 1, 2011, under subdivision 7; ~~and~~

(2) 100 percent of the net operating and capital maintenance costs for the fiscal year for all transitways in which a grant award for capital or operating costs has previously been provided under this section; and

(3) as otherwise authorized under this section.

(b) The joint powers board must not award any grants to begin or continue work on transit capital projects for which construction has not begun as of the effective date of this section, unless the requirements under paragraph (a), clauses (1) and (2), are met.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies for grant awards made for calendar year 2016 and thereafter. This section applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 8. Minnesota Statutes 2014, section 398A.04, is amended by adding a subdivision to read:

Subd. 2b. **Legislative authorization.** The powers conferred to a regional rail authority under this chapter are subject to the requirements under section 174.94.

Sec. 9. Minnesota Statutes 2014, section 473.399, is amended by adding a subdivision to read:

Subd. 6. **Legislative authorization.** The powers conferred to a responsible authority, as defined in section 473.3993, subdivision 4, under sections 473.399 to 473.3999 are subject to the requirements under section 174.94.

Sec. 10. Minnesota Statutes 2014, section 473.4051, subdivision 2, is amended to read:

5.1 Subd. 2. **Operating costs.** After operating revenue and federal money have been  
5.2 used to pay for light rail transit operations, ~~50,~~ 100 percent of the remaining operating and  
5.3 ongoing maintenance costs for light rail transit must be paid by the state from nonstate  
5.4 sources. For purposes of this subdivision, state sources include but are not limited to  
5.5 general fund appropriations and revenue from the motor vehicle sales tax.

5.6 Sec. 11. **REPEALER.**

5.7 Minnesota Statutes 2014, section 297A.992, subdivision 12, is repealed.

5.8 Sec. 12. **EFFECTIVE DATE; APPLICATION.**

5.9 Except as otherwise provided, sections 1 to 11 are effective the day following final  
5.10 enactment and apply in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey,  
5.11 Scott, and Washington.

APPENDIX  
Repealed Minnesota Statutes: 15-2585

**297A.992 METROPOLITAN TRANSPORTATION AREA SALES TAX.**

Subd. 12. **Grant awards to Metropolitan Council.** Any grant award under this section made to the Metropolitan Council must supplement, and must not supplant, operating and capital assistance provided by the state.