

**SENATE
STATE OF MINNESOTA
NINETIETH SESSION**

S.F. No. 2415

(SENATE AUTHORS: OSMEK, Chamberlain, Koran, Mathews and Benson)

DATE
05/20/2017

D-PG
5444 Introduction and first reading
Referred to Local Government

OFFICIAL STATUS

1.1 A bill for an act

1.2 relating to local and state government; abolishing the Metropolitan Council;

1.3 transferring duties to the commissioners of administration and natural resources;

1.4 transferring transportation and transit-related functions to Department of

1.5 Transportation; making conforming amendments to public safety radio

1.6 communication laws, fiscal disparity laws; providing for payment of bonds and

1.7 other debt obligations; repealing metropolitan land use planning provisions; ending

1.8 Metropolitan Council oversight of Metropolitan Airports Commission; transferring

1.9 Metropolitan Council powers and authority to Metropolitan Parks and Open Space

1.10 Commission; creating metropolitan area sanitary sewer district; appropriating

1.11 money; amending Minnesota Statutes 2016, sections 3.886, subdivision 4; 4A.02;

1.12 6.80, subdivision 3; 10.60, subdivision 1; 10A.01, subdivisions 24, 31, 32, 35;

1.13 13.201; 13.685; 13.72, subdivision 9; 15.0597, subdivision 1; 15.0599, subdivision

1.14 1; 15A.0815, subdivision 3; 15B.11, subdivision 3; 16A.88, subdivision 2; 16C.073,

1.15 subdivision 1; 16C.285, subdivision 1; 43A.346, subdivisions 1, 2; 47.52; 65B.43,

1.16 subdivision 20; 85.016; 85.017; 85.53, subdivision 3; 103B.155; 103B.231,

1.17 subdivisions 3a, 7, 9, 11; 103B.235, subdivision 3; 103B.255, subdivisions 8, 9,

1.18 12; 103D.401; 103D.405, subdivisions 3, 4, 5, 6; 103G.293; 114C.25; 114D.30,

1.19 subdivision 4; 115.741, subdivision 2; 115A.151; 115A.471; 115A.52; 116.16,

1.20 subdivision 2; 116.182, subdivision 1; 116D.04, subdivision 1a; 116G.03,

1.21 subdivision 5; 116G.15, subdivisions 2, 5; 116J.401, subdivision 2; 116M.15,

1.22 subdivision 1; 117.57, subdivision 3; 118A.07, subdivision 1; 124D.892,

1.23 subdivision 1; 134.201, subdivision 5; 145A.02, subdivision 16; 160.165,

1.24 subdivision 1; 160.265, subdivision 1; 160.93, subdivisions 1, 2, 2a; 162.09,

1.25 subdivision 4; 169.306; 169.781, subdivision 1; 169.791, subdivision 5; 169.792,

1.26 subdivision 11; 174.03, subdivisions 1, 4, 5, 6a; 174.04, subdivisions 1, 2; 174.247;

1.27 174.285, subdivision 4; 174.30, subdivision 4; 174.37, subdivision 2; 174.90;

1.28 174.93, subdivisions 1, 2; 216C.145, subdivision 1; 216C.15, subdivision 1;

1.29 216H.02, subdivision 2; 221.012, subdivision 38; 221.022; 221.031, subdivision

1.30 3a; 240.06, subdivision 2; 270.12, subdivision 3; 275.065, subdivision 3; 275.066;

1.31 275.62, subdivision 3; 275.70, subdivision 4; 297A.70, subdivisions 2, 3; 297A.992,

1.32 subdivisions 4, 5; 352.01, subdivisions 2a, 2b; 352.03, subdivision 1; 352.04,

1.33 subdivision 6; 352D.02, subdivision 1; 353.64, subdivision 7a; 363A.44, subdivision

1.34 1; 373.40, subdivision 1; 383A.81, subdivision 3; 383B.81, subdivision 3; 398A.04,

1.35 subdivisions 1, 2, 2a, 9; 403.30, subdivision 1; 403.31, subdivisions 4, 5; 403.36,

1.36 subdivision 1; 414.02, subdivision 3; 414.031, subdivision 4; 462A.04, subdivision

1.37 1; 462A.07, subdivision 11; 462A.222, subdivision 4; 462C.04, subdivision 2;

1.38 462C.071, subdivision 2; 465.82, subdivision 1; 469.174, subdivision 26; 469.351,

1.39 subdivision 2; 471.425, subdivision 1; 471.9997; 473.121, subdivisions 2, 14, 24;

473.142; 473.1425; 473.143; 473.144; 473.145; 473.146, subdivisions 1, 3, 4, by adding subdivisions; 473.1466; 473.147; 473.149, subdivision 3; 473.166; 473.167, subdivisions 2, 2a; 473.168, subdivision 2; 473.192, subdivisions 2, 3; 473.223; 473.301, subdivision 2; 473.303; 473.313; 473.315, subdivision 1; 473.325; 473.334, subdivision 1; 473.341; 473.351, subdivisions 1, 2, 3; 473.375; 473.384; 473.385; 473.386; 473.387, subdivisions 2, 3, 4; 473.3875; 473.39, subdivisions 1, as amended, 2, 2a, 5; 473.391; 473.3925; 473.399; 473.3994; 473.3995; 473.3997; 473.405; 473.4051, subdivision 1; 473.4056, subdivision 1; 473.4057, subdivisions 1, 2, 3, 4, 6, 7, 8; 473.407, subdivisions 1, 3, 4, 5; 473.408; 473.409; 473.41, subdivision 1; 473.411, subdivision 5; 473.415, subdivision 1; 473.416; 473.42; 473.436, subdivisions 2, 3, 6; 473.446, subdivisions 1, 2, 3, 8, by adding a subdivision; 473.448; 473.449; 473.602; 473.604, subdivision 1, by adding a subdivision; 473.608, subdivision 19; 473.611, subdivision 5; 473.638; 473.64; 473.655; 473.661, subdivision 4; 473.667, subdivision 8; 473.8011; 473.910, subdivision 3; 473F.02, subdivisions 7, 8; 473F.08, subdivisions 3, 5, 7a; 473F.13, subdivision 1; 473H.04, subdivision 3; 473H.06, subdivisions 1, 5; 473H.08, subdivision 4; 473J.25, by adding a subdivision; 477A.011, subdivisions 3, 38; 477A.0124, subdivision 2; 572A.02, subdivision 5; 604B.04, subdivision 7; 609.2231, subdivision 11; 609.594, subdivision 1; 609.6055, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 115; 473; repealing Minnesota Statutes 2016, sections 3.8841; 103B.235, subdivision 3a; 115.66; 115A.03, subdivision 19; 174.22, subdivision 3; 238.43, subdivision 5; 297A.992, subdivision 12; 403.27; 403.29, subdivision 4; 403.32; 462.382; 462C.071, subdivision 4; 473.121, subdivisions 3, 8, 12; 473.123, subdivisions 1, 2a, 3, 3a, 3e, 4, 8; 473.125; 473.127; 473.129; 473.1293; 473.132; 473.1565; 473.165; 473.167, subdivisions 3, 4; 473.175; 473.181, subdivisions 2, 5; 473.191; 473.206; 473.208; 473.24; 473.242; 473.245; 473.246; 473.249, subdivisions 1, 2; 473.25; 473.251; 473.253; 473.254; 473.255; 473.3875; 473.388, subdivisions 1, 2, 3, 4, 5, 7; 473.39, subdivision 4; 473.3993, subdivision 4; 473.3999; 473.411, subdivisions 3, 4; 473.4461; 473.501, subdivisions 1, 3; 473.504, subdivisions 4, 5, 6, 9, 10, 11, 12; 473.505; 473.511, subdivisions 1, 2, 3, 4; 473.5111; 473.512; 473.513; 473.515; 473.5155; 473.516, subdivisions 1, 2, 3, 4; 473.517, subdivisions 1, 3, 6, 10; 473.519; 473.521; 473.523, subdivisions 1, 1a; 473.524; 473.541; 473.542; 473.543, subdivisions 1, 2, 3, 4; 473.545; 473.547; 473.549; 473.621, subdivision 6; 473.834, subdivisions 1, 2; 473.851; 473.852, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10; 473.853; 473.854; 473.856; 473.857; 473.858; 473.859; 473.86; 473.861; 473.862; 473.864; 473.865; 473.866; 473.867, subdivisions 1, 2, 3, 5, 6; 473.869; 473.87; 473.871; 473.915; 473F.02, subdivision 21; 473F.08, subdivision 3b; 473H.02, subdivisions 7, 8; 473J.25, subdivision 5; Minnesota Rules, parts 5800.0010; 5800.0020; 5800.0030; 5800.0040; 5800.0050; 5800.0060; 5800.0070; 5800.0080; 5800.0090; 5800.0100; 5800.0110; 5800.0120; 5800.0130; 5800.0140; 5800.0150.

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

ARTICLE 1

METROPOLITAN COUNCIL ABOLISHED

Section 1. Minnesota Statutes 2016, section 3.886, subdivision 4, is amended to read:

Subd. 4. **Powers and duties.** (a) The Legislative Water Commission shall review water policy reports and recommendations of the Environmental Quality Board, the Board of Water and Soil Resources, the Pollution Control Agency, the Department of Natural

3.1 Resources, ~~the Metropolitan Council~~, and other water-related reports as may be required
3.2 by law or the legislature.

3.3 (b) The commission may conduct public hearings and otherwise secure data and
3.4 comments.

3.5 (c) The commission shall make recommendations as it deems proper to assist the
3.6 legislature in formulating legislation.

3.7 (d) Data or information compiled by the Legislative Water Commission or its
3.8 subcommittees shall be made available to the Legislative-Citizen Commission on Minnesota
3.9 Resources, the Clean Water Council, and standing and interim committees of the legislature
3.10 on request of the chair of the respective commission, council, or committee.

3.11 (e) The commission shall coordinate with the Clean Water Council.

3.12 Sec. 2. Minnesota Statutes 2016, section 4A.02, is amended to read:

3.13 **4A.02 STATE DEMOGRAPHER.**

3.14 (a) The commissioner shall appoint a state demographer. The demographer must be
3.15 professionally competent in demography and must possess demonstrated ability based upon
3.16 past performance.

3.17 (b) The demographer shall:

3.18 (1) continuously gather and develop demographic data relevant to the state;

3.19 (2) design and test methods of research and data collection;

3.20 (3) periodically prepare population projections for the state and designated regions and
3.21 periodically prepare projections for each county or other political subdivision of the state
3.22 as necessary to carry out the purposes of this section;

3.23 (4) review, comment on, and prepare analysis of population estimates and projections
3.24 made by state agencies, political subdivisions, other states, federal agencies, or
3.25 nongovernmental persons, institutions, or commissions;

3.26 (5) serve as the state liaison with the United States Bureau of the Census, coordinate
3.27 state and federal demographic activities to the fullest extent possible, and aid the legislature
3.28 in preparing a census data plan and form for each decennial census;

3.29 (6) compile an annual study of population estimates on the basis of county, regional, or
3.30 other political or geographical subdivisions as necessary to carry out the purposes of this
3.31 section and section 4A.03;

(7) by January 1 of each year, issue a report to the legislature containing an analysis of the demographic implications of the annual population study and population projections;

(8) prepare maps for all counties in the state, all municipalities with a population of 10,000 or more, and other municipalities as needed for census purposes, according to scale and detail recommended by the United States Bureau of the Census, with the maps of cities showing precinct boundaries;

(9) prepare an estimate of population and of the number of households for each governmental subdivision ~~for which the Metropolitan Council does not prepare an annual estimate~~, and convey the estimates to the governing body of each political subdivision by June 1 of each year;

(10) direct, under section 414.01, subdivision 14, and certify population and household estimates of annexed or detached areas of municipalities or towns after being notified of the order or letter of approval by the chief administrative law judge of the State Office of Administrative Hearings;

(11) prepare, for any purpose for which a population estimate is required by law or needed to implement a law, a population estimate of a municipality or town whose population is affected by action under section 379.02 or 414.01, subdivision 14; and

(12) prepare an estimate of average household size for each statutory or home rule charter city with a population of 2,500 or more by June 1 of each year.

(c) A governing body may challenge an estimate made under paragraph (b) by filing their specific objections in writing with the state demographer by June 24. If the challenge does not result in an acceptable estimate, the governing body may have a special census conducted by the United States Bureau of the Census. The political subdivision must notify the state demographer by July 1 of its intent to have the special census conducted. The political subdivision must bear all costs of the special census. Results of the special census must be received by the state demographer by the next April 15 to be used in that year's June 1 estimate to the political subdivision under paragraph (b).

(d) The state demographer shall certify the estimates of population and household size to the commissioner of revenue by July 15 each year, including any estimates still under objection.

(e) The state demographer may contract for the development of data and research required under this chapter, including, but not limited to, population estimates and projections, the preparation of maps, and other estimates.

5.1 Sec. 3. Minnesota Statutes 2016, section 6.80, subdivision 3, is amended to read:

5.2 Subd. 3. **Review process.** (a) Upon receipt of an application from a local government
5.3 unit, the state auditor shall review the application. The state auditor shall dismiss an
5.4 application if the application proposes a waiver of rules or exemption from enforcement of
5.5 laws that would result in due process violations, violations of federal law or the state or
5.6 federal constitution, or the loss of services to people who are entitled to them.

5.7 (b) The state auditor shall determine whether a law from which an exemption for
5.8 enforcement is sought is a procedural law, specifying how a local government unit is to
5.9 achieve an outcome, rather than a substantive law prescribing the outcome or otherwise
5.10 establishing policy. For the purposes of this section, "procedural law" does not include a
5.11 statutory notice requirement. In making the determination, the state auditor shall consider
5.12 whether the law specifies such requirements as:

5.13 (1) who must deliver a service;

5.14 (2) where the service must be delivered;

5.15 (3) to whom and in what form reports regarding the service must be made; and

5.16 (4) how long or how often the service must be made available to a given recipient.

5.17 (c) If the application requests a waiver of a rule or temporary, limited exemptions from
5.18 enforcement of a procedural law over which ~~the Metropolitan Council or a metropolitan~~
5.19 ~~agency has jurisdiction~~, the state auditor shall also transmit a copy of the application to the
5.20 ~~council or applicable metropolitan agency, whichever has jurisdiction~~, for review and
5.21 comment. The ~~council or~~ agency shall report its comments to the board within 60 days of
5.22 the date the application was transmitted to the ~~council or~~ agency. The ~~council or~~ agency
5.23 may point out any resources or technical assistance it may be able to provide a local
5.24 government unit submitting a request under this section.

5.25 (d) Within 15 days after receipt of the application, the state auditor shall transmit a copy
5.26 of it to the commissioner of each agency having jurisdiction over a rule or law from which
5.27 a waiver or exemption is sought. The agency may mail a notice that it has received an
5.28 application for a waiver or exemption to all persons who have registered with the agency
5.29 under section 14.14, subdivision 1a, identifying the rule or law from which a waiver or
5.30 exemption is requested. If no agency has jurisdiction over the rule or law, the state auditor
5.31 shall transmit a copy of the application to the attorney general. The agency shall inform the
5.32 state auditor of its agreement with or objection to and grounds for objection to the waiver
5.33 or exemption request within 60 days of the date when the application was transmitted to it.

An agency's failure to do so is considered agreement to the waiver or exemption. The state auditor shall decide whether to grant a waiver or exemption at the end of the 60-day response period. Interested persons may submit written comments to the state auditor on the waiver or exemption request up to the end of the 60-day response period.

(e) If the exclusive representative of the affected employees of the requesting local government unit objects to the waiver or exemption request it may inform the state auditor of the objection to and the grounds for the objection to the waiver or exemption request within 60 days of the receipt of the application.

Sec. 4. Minnesota Statutes 2016, section 10.60, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** For purposes of this section:

(1) "political subdivision" means a county, statutory or home rule charter city, town, school district, or other municipal corporation, ~~and the Metropolitan Council~~ and a metropolitan or regional agency;

(2) "publication" means a document printed with public money by an elected or appointed official of a state agency or political subdivision that is intended to be distributed publicly outside of the state agency or political subdivision;

(3) "state agency" means an entity in the executive, judicial, or legislative branch of state government; and

(4) "Web site" means a site maintained on the World Wide Web that is available for unrestricted public access and that is maintained with public money by an elected or appointed official of a state agency or political subdivision.

Sec. 5. Minnesota Statutes 2016, section 10A.01, subdivision 24, is amended to read:

Subd. 24. **Metropolitan governmental unit.** "Metropolitan governmental unit" means any of the seven counties in the metropolitan area as defined in section 473.121, subdivision 2, a regional railroad authority established by one or more of those counties under section 398A.03, a city with a population of over 50,000 located in the seven-county metropolitan area, ~~the Metropolitan Council~~, or a metropolitan agency as defined in section 473.121, subdivision 5a.

7.1 Sec. 6. Minnesota Statutes 2016, section 10A.01, subdivision 31, is amended to read:

7.2 Subd. 31. **Political subdivision.** "Political subdivision" means ~~the Metropolitan Council,~~
7.3 a metropolitan agency as defined in section 473.121, subdivision 5a, or a municipality as
7.4 defined in section 471.345, subdivision 1.

7.5 Sec. 7. Minnesota Statutes 2016, section 10A.01, subdivision 32, is amended to read:

7.6 Subd. 32. **Population.** "Population" means the population established by the most recent
7.7 federal census, by a special census taken by the United States Bureau of the Census, ~~by an~~
7.8 ~~estimate made by the Metropolitan Council,~~ or by an estimate made by the state demographer
7.9 under section 4A.02, whichever has the latest stated date of count or estimate.

7.10 Sec. 8. Minnesota Statutes 2016, section 10A.01, subdivision 35, is amended to read:

7.11 Subd. 35. **Public official.** "Public official" means any:

7.12 (1) member of the legislature;

7.13 (2) individual employed by the legislature as secretary of the senate, legislative auditor,
7.14 chief clerk of the house of representatives, revisor of statutes, or researcher, legislative
7.15 analyst, fiscal analyst, or attorney in the Office of Senate Counsel, Research, and Fiscal
7.16 Analysis, House Research, or the House Fiscal Analysis Department;

7.17 (3) constitutional officer in the executive branch and the officer's chief administrative
7.18 deputy;

7.19 (4) solicitor general or deputy, assistant, or special assistant attorney general;

7.20 (5) commissioner, deputy commissioner, or assistant commissioner of any state
7.21 department or agency as listed in section 15.01 or 15.06, or the state chief information
7.22 officer;

7.23 (6) member, chief administrative officer, or deputy chief administrative officer of a state
7.24 board or commission that has either the power to adopt, amend, or repeal rules under chapter
7.25 14, or the power to adjudicate contested cases or appeals under chapter 14;

7.26 (7) individual employed in the executive branch who is authorized to adopt, amend, or
7.27 repeal rules under chapter 14 or adjudicate contested cases under chapter 14;

7.28 (8) executive director of the State Board of Investment;

7.29 (9) deputy of any official listed in clauses (7) and (8);

7.30 (10) judge of the Workers' Compensation Court of Appeals;

(11) administrative law judge or compensation judge in the State Office of Administrative Hearings or unemployment law judge in the Department of Employment and Economic Development;

~~(12) member, regional administrator, division director, general counsel, or operations manager of the Metropolitan Council;~~

~~(13)~~ (12) member or chief administrator of a metropolitan agency;

~~(14)~~ (13) director of the Division of Alcohol and Gambling Enforcement in the Department of Public Safety;

~~(15)~~ (14) member or executive director of the Higher Education Facilities Authority;

~~(16)~~ (15) member of the board of directors or president of Enterprise Minnesota, Inc.;

~~(17)~~ (16) member of the board of directors or executive director of the Minnesota State High School League;

~~(18)~~ (17) member of the Minnesota Ballpark Authority established in section 473.755;

~~(19)~~ (18) citizen member of the Legislative-Citizen Commission on Minnesota Resources;

~~(20)~~ (19) manager of a watershed district, or member of a watershed management organization as defined under section 103B.205, subdivision 13;

~~(21)~~ (20) supervisor of a soil and water conservation district;

~~(22)~~ (21) director of Explore Minnesota Tourism;

~~(23)~~ (22) citizen member of the Lessard-Sams Outdoor Heritage Council established in section 97A.056;

~~(24)~~ (23) citizen member of the Clean Water Council established in section 114D.30;

~~(25)~~ (24) member or chief executive of the Minnesota Sports Facilities Authority established in section 473J.07;

~~(26)~~ (25) district court judge, appeals court judge, or Supreme Court justice;

~~(27)~~ (26) county commissioner;

~~(28)~~ (27) member of the Greater Minnesota Regional Parks and Trails Commission; or

~~(29)~~ (28) member of the Destination Medical Center Corporation established in section 469.41.

9.1 Sec. 9. Minnesota Statutes 2016, section 13.201, is amended to read:

9.2 **13.201 RIDESHARE DATA.**

9.3 The following data on participants, collected by the Minnesota Department of
9.4 Transportation and the Metropolitan Council to administer rideshare programs, are classified
9.5 as private under section 13.02, subdivision 12: residential address and telephone number;
9.6 beginning and ending work hours; current mode of commuting to and from work; and type
9.7 of rideshare service information requested.

9.8 Sec. 10. Minnesota Statutes 2016, section 13.685, is amended to read:

9.9 **13.685 MUNICIPAL UTILITY CUSTOMER DATA.**

9.10 Data on customers of municipal electric utilities are private data on individuals or
9.11 nonpublic data, but may be released to:

9.12 (1) a law enforcement agency that requests access to the data in connection with an
9.13 investigation;

9.14 (2) a school for purposes of compiling pupil census data;

9.15 ~~(3) the Metropolitan Council for use in studies or analyses required by law;~~

9.16 ~~(4)~~ (3) a public child support authority for purposes of establishing or enforcing child
9.17 support; or

9.18 ~~(5)~~ (4) a person where use of the data directly advances the general welfare, health, or
9.19 safety of the public; the commissioner of administration may issue advisory opinions
9.20 construing this clause pursuant to section 13.072.

9.21 Sec. 11. Minnesota Statutes 2016, section 13.72, subdivision 9, is amended to read:

9.22 Subd. 9. **Rideshare data.** The following data on participants, collected by the Minnesota
9.23 Department of Transportation and the Metropolitan Council to administer rideshare programs,
9.24 are classified as private under section 13.02, subdivision 12: residential address and telephone
9.25 number; beginning and ending work hours; current mode of commuting to and from work;
9.26 and type of rideshare service information requested.

9.27 Sec. 12. Minnesota Statutes 2016, section 15.0597, subdivision 1, is amended to read:

9.28 Subdivision 1. **Definitions.** As used in this section, the following terms shall have the
9.29 meanings given them.

(a) "Agency" means (1) a state board, commission, council, committee, authority, task force, including an advisory task force created under section 15.014 or 15.0593, a group created by executive order of the governor, or other similar multimember agency created by law and having statewide jurisdiction; and (2) ~~the Metropolitan Council~~, a metropolitan agency, Capitol Area Architectural and Planning Board, and any agency with a regional jurisdiction created in this state pursuant to an interstate compact.

(b) "Vacancy" or "vacant agency position" means (1) a vacancy in an existing agency, or (2) a new, unfilled agency position. Vacancy includes a position that is to be filled through appointment of a nonlegislator by a legislator or group of legislators; vacancy does not mean (1) a vacant position on an agency composed exclusively of persons employed by a political subdivision or another agency, or (2) a vacancy to be filled by a person required to have a specific title or position.

(c) "Secretary" means the secretary of state.

Sec. 13. Minnesota Statutes 2016, section 15.0599, subdivision 1, is amended to read:

Subdivision 1. **Applicability.** For purposes of this section, "agency" means:

(1) a state board, commission, council, committee, authority, task force, including an advisory task force established under section 15.014 or 15.0593, other multimember agency, however designated, established by statute or order and having statewide jurisdiction;

(2) ~~the Metropolitan Council established by section 473.123~~, a metropolitan agency as defined in section 473.121, subdivision 5a, or a multimember body, however designated, appointed by ~~the Metropolitan Council~~ or a metropolitan agency if the membership includes at least one person who is not a member of the ~~council~~ or the agency;

(3) a multimember body whose members are appointed by the legislature if the body has at least one nonlegislative member; and

(4) any other multimember body established by law with at least one appointed member, without regard to the appointing authority.

"Secretary" means the secretary of state.

Sec. 14. Minnesota Statutes 2016, section 15A.0815, subdivision 3, is amended to read:

Subd. 3. **Group II salary limits.** The salary for a position listed in this subdivision shall not exceed 120 percent of the salary of the governor. This limit must be adjusted annually on January 1. The new limit must equal the limit for the prior year increased by the percentage

11.1 increase, if any, in the Consumer Price Index for all urban consumers from October of the
11.2 second prior year to October of the immediately prior year. The commissioner of management
11.3 and budget must publish the limit on the department's Web site. This subdivision applies
11.4 to the following positions:

- 11.5 Executive director of Gambling Control Board;
- 11.6 Commissioner, Iron Range Resources and Rehabilitation Board;
- 11.7 Commissioner, Bureau of Mediation Services;
- 11.8 Ombudsman for Mental Health and Developmental Disabilities;
- 11.9 ~~Chair, Metropolitan Council;~~
- 11.10 School trust lands director;
- 11.11 Executive director of pari-mutuel racing; and
- 11.12 Commissioner, Public Utilities Commission.

11.13 Sec. 15. Minnesota Statutes 2016, section 15B.11, subdivision 3, is amended to read:

11.14 Subd. 3. **Data classification and use.** (a) The advisory committee's comments and
11.15 criticism under subdivision 1 are public data under section 13.03, subdivision 1.

11.16 (b) To advise the board on all architectural and planning matters, the advisory committee
11.17 must be kept current about, and have access to, all data relating to the Capitol Area as the
11.18 data is developed or being prepared. Some examples of these types of data are plans, studies,
11.19 reports, and proposals.

11.20 (c) The obligation under paragraph (b) extends to data developed or being prepared by
11.21 (1) the commissioner of administration; (2) the commissioner of employment and economic
11.22 development; (3) ~~the Metropolitan Council;~~ (4) the city of St. Paul; or ~~(5)~~ (4) one who is
11.23 an architect, planner, agency, or organization and who is engaged in any work or planning
11.24 relating to the Capitol Area.

11.25 (d) Paragraph (c), clause ~~(5)~~ (4), applies to all the developers or preparers whether they
11.26 are public or private and whether or not they are retained by the board.

11.27 (e) If the data described in paragraph (b) is from a public employee or public agency it
11.28 must be filed with the board promptly after it is prepared.

11.29 (f) The board may employ a reasonable amount of clerical and technical help to assist
11.30 the committee to do its duties.

12.1 (g) When directed by the board, the advisory committee may serve as, or any of its
12.2 members may serve on, the jury for a competition or as the architectural advisor for a
12.3 competition under section 15B.10.

12.4 (h) The board must get the advice of its advisory committee before selecting the
12.5 architectural advisor or jurors for a competition.

12.6 Sec. 16. Minnesota Statutes 2016, section 16A.88, subdivision 2, is amended to read:

12.7 Subd. 2. **Metropolitan area transit account.** The metropolitan area transit account is
12.8 established within the transit assistance fund in the state treasury. All money in the account
12.9 is annually appropriated to the ~~Metropolitan Council~~ commissioner of transportation for
12.10 the funding of transit systems within the metropolitan area under sections 473.384, 473.386,
12.11 473.387, 473.388, and 473.405 to 473.449.

12.12 Sec. 17. Minnesota Statutes 2016, section 16C.073, subdivision 1, is amended to read:

12.13 Subdivision 1. **Definitions.** The definitions in this subdivision apply to this section.

12.14 (a) "Copier paper" means paper purchased for use in copying machines.

12.15 (b) "Office paper" means notepads, loose-leaf fillers, tablets, and other paper commonly
12.16 used in offices.

12.17 (c) "Postconsumer material" means a finished material that would normally be discarded
12.18 as a solid waste, having completed its life cycle as a consumer item.

12.19 (d) "Practicable" means capable of being used, consistent with performance, in accordance
12.20 with applicable specifications, and availability within a reasonable time.

12.21 (e) "Printing paper" means paper designed for printing, other than newsprint, such as
12.22 offset and publication paper.

12.23 (f) "Public entity" means the state, an office, agency, or institution of the state, ~~the~~
12.24 ~~Metropolitan Council~~, a metropolitan agency, the Metropolitan Mosquito Control District,
12.25 the legislature, the courts, a county, a statutory or home rule charter city, a town, a school
12.26 district, another special taxing district, or any contractor acting pursuant to a contract with
12.27 a public entity.

12.28 (g) "Soy-based ink" means printing ink made from soy oil.

12.29 (h) "Uncoated" means not coated with plastic, clay, or other material used to create a
12.30 glossy finish.

13.1 Sec. 18. Minnesota Statutes 2016, section 16C.285, subdivision 1, is amended to read:

13.2 Subdivision 1. **Definitions.** (a) For purposes of this section, the terms defined in this
13.3 subdivision have the meanings given them.

13.4 (b) "Construction contract" means a contract or subcontract of any tier for work on a
13.5 project.

13.6 (c) "Contractor" means a prime contractor or subcontractor or motor carrier, and does
13.7 not include a design professional or a material supplier. A "design professional" is a business
13.8 or natural person retained to perform services on the project for which licensure is required
13.9 by section 326.02. A "material supplier" is a business or natural person that supplies
13.10 materials, equipment, or supplies to a subcontractor or contractor on a project, including
13.11 performing delivery or unloading services in connection with the supply of materials,
13.12 equipment, or supplies; provided, however, that a material supplier does not include a natural
13.13 person or business that delivers mineral aggregate such as sand, gravel, or stone that is
13.14 incorporated into the work under the contract by depositing the material substantially in
13.15 place, directly or through spreaders, from the transporting vehicle.

13.16 (d) "Contracting authority" means a state agency, the Minnesota State Colleges and
13.17 Universities, the University of Minnesota, ~~the Metropolitan Council~~, the Metropolitan
13.18 Airports Commission, or a municipality that enters into a construction contract or authorizes
13.19 or directs entering into a construction contract.

13.20 (e) "Motor carrier" means a business or natural person providing for-hire transportation
13.21 of materials, equipment, or supplies for a project.

13.22 (f) "Municipality" means a county, town, home rule charter or statutory city, school
13.23 district, housing and redevelopment authority, port authority, economic development
13.24 authority, sports facilities authority, joint powers board or organization created under section
13.25 471.59 or other statute, special district, instrumentality, drainage authority, watershed district,
13.26 destination medical center corporation, or other municipal corporation or political subdivision
13.27 of the state authorized by law to enter into contracts.

13.28 (g) "Prime contractor" means a vendor that submits a bid or proposal or otherwise
13.29 responds to a solicitation document of a contracting authority for work on a project or is
13.30 awarded a construction contract by a contracting authority for work on a project. A prime
13.31 contractor includes a construction manager for purposes of this section.

13.32 (h) "Principal" means an owner holding at least a 25 percent ownership interest in a
13.33 business.

14.1 (i) "Project" means building, erection, construction, alteration, remodeling, demolition,
14.2 or repair of buildings, real property, highways, roads, bridges, or other construction work
14.3 performed pursuant to a construction contract.

14.4 (j) "Related entity" means:

14.5 (1) a firm, partnership, corporation, joint venture, or other legal entity substantially under
14.6 the control of a contractor or vendor;

14.7 (2) a predecessor corporation or other legal entity having one or more of the same
14.8 principals as the contractor or vendor;

14.9 (3) a subsidiary of a contractor or vendor;

14.10 (4) one or more principals of a contractor or vendor; and

14.11 (5) a person, firm, partnership, corporation, joint venture, or other legal entity that
14.12 substantially controls a contractor or vendor.

14.13 (k) "Solicitation document" means an invitation to bid, bid specifications, request for
14.14 proposals, request for qualifications, or other solicitation of contractors for purposes of a
14.15 construction contract.

14.16 (l) "Subcontractor" means a vendor that seeks to enter into a subcontract or enters into
14.17 a subcontract for work on a project.

14.18 (m) "Vendor" means a business, including a construction contractor or a natural person,
14.19 and includes both if the natural person is engaged in a business.

14.20 Sec. 19. Minnesota Statutes 2016, section 43A.346, subdivision 1, is amended to read:

14.21 Subdivision 1. **Definition.** For purposes of this section, "terminated state employee"
14.22 means a person who occupied a civil service position in the executive or legislative branch
14.23 of state government, the Minnesota State Retirement System, the Public Employees
14.24 Retirement Association, the Office of the Legislative Auditor, or a person who was employed
14.25 by the former Metropolitan Council.

14.26 Sec. 20. Minnesota Statutes 2016, section 43A.346, subdivision 2, is amended to read:

14.27 Subd. 2. **Eligibility.** (a) This section applies to a terminated state employee who:

14.28 (1) for at least the five years immediately preceding separation under clause (2), was
14.29 regularly scheduled to work 1,044 or more hours per year in a position covered by a pension

15.1 plan administered by the Minnesota State Retirement System or the Public Employees
15.2 Retirement Association;

15.3 (2) terminated state or former Metropolitan Council employment;

15.4 (3) at the time of termination under clause (2), met the age and service requirements
15.5 necessary to receive an unreduced retirement annuity from the plan and satisfied requirements
15.6 for the commencement of the retirement annuity or, for a terminated employee under the
15.7 unclassified employees retirement plan, met the age and service requirements necessary to
15.8 receive an unreduced retirement annuity from the plan and satisfied requirements for the
15.9 commencement of the retirement annuity or elected a lump-sum payment; and

15.10 (4) agrees to accept a postretirement option position with the same or a different
15.11 appointing authority, working a reduced schedule that is both (i) a reduction of at least 25
15.12 percent from the employee's number of previously regularly scheduled work hours; and (ii)
15.13 1,044 hours or less in state or former Metropolitan Council service.

15.14 (b) For purposes of this section, an unreduced retirement annuity includes a retirement
15.15 annuity computed under a provision of law which permits retirement, without application
15.16 of an earlier retirement reduction factor, whenever age plus years of allowable service total
15.17 at least 90.

15.18 (c) For purposes of this section, as it applies to state employees who are members of the
15.19 Public Employees Retirement Association who are at least age 62, the length of separation
15.20 requirement and termination of service requirement prohibiting return to work agreements
15.21 under section 353.01, subdivisions 11a and 28, are not applicable.

15.22 Sec. 21. Minnesota Statutes 2016, section 47.52, is amended to read:

15.23 **47.52 AUTHORIZATION.**

15.24 (a) With the prior approval of the commissioner, any bank doing business in this state
15.25 may establish and maintain detached facilities provided the facilities are located within: (1)
15.26 the municipality in which the principal office of the applicant bank is located; or (2) 5,000
15.27 feet of its principal office measured in a straight line from the closest points of the closest
15.28 structures involved; or (3) a municipality in which no bank is located at the time of
15.29 application; or (4) a municipality having a population of more than 10,000; or (5) a
15.30 municipality having a population of 10,000 or less, as determined by the commissioner
15.31 from the latest available data from the state demographer, ~~or for municipalities located in~~
15.32 ~~the seven-county metropolitan area from the Metropolitan Council~~, and all the banks having

16.1 a principal office in the municipality have consented in writing to the establishment of the
16.2 facility.

16.3 (b) A detached facility shall not be closer than 50 feet to a detached facility operated by
16.4 any other bank and shall not be closer than 100 feet to the principal office of any other bank,
16.5 the measurement to be made in the same manner as provided above. This paragraph shall
16.6 not be applicable if the proximity to the facility or the bank is waived in writing by the other
16.7 bank and filed with the application to establish a detached facility.

16.8 (c) A bank is allowed, in addition to other facilities, part-time deposit-taking locations
16.9 at elementary and secondary schools located within the municipality in which the main
16.10 banking house or a detached facility is located if they are established in connection with
16.11 student education programs approved by the school administration and consistent with safe,
16.12 sound banking practices.

16.13 (d) In addition to other facilities, a bank may operate part-time locations at nursing
16.14 homes and senior citizen housing facilities located within the municipality in which the
16.15 main banking house or a detached facility is located, or within the seven-county metropolitan
16.16 area if the bank's main banking facility or a detached facility is located within the
16.17 seven-county metropolitan area, if they are operated in a manner consistent with safe, sound
16.18 banking practices.

16.19 Sec. 22. Minnesota Statutes 2016, section 65B.43, subdivision 20, is amended to read:

16.20 Subd. 20. **Political subdivision.** "Political subdivision" means any statutory or home
16.21 rule charter city; county; town; school district; or ~~metropolitan council, board or~~ commission,
16.22 or metropolitan agency operating under chapter 473.

16.23 Sec. 23. Minnesota Statutes 2016, section 85.016, is amended to read:

16.24 **85.016 BICYCLE TRAIL PROGRAM.**

16.25 The commissioner of natural resources shall establish a program for the development
16.26 of bicycle trails utilizing the state trails authorized by section 85.015, other state parks and
16.27 recreation land, and state forests. "Bicycle trail," as used in this section, has the meaning
16.28 given in section 169.011. The program shall be coordinated with the local park trail grant
16.29 program established by the commissioner pursuant to section 85.019, with the bikeway
16.30 program established by the commissioner of transportation pursuant to section 160.265,
16.31 and with existing and proposed local bikeways. ~~In the metropolitan area as defined in section~~
16.32 ~~473.121, the program shall be developed in accordance with plans and priorities established~~

17.1 ~~by the Metropolitan Council.~~ The commissioner shall provide technical assistance to local
17.2 units of government in planning and developing bicycle trails in local parks. The bicycle
17.3 trail program shall, as a minimum, describe the location, design, construction, maintenance,
17.4 and land acquisition needs of each component trail and shall give due consideration to the
17.5 model standards for the establishment of recreational vehicle lanes promulgated by the
17.6 commissioner of transportation pursuant to section 160.262. The program shall be developed
17.7 after consultation with the state trail council and regional and local units of government and
17.8 bicyclist organizations.

17.9 Sec. 24. Minnesota Statutes 2016, section 85.017, is amended to read:

17.10 **85.017 TRAIL REGISTRY.**

17.11 The commissioner of natural resources shall compile and maintain a current registry of
17.12 cross-country skiing, hiking, horseback riding and snowmobiling trails in the state and shall
17.13 publish and distribute the information in the manner prescribed in section 86A.11. The
17.14 ~~Metropolitan Council,~~ the commissioner of employment and economic development, the
17.15 Minnesota Historical Society, and local units of government shall cooperate with and assist
17.16 the commissioner in preparing the registry.

17.17 Sec. 25. Minnesota Statutes 2016, section 85.53, subdivision 3, is amended to read:

17.18 Subd. 3. **Metropolitan area distribution formula.** Money appropriated from the parks
17.19 and trails fund to the ~~Metropolitan Council~~ commissioner of natural resources for
17.20 metropolitan area parks and trails shall be distributed to implementing agencies, as defined
17.21 in section 473.351, subdivision 1, paragraph (a), as grants according to the following formula:

17.22 (1) 45 percent of the money must be disbursed according to the allocation formula in
17.23 section 473.351, subdivision 3, to each implementing agency;

17.24 (2) 31.5 percent of the money must be distributed based on each implementing agency's
17.25 relative share of the most recent estimate of the population of the metropolitan area;

17.26 (3) 13.5 percent of the money must be distributed based on each implementing agency's
17.27 relative share of nonlocal visits based on the most recent user visitation survey conducted
17.28 by the Metropolitan ~~Council~~ Parks and Open Space Commission; and

17.29 (4) ten percent of the money must be distributed as grants to implementing agencies for
17.30 land acquisition within Metropolitan ~~Council~~ Parks and Open Space Commission approved
17.31 regional parks and trails master plan boundaries under the ~~council's~~ commissioner's park
17.32 acquisition opportunity grant program. The ~~Metropolitan Council~~ commission must provide

18.1 a match of \$2 of the ~~council's~~ commission's park bonds for every \$3 of state funds for the
18.2 park acquisition opportunity grant program.

18.3 Sec. 26. Minnesota Statutes 2016, section 103B.155, is amended to read:

18.4 **103B.155 STATE WATER AND RELATED LAND RESOURCE PLAN.**

18.5 The commissioner of natural resources, in cooperation with other state and federal
18.6 agencies, regional development commissions, ~~the Metropolitan Council~~, local governmental
18.7 units, and citizens, shall prepare a statewide framework and assessment water and related
18.8 land resources plan for presentation to the legislature by November 15, 1975, for its review
18.9 and approval or disapproval. This plan must relate each of the programs of the Department
18.10 of Natural Resources for specific aspects of water management to the others. The statewide
18.11 plan must include:

18.12 (1) regulation of improvements and land development by abutting landowners of the
18.13 beds, banks, and shores of lakes, streams, watercourses, and marshes by permit or otherwise
18.14 to preserve them for beneficial use;

18.15 (2) regulation of construction of improvements on and prevention of encroachments in
18.16 the floodplains of the rivers, streams, lakes, and marshes of the state;

18.17 (3) reclamation or filling of wet and overflowed lands;

18.18 (4) repair, improvement, relocation, modification or consolidation in whole or in part
18.19 of previously established public drainage systems within the state;

18.20 (5) preservation of wetland areas;

18.21 (6) management of game and fish resources as related to water resources;

18.22 (7) control of water weeds;

18.23 (8) control or alleviation of damages by flood waters;

18.24 (9) alteration of stream channels for conveyance of surface waters, navigation, and any
18.25 other public purposes;

18.26 (10) diversion or changing of watercourses in whole or in part;

18.27 (11) regulation of the flow of streams and conservation of their waters;

18.28 (12) regulation of lake water levels;

18.29 (13) maintenance of water supply for municipal, domestic, industrial, recreational,
18.30 agricultural, aesthetic, wildlife, fishery, or other public use;

19.1 (14) sanitation and public health and regulation of uses of streams, ditches, or
19.2 watercourses to dispose of waste and maintain water quality;

19.3 (15) preventive or remedial measures to control or alleviate land and soil erosion and
19.4 siltation of affected watercourses or bodies of water;

19.5 (16) regulation of uses of water surfaces; and

19.6 (17) identification of high priority regions for wetland preservation, enhancement,
19.7 restoration, and establishment.

19.8 Sec. 27. Minnesota Statutes 2016, section 103B.231, subdivision 3a, is amended to read:

19.9 Subd. 3a. **Priority schedule.** (a) The Board of Water and Soil Resources in consultation
19.10 with the state review agencies ~~and the Metropolitan Council~~ may develop a priority schedule
19.11 for the revision of plans required under this chapter.

19.12 (b) The prioritization should be based on but not be limited to status of current plan,
19.13 scheduled revision dates, anticipated growth and development, existing and potential
19.14 problems, and regional water quality goals and priorities.

19.15 (c) The schedule will be used by the Board of Water and Soil Resources in consultation
19.16 with the state review agencies ~~and the Metropolitan Council~~ to direct watershed management
19.17 organizations of when they will be required to revise their plans.

19.18 (d) In the event that a plan expires prior to notification from the Board of Water and
19.19 Soil Resources under this section, the existing plan, authorities, and official controls of a
19.20 watershed management organization shall remain in full force and effect until a revision is
19.21 approved.

19.22 (e) Watershed management organizations submitting plans and draft plan amendments
19.23 for review prior to the board's priority review schedule, may proceed to adopt and implement
19.24 the plan revisions without formal board approval if the board fails to adjust its priority
19.25 review schedule for plan review, and commence its statutory review process within 45 days
19.26 of submittal of the plan revision or amendment.

19.27 Sec. 28. Minnesota Statutes 2016, section 103B.231, subdivision 7, is amended to read:

19.28 Subd. 7. **Review of draft plan.** (a) Upon completion of the plan but before final adoption
19.29 by the organization, the organization must submit the draft plan for a 60-day review and
19.30 comment period to all counties, ~~the Metropolitan Council~~, the state review agencies, the
19.31 Board of Water and Soil Resources, soil and water conservation districts, towns, and statutory

and home rule charter cities having territory within the watershed. A local government unit that expects that substantial amendment of its local comprehensive plan will be necessary to bring local water management into conformance with the watershed plan must describe as specifically as possible, within its comments, the amendments to the local plan that it expects will be necessary. If the county has a groundwater plan, the county must review and comment on the consistency of the watershed plan with the county groundwater plan. Differences among local governmental agencies regarding the plan must be mediated. ~~Notwithstanding sections 103D.401, 103D.405, and 473.165, the council shall review the plan in the same manner and with the same authority and effect as provided for the council's review of the comprehensive plans of local government units under section 473.175. The council shall comment on the apparent conformity with metropolitan system plans of any anticipated amendments to local comprehensive plans. The council shall advise the Board of Water and Soil Resources on whether the plan conforms with the management objectives and target pollution loads stated in the council's water resources plan and shall recommend changes in the plan that would satisfy the council's plan.~~

(b) The watershed management organization must respond in writing to any concerns expressed by the review agencies at least ten days before the public hearing.

(c) The watershed management organization must hold a public hearing on the draft plan no sooner than 14 days after the 60-day review period of the draft plan. The board or boards of the affected counties shall approve or disapprove projects in the capital improvement program which may require the provision of county funds pursuant to section 103B.251 or 103D.901, subdivision 2. Each county has up until the date of the public hearing on the draft plan to complete its review of the capital improvement program. If the county fails to complete its review within the prescribed period, unless an extension is agreed to by the organization the program shall be deemed approved. If the watershed extends into more than one county and one or more counties disapprove of all or part of a capital improvement program while the other county or counties approve, the program shall be submitted to the Board of Water and Soil Resources for review pursuant to subdivision 9.

Sec. 29. Minnesota Statutes 2016, section 103B.231, subdivision 9, is amended to read:

Subd. 9. **Approval by board.** After completion of the review under subdivision 7, the draft plan, any amendments thereto, all written comments received on the draft plan, a record of the public hearing, and a summary of changes incorporated as a result of the review process shall be submitted to ~~the Metropolitan Council~~, the state review agencies, and the Board of Water and Soil Resources for final review. The board shall review the plan for

21.1 conformance with the requirements of sections 103B.205 to 103B.255, and chapter 103D.
21.2 The board shall not prescribe a plan, but may disapprove all or parts of a plan which it
21.3 determines is not in conformance with the requirements of sections 103B.205 to 103B.255,
21.4 and chapter 103D. If the capital improvement program is the subject of a dispute between
21.5 counties, the Board of Water and Soil Resources shall make a final decision on the issue.
21.6 The decision shall be binding on the organization and the counties involved. The board shall
21.7 complete its review under this section within 90 days.

21.8 Sec. 30. Minnesota Statutes 2016, section 103B.231, subdivision 11, is amended to read:

21.9 Subd. 11. **Amendments.** To the extent and in the manner required by the adopted plan,
21.10 all amendments to the adopted plan shall be submitted to the towns, cities, county, ~~the~~
21.11 ~~Metropolitan Council~~, the state review agencies, and the Board of Water and Soil Resources
21.12 for review in accordance with the provisions of subdivisions 7 and 9. Amendments necessary
21.13 to revise the plan to be consistent with the county groundwater plan, as required by
21.14 subdivision 4, must be submitted for review in accordance with subdivisions 7 and 9. Minor
21.15 amendments to a plan shall be reviewed in accordance with standards prescribed in the
21.16 watershed management plan.

21.17 Sec. 31. Minnesota Statutes 2016, section 103B.235, subdivision 3, is amended to read:

21.18 Subd. 3. **Review.** After consideration but before adoption by the governing body, each
21.19 local unit shall submit its water management plan to the watershed management organization
21.20 for review for consistency with the watershed plan adopted pursuant to section 103B.231.
21.21 If the county or counties having territory within the local unit have a state-approved and
21.22 locally adopted groundwater plan, the local unit shall submit its plan to the county or counties
21.23 for review. The county or counties have 45 days to review and comment on the plan. The
21.24 organization shall approve or disapprove the local plan or parts of the plan. The organization
21.25 shall have 60 days to complete its review; ~~provided, however, that the watershed management~~
21.26 ~~organization shall, as part of its review, take into account the comments submitted to it by~~
21.27 ~~the Metropolitan Council pursuant to subdivision 3a.~~ If the organization fails to complete
21.28 its review within the prescribed period, the local plan shall be deemed approved unless an
21.29 extension is agreed to by the local unit.

21.30 Sec. 32. Minnesota Statutes 2016, section 103B.255, subdivision 8, is amended to read:

21.31 Subd. 8. **Review of the draft plan.** (a) Upon completion of the groundwater plan but
21.32 before final adoption by the county, the county shall submit the draft plan for a 60-day
21.33 review and comment period to adjoining counties, ~~the Metropolitan Council~~, the state review

agencies, the Board of Water and Soil Resources, each soil and water conservation district, town, statutory and home rule charter city, and watershed management organization having territory within the county. The county also shall submit the plan to any other county or watershed management organization or district in the affected groundwater system that could affect or be affected by implementation of the plan. Any political subdivision or watershed management organization that expects that substantial amendment of its plans would be necessary in order to bring them into conformance with the county groundwater plan shall describe as specifically as possible, within its comments, the amendments that it expects would be necessary and the cost of amendment and implementation. Reviewing entities have 60 days to review and comment. Differences among local governmental agencies regarding the plan must be mediated. ~~Notwithstanding sections 103D.401, 103D.405, and 473.165, the council shall review the plan in the same manner and with the same authority and effect as provided in section 473.175 for review of the comprehensive plans of local government units. The council shall comment on the apparent conformity with metropolitan system plans of any anticipated amendments to watershed plans and local comprehensive plans. The council shall advise the Board of Water and Soil Resources on whether the plan conforms with the management objectives stated in the council's water resources plan and shall recommend changes in the plan that would satisfy the council's plan.~~

(b) The county must respond in writing to any concerns expressed by the reviewing agencies within 30 days of receipt thereof.

(c) The county shall hold a public hearing on the draft plan no sooner than 30 days and no later than 45 days after the 60-day review period of the draft plan.

Sec. 33. Minnesota Statutes 2016, section 103B.255, subdivision 9, is amended to read:

Subd. 9. Review by Metropolitan Council and state agencies. After completion of the review under subdivision 8, the draft plan, any amendments thereto, all written comments received on the plan, a record of the public hearing, and a summary of changes incorporated as part of the review process must be submitted to ~~the Metropolitan Council~~, the state review agencies; and the Board of Water and Soil Resources for final review. The state review agencies shall review and comment on the consistency of the plan with state laws and rules relating to water and related land resources. The state review agencies shall forward their comments to the board within 45 days after they receive the final review draft of the plan. A state review agency may request and receive up to a 30-day extension of this review period from the board.

23.1 Sec. 34. Minnesota Statutes 2016, section 103B.255, subdivision 12, is amended to read:

23.2 Subd. 12. **Amendments.** To the extent and in the manner required by the adopted plan,
23.3 all amendments to the adopted plan must be submitted to the towns, cities, counties, ~~the~~
23.4 ~~Metropolitan Council~~, the state review agencies, and the Board of Water and Soil Resources
23.5 for review in accordance with the provisions of subdivisions 8 to 10.

23.6 Sec. 35. Minnesota Statutes 2016, section 103D.401, is amended to read:

23.7 **103D.401 WATERSHED MANAGEMENT PLAN.**

23.8 Subdivision 1. **Contents.** ~~(a)~~ The managers must adopt a watershed management plan
23.9 for any or all of the purposes for which a watershed district may be established. The
23.10 watershed management plan must give a narrative description of existing water and
23.11 water-related problems within the watershed district, possible solutions to the problems,
23.12 and the general objectives of the watershed district. The watershed management plan must
23.13 also conform closely with watershed management plan guidelines as adopted and amended
23.14 from time to time by the Board of Water and Soil Resources.

23.15 ~~(b)~~ The watershed management plan may include a separate section on proposed projects.
23.16 ~~If the watershed district is within the metropolitan area, the separate section of proposed~~
23.17 ~~projects or petitions for projects to be undertaken according to the watershed management~~
23.18 ~~plan is a comprehensive plan of the watershed district for purposes of review by the~~
23.19 ~~Metropolitan Council under section 473.165.~~

23.20 Subd. 2. **Review.** The managers must send a copy of the proposed watershed management
23.21 plan to the county auditor of each county affected by the watershed district, the board, the
23.22 commissioner, the director, the governing body of each municipality affected by the
23.23 watershed district, and soil and water conservation districts affected by the watershed district.
23.24 ~~For a watershed district within the metropolitan area, a copy of the proposed watershed~~
23.25 ~~management plan must also be submitted to the Metropolitan Council.~~

23.26 Subd. 3. **Director's and Metropolitan Council's recommendations.** After receiving
23.27 the watershed management plan, the director ~~and the Metropolitan Council~~ must review
23.28 and make recommendations on the watershed management plan. By 60 days after receiving
23.29 the plan, the director ~~and the Metropolitan Council~~ must send ~~their~~ recommendations on
23.30 the watershed management plan to the board and a copy to the managers of the watershed
23.31 district, the county auditor of each county affected by the watershed district, the governing
23.32 bodies of all municipalities affected by the watershed district, and soil and water conservation

24.1 districts affected by the watershed district. The board may extend the period for review and
24.2 transmittal of the recommendations.

24.3 Subd. 4. **Hearing notice.** (a) The board must give notice and hold a watershed
24.4 management plan hearing on the proposed watershed management plan by 45 days after
24.5 receiving the director's and ~~Metropolitan Council's~~ recommendations.

24.6 (b) The board must give notice of the watershed management plan hearing by publication
24.7 in a legal newspaper that is published in counties affected by the watershed district. The
24.8 last publication must occur at least ten days before the watershed management plan hearing.

24.9 (c) The board must give notice of the watershed management plan hearing by mail to
24.10 the auditors of counties and to the chief executive officials of municipalities affected by the
24.11 watershed district.

24.12 (d) The notice must include:

24.13 (1) a statement that a copy of the proposed watershed management plan has been filed
24.14 with the board, ~~the Metropolitan Council~~, where applicable, the auditors of counties affected
24.15 by the proposed watershed district, the commissioner, the director, the governing body of
24.16 each municipality affected by the watershed district, and the soil and water conservation
24.17 districts affected by the watershed district;

24.18 (2) a general description of the purpose of the watershed district;

24.19 (3) a general description of the property included in the watershed district;

24.20 (4) a general description of the proposed watershed management plan;

24.21 (5) the date, time, and location of the hearing; and

24.22 (6) a statement that all persons affected or interested in the watershed district may attend
24.23 and give statements at the watershed management plan hearing.

24.24 Subd. 5. **Board approval.** After the watershed management plan hearing, the board
24.25 must, by order, prescribe and approve a watershed management plan for the watershed
24.26 district. The board must send a copy of the order and approved watershed management plan
24.27 to the managers, the county board of each county affected by the watershed district, the
24.28 commissioner, the director, ~~the Metropolitan Council~~, where applicable, the governing body
24.29 of each municipality affected by the watershed district, and soil and water conservation
24.30 districts affected by the watershed district. The watershed management plan approved by
24.31 the board is the watershed management plan for the watershed district.

25.1 Sec. 36. Minnesota Statutes 2016, section 103D.405, subdivision 3, is amended to read:

25.2 Subd. 3. **Review.** The managers must send a copy of the revised watershed management
25.3 plan to the board, the county board and county auditor of each county affected by the
25.4 watershed district, the director, the governing body of each municipality affected by the
25.5 watershed district, and soil and water conservation districts affected by the watershed district;
25.6 ~~and the Metropolitan Council, if the watershed district is within the metropolitan area.~~

25.7 Sec. 37. Minnesota Statutes 2016, section 103D.405, subdivision 4, is amended to read:

25.8 Subd. 4. **Director's and Metropolitan Council's recommendations.** The director ~~and~~
25.9 ~~the Metropolitan Council, if applicable,~~ must review and make recommendations on the
25.10 revised watershed management plan. By 60 days after receiving the revised watershed
25.11 management plan unless the time is extended by the board, the director ~~and the council~~ must
25.12 send the recommendations on the revised watershed management plan to the board, and a
25.13 copy of the recommendations to the managers, the county auditor of each county affected
25.14 by the watershed district, the governing body of each municipality affected by the watershed
25.15 district, and soil and water conservation districts affected by the watershed district.

25.16 Sec. 38. Minnesota Statutes 2016, section 103D.405, subdivision 5, is amended to read:

25.17 Subd. 5. **Notice.** (a) The board must give notice and hold a revised watershed management
25.18 plan hearing on the proposed revised watershed management plan by 45 days after receiving
25.19 the director's ~~and Metropolitan Council's~~ recommendation.

25.20 (b) The board must give notice of the revised watershed management plan hearing by
25.21 publication in a legal newspaper published in counties affected by the watershed district.
25.22 The last publication must occur at least ten days before the revised watershed management
25.23 plan hearing.

25.24 (c) The board must give notice of the revised watershed management plan hearing by
25.25 mail to the auditors of counties and to the chief executive officials of municipalities affected
25.26 by the watershed district.

25.27 (d) The notice must include:

25.28 (1) a statement that a copy of the proposed revised watershed management plan has been
25.29 filed with the board, ~~the Metropolitan Council, where applicable,~~ the auditors of counties
25.30 affected by the proposed watershed district, the commissioner, the director, the governing
25.31 body of each municipality affected by the watershed district, and the soil and water
25.32 conservation districts affected by the watershed district;

- (2) a general description of the purpose of the watershed district;
- (3) a general description of the property included in the watershed district;
- (4) a general description of the proposed revised watershed management plan;
- (5) the date, time, and location of the hearing; and
- (6) a statement that all persons affected or interested in the watershed district may attend and give statements at the revised watershed management plan hearing.

Sec. 39. Minnesota Statutes 2016, section 103D.405, subdivision 6, is amended to read:

Subd. 6. **Board order.** After the revised watershed management plan hearing, the board must prescribe a revised watershed management plan for the watershed district. The board must send a copy of the order and approved revised watershed management plan to the managers, the county board of each county affected by the watershed district, the commissioner, the director, ~~the Metropolitan Council, where applicable,~~ and soil and water conservation districts affected by the watershed district. The revised watershed management plan approved by the board is the revised watershed management plan for the watershed district.

Sec. 40. Minnesota Statutes 2016, section 103G.293, is amended to read:

103G.293 STATEWIDE DROUGHT PLAN.

The commissioner shall establish a plan to respond to drought-related emergencies and to prepare a statewide framework for drought response. ~~The plan must consider metropolitan water supply plans of the Metropolitan Council prepared under section 473.1565.~~ The plan must provide a framework for implementing drought response actions in a staged approach related to decreasing levels of flows. Permits issued under section 103G.271 must provide conditions on water appropriation consistent with the drought response plan established by this section.

Sec. 41. Minnesota Statutes 2016, section 114C.25, is amended to read:

114C.25 GREEN STAR AWARD.

A regulated entity may display at a facility a "green star" award designed by the commissioner if:

- (1) the regulated entity qualifies for participation in the environmental improvement program under section 114C.22;

(2) the scope of the regulated entity's audit examines the facility's compliance with applicable environmental requirements;

(3) the regulated entity certifies that all violations that were identified in the audit of the facility were corrected within 90 days or within the time specified in an approved performance schedule or certifies that no violations were identified in the audit; and

(4) at least two years have elapsed since the final resolution of an enforcement action involving the regulated entity.

After consulting with each other, however, the commissioner or the county may issue an award if the enforcement action resulted from minor violations. ~~If the regulated entity is located in a metropolitan county, the commissioner and the county must also consult with the Metropolitan Council before issuing a green star award.~~

The award may be displayed for a period of two years from the time that the commissioner determines that the requirements of this section have been met. A facility submitting findings from its environmental management system is not eligible to receive an award unless the findings are part of an audit which examines the facility's compliance with applicable environmental requirements.

Sec. 42. Minnesota Statutes 2016, section 114D.30, subdivision 4, is amended to read:

Subd. 4. **Terms; compensation; removal.** The terms of members representing the state agencies ~~and the Metropolitan Council~~ are four years and are coterminous with the governor. The terms of other nonlegislative members of the council shall be as provided in section 15.059, subdivision 2. Members may serve until their successors are appointed and qualify. Compensation and removal of nonlegislative council members is as provided in section 15.059, subdivisions 3 and 4. Compensation of legislative members is as determined by the appointing authority. The Pollution Control Agency may reimburse legislative members for expenses. A vacancy on the council may be filled by the appointing authority provided in subdivision 1 for the remainder of the unexpired term.

Sec. 43. Minnesota Statutes 2016, section 116M.15, subdivision 1, is amended to read:

Subdivision 1. **Membership.** The Minnesota Emerging Entrepreneur Board is created and consists of the commissioner of employment and economic development, the commissioner of human rights, ~~the chair of the Metropolitan Council~~, and 12 members from the general public appointed by the governor. Nine of the public members must be representatives from minority business enterprises. No more than six of the public members

may be of one gender. At least one member must be a representative from a veteran-owned business, and at least one member must be a representative from a business owned by a person with disabilities. Appointments must ensure balanced geographic representation. At least half of the public members must have experience working to address racial income disparities. All public members must be experienced in business or economic development.

Sec. 44. Minnesota Statutes 2016, section 118A.07, subdivision 1, is amended to read:

Subdivision 1. **Authority provided.** As used in this section, "governmental entity" means a city with a population in excess of 200,000, or a county that contains a city of that size, ~~or the Metropolitan Council~~. If a governmental entity meets the requirements of subdivisions 2 and 3, it may exercise additional investment authority under subdivisions 4, 5, and 6.

Sec. 45. Minnesota Statutes 2016, section 124D.892, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** (a) An Office of Desegregation/Integration is established in the Department of Education to coordinate and support activities related to student enrollment, student and staff recruitment and retention, transportation, and interdistrict cooperation among school districts.

(b) At the request of a school district involved in cooperative desegregation/integration efforts, the office shall perform any of the following activities:

(1) assist districts with interdistrict student transfers, including student recruitment, counseling, placement, and transportation;

(2) coordinate and disseminate information about schools and programs;

(3) assist districts with new magnet schools and programs;

(4) assist districts in providing staff development and in-service training; and

(5) coordinate and administer staff exchanges.

(c) The office shall collect data on the efficacy of districts' desegregation/integration efforts and make recommendations based on the data. ~~The office shall periodically consult with the Metropolitan Council to coordinate metropolitan school desegregation/integration efforts with the housing, social, economic, and infrastructure needs of the metropolitan area.~~ The office shall develop a process for resolving students' disputes and grievances about student transfers under a desegregation/integration plan.

29.1 Sec. 46. Minnesota Statutes 2016, section 134.201, subdivision 5, is amended to read:

29.2 Subd. 5. **General levy authority.** The board may levy for operation of public library
29.3 service. This levy shall replace levies for operation of public library service by cities and
29.4 counties authorized in section 134.07. The amount levied shall be spread on the net tax
29.5 capacity of all taxable property in the district at a uniform tax rate.

29.6 (a) The maximum amount that may be levied by a board under this section is the greater
29.7 of:

29.8 (1) the statewide average local support per capita for public library services for the most
29.9 recent reporting period available, as certified by the commissioner of education, multiplied
29.10 by the population of the district according to the most recent estimate of the state
29.11 demographer ~~or the Metropolitan Council~~; or

29.12 (2) the total amount provided by participating counties and cities under section 134.34,
29.13 subdivision 4, during the year preceding the first year of operation.

29.14 (b) For its first year of operation, the board shall levy an amount not less than the total
29.15 dollar amount provided by participating cities and counties during the preceding year under
29.16 section 134.34, subdivision 4.

29.17 Sec. 47. Minnesota Statutes 2016, section 145A.02, subdivision 16, is amended to read:

29.18 Subd. 16. **Population.** "Population" means the total number of residents of the state or
29.19 any city or county as established by the last federal census, by a special census taken by the
29.20 United States Bureau of the Census, or by the state demographer under section 4A.02, ~~or~~
29.21 ~~by an estimate of city population prepared by the Metropolitan Council~~, whichever is the
29.22 most recent as to the stated date of count or estimate.

29.23 Sec. 48. Minnesota Statutes 2016, section 160.265, subdivision 1, is amended to read:

29.24 Subdivision 1. **State bikeways.** The commissioner of transportation shall establish a
29.25 program for the development of bikeways primarily on existing road rights-of-way. The
29.26 program shall include a system of bikeways to be established, developed, maintained, and
29.27 operated by the commissioner of transportation and a system of state grants for the
29.28 development of local bikeways primarily on existing road rights-of-way. The program shall
29.29 be coordinated with the local park trail grant program pursuant to section 85.019, with the
29.30 bicycle trail program established by the commissioner of natural resources pursuant to
29.31 section 85.016, with the development of the statewide transportation plan pursuant to section
29.32 174.03, and with existing and proposed local bikeways. ~~In the metropolitan area as defined~~

30.1 ~~in section 473.121, the program shall be developed in accordance with plans and priorities~~
30.2 ~~established by the Metropolitan Council.~~ The program shall be developed after consultation
30.3 with the State Trail Council, local units of government, and bicyclist organizations. The
30.4 program shall be administered in accordance with the provisions of sections 160.262 to
30.5 160.264 and standards promulgated pursuant thereto. The commissioner shall compile and
30.6 maintain a current registry of bikeways in the state and shall publish and distribute the
30.7 information contained in the registry in a form and manner suitable to assist persons wishing
30.8 to use the bikeways. ~~The Metropolitan Council,~~ the commissioner of natural resources, the
30.9 commissioner of employment and economic development, the Minnesota Historical Society,
30.10 and local units of government shall cooperate with and assist the commissioner of
30.11 transportation in preparing the registry. The commissioner shall have all powers necessary
30.12 and convenient to establish the program pursuant to this section including but not limited
30.13 to the authority to adopt rules pursuant to chapter 14.

30.14 Sec. 49. Minnesota Statutes 2016, section 174.93, subdivision 2, is amended to read:

30.15 Subd. 2. **Legislative report.** (a) By January 15, 2012, and by November 15 in every
30.16 odd-numbered year thereafter, the commissioner shall prepare, ~~in collaboration with the~~
30.17 ~~Metropolitan Council,~~ and submit a report electronically to the chairs and ranking minority
30.18 members of the legislative committees with jurisdiction over transportation policy and
30.19 finance concerning the status of guideway projects (1) currently in study, planning,
30.20 development, or construction; (2) identified in the transportation policy plan under section
30.21 473.146; or (3) identified in the comprehensive statewide freight and passenger rail plan
30.22 under section 174.03, subdivision 1b.

30.23 (b) At a minimum, the report must include, for each guideway project:

30.24 (1) a brief description of the project, including projected ridership;

30.25 (2) a summary of the overall status and current phase of the project;

30.26 (3) a timeline that includes (i) project phases or milestones; (ii) expected and known
30.27 dates of commencement of each phase or milestone; and (iii) expected and known dates of
30.28 completion of each phase or milestone;

30.29 (4) a brief progress update on specific project phases or milestones completed since the
30.30 last previous submission of a report under this subdivision; and

30.31 (5) a summary financial plan that identifies, as reflected by the data and level of detail
30.32 available in the latest phase of project development and to the extent available:

(i) capital expenditures, including expenditures to date and total projected expenditures, with a breakdown by committed and proposed sources of funds for the project;

(ii) estimated annual operations and maintenance expenditures reflecting the level of detail available in the current phase of the project development, with a breakdown by committed and proposed sources of funds for the project; and

(iii) if feasible, project expenditures by budget activity.

(c) The report must also include a systemwide capacity analysis for investment in guideway expansion and maintenance that:

(1) provides a funding projection, annually over the ensuing ten years, and with a breakdown by committed and proposed sources of funds, of:

(i) total capital expenditures for guideways;

(ii) total operations and maintenance expenditures for guideways;

(iii) total funding available for guideways, including from projected or estimated farebox recovery; and

(iv) total funding available for transit service in the metropolitan area; and

(2) evaluates the availability of funds and distribution of sources of funds for guideway investments.

(d) The projection under paragraph (c), clause (1), must be for all guideway lines for which state funds are reasonably expected to be expended in planning, development, construction, or revenue operation during the ensuing ten years.

(e) Local units of government shall provide assistance and information in a timely manner as requested by the commissioner ~~or council~~ for completion of the report.

Sec. 50. Minnesota Statutes 2016, section 216C.145, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) "Community energy efficiency and renewable energy projects" means solar thermal water heating, solar electric or photovoltaic equipment, small wind energy conversion systems of less than 250 kW, anaerobic digester gas systems, microhydro systems up to 100 kW, heating and cooling applications using solar thermal or ground source technology, and cost-effective energy efficiency projects installed in industrial, commercial, or public buildings, or health care facilities.

(c) "Health care facilities" means a hospital licensed under sections 144.50 to 144.56, or a nursing home licensed under chapter 144A.

(d) "Industrial customer" means a business that is classified under the North American Industrial Classification System under codes 21, 31 to 33, 48, 49, or 562.

(e) "Small business" means a business that employs 50 or fewer employees.

(f) "Unit of local government" means any home rule charter or statutory city, county, commission, district, authority, or other political subdivision or instrumentality of this state, including a sanitary district, park district, ~~the Metropolitan Council~~, a port authority, an economic development authority, or a housing and redevelopment authority.

Sec. 51. Minnesota Statutes 2016, section 216C.15, subdivision 1, is amended to read:

Subdivision 1. **Priorities and requirements.** The commissioner shall maintain an emergency conservation and allocation plan. The plan shall provide a variety of strategies and staged conservation measures to reduce energy use and, in the event of an energy supply emergency, shall establish guidelines and criteria for allocation of fuels to priority users. The plan shall contain alternative conservation actions and allocation plans to reasonably meet various foreseeable shortage circumstances and allow a choice of appropriate responses. The plan shall be consistent with requirements of federal emergency energy conservation and allocation laws and regulations, shall be based on reasonable energy savings or transfers from scarce energy resources and shall:

(1) give priority to individuals, institutions, agriculture, businesses, and public transit under contract with the commissioner of transportation ~~or the Metropolitan Council~~ which demonstrate they have engaged in energy-saving measures and shall include provisions to insure that:

(i) immediate allocations to individuals, institutions, agriculture, businesses, and public transit be based on needs at energy conservation levels;

(ii) successive allocations to individuals, institutions, agriculture, businesses, and public transit be based on needs after implementation of required action to increase energy conservation; and

(iii) needs of individuals, institutions, and public transit are adjusted to insure the health and welfare of the young, old and infirm;

(2) insure maintenance of reasonable job safety conditions and avoid environmental sacrifices;

(3) establish programs, controls, standards, priorities or quotas for the allocation, conservation, and consumption of energy resources; and for the suspension and modification of existing standards and the establishment of new standards affecting or affected by the use of energy resources, including those related to the type and composition of energy sources, and to the hours and days during which public buildings, commercial and industrial establishments, and other energy-consuming facilities may or are required to remain open;

(4) establish programs to control the use, sale or distribution of commodities, materials, goods or services;

(5) establish regional programs and agreements for the purpose of coordinating the energy resources, programs and actions of the state with those of the federal government, of local governments, and of other states and localities;

(6) determine at what level of an energy supply emergency situation the Pollution Control Agency shall be requested to ask the governor to petition the president for a temporary emergency suspension of air quality standards as required by the Clean Air Act, United States Code, title 42, section 7410f; and

(7) establish procedures for fair and equitable review of complaints and requests for special exemptions regarding emergency conservation measures or allocations.

Sec. 52. Minnesota Statutes 2016, section 216H.02, subdivision 2, is amended to read:

Subd. 2. **Climate change action plan.** By February 1, 2008, the commissioner of commerce, in consultation with the commissioners of the Pollution Control Agency, the Housing Finance Agency, and the Departments of Natural Resources, Agriculture, Employment and Economic Development, and Transportation, ~~and the chair of the Metropolitan Council,~~ shall submit to the legislature a climate change action plan that meets the requirements of this section.

Sec. 53. Minnesota Statutes 2016, section 240.06, subdivision 2, is amended to read:

Subd. 2. **Hearings.** Before granting a class A license the commission shall conduct one or more public hearings in the area where the racetrack is or will be located. The commission shall also request comments on the application from the city council or town board of the city or town where the track is or will be located, or from the county board if it is to be located outside a city or town and from the appropriate regional development commission ~~or the Metropolitan Council, as the case may be.~~

34.1 Sec. 54. Minnesota Statutes 2016, section 270.12, subdivision 3, is amended to read:

34.2 Subd. 3. **Jurisdictions in two or more counties.** When a taxing jurisdiction lies in two
34.3 or more counties, if the sales ratio studies prepared by the Department of Revenue show
34.4 that the average levels of assessment in the several portions of the taxing jurisdictions in
34.5 the different counties differ by more than five percent, the board may order the apportionment
34.6 of the levy. When the sales ratio studies prepared by the Department of Revenue show that
34.7 the average levels of assessment in the several portions of the taxing jurisdictions in the
34.8 different counties differ by more than ten percent, the board shall order the apportionment
34.9 of the levy unless (a) the proportion of total adjusted tax capacity in one of the counties is
34.10 less than ten percent of the total adjusted tax capacity in the taxing jurisdiction and the
34.11 average level of assessment in that portion of the taxing jurisdiction is the level which differs
34.12 by more than five percent from the assessment level in any one of the other portions of the
34.13 taxing jurisdiction; (b) significant changes have been made in the level of assessment in the
34.14 taxing jurisdiction which have not been reflected in the sales ratio study, and those changes
34.15 alter the assessment levels in the portions of the taxing jurisdiction so that the assessment
34.16 level now differs by five percent or less; or (c) commercial, industrial, mineral, or public
34.17 utility property predominates in one county within the taxing jurisdiction and another class
34.18 of property predominates in another county within that same taxing jurisdiction. If one or
34.19 more of these factors are present, the board may order the apportionment of the levy.

34.20 Notwithstanding any other provision, the levy for the Metropolitan Mosquito Control
34.21 District, ~~Metropolitan Council~~, metropolitan transit district, and metropolitan transit area
34.22 must be apportioned without regard to the percentage difference.

34.23 If, pursuant to this subdivision, the board apportions the levy, then that levy
34.24 apportionment among the portions in the different counties shall be made in the same
34.25 proportion as the adjusted tax capacity as determined by the commissioner in each portion
34.26 is to the total adjusted tax capacity of the taxing jurisdiction.

34.27 For the purposes of this section, the average level of assessment in a taxing jurisdiction
34.28 or portion thereof shall be the aggregate assessment sales ratio. Tax capacities as determined
34.29 by the commissioner shall be the tax capacities as determined for the year preceding the
34.30 year in which the levy to be apportioned is levied.

34.31 Actions pursuant to this subdivision shall be commenced subsequent to the annual
34.32 meeting on April 15 of the State Board of Equalization, but notice of the action shall be
34.33 given to the affected jurisdiction and the appropriate county auditors by the following June
34.34 30.

Apportionment of a levy pursuant to this subdivision shall be considered as a remedy to be taken after equalization pursuant to subdivision 2, and when equalization within the jurisdiction would disturb equalization within other jurisdictions of which the several portions of the jurisdiction in question are a part.

Sec. 55. Minnesota Statutes 2016, section 275.065, subdivision 3, is amended to read:

Subd. 3. Notice of proposed property taxes. (a) The county auditor shall prepare and the county treasurer shall deliver after November 10 and on or before November 24 each year, by first class mail to each taxpayer at the address listed on the county's current year's assessment roll, a notice of proposed property taxes. Upon written request by the taxpayer, the treasurer may send the notice in electronic form or by electronic mail instead of on paper or by ordinary mail.

(b) The commissioner of revenue shall prescribe the form of the notice.

(c) The notice must inform taxpayers that it contains the amount of property taxes each taxing authority proposes to collect for taxes payable the following year. In the case of a town, or in the case of the state general tax, the final tax amount will be its proposed tax. The notice must clearly state for each city that has a population over 500, county, school district, regional library authority established under section 134.201, and metropolitan taxing districts as defined in paragraph (i), the time and place of a meeting for each taxing authority in which the budget and levy will be discussed and public input allowed, prior to the final budget and levy determination. The taxing authorities must provide the county auditor with the information to be included in the notice on or before the time it certifies its proposed levy under subdivision 1. The public must be allowed to speak at that meeting, which must occur after November 24 and must not be held before 6:00 p.m. It must provide a telephone number for the taxing authority that taxpayers may call if they have questions related to the notice and an address where comments will be received by mail, except that no notice required under this section shall be interpreted as requiring the printing of a personal telephone number or address as the contact information for a taxing authority. If a taxing authority does not maintain public offices where telephone calls can be received by the authority, the authority may inform the county of the lack of a public telephone number and the county shall not list a telephone number for that taxing authority.

(d) The notice must state for each parcel:

(1) the market value of the property as determined under section 273.11, and used for computing property taxes payable in the following year and for taxes payable in the current year as each appears in the records of the county assessor on November 1 of the current

year; and, in the case of residential property, whether the property is classified as homestead or nonhomestead. The notice must clearly inform taxpayers of the years to which the market values apply and that the values are final values;

(2) the items listed below, shown separately by county, city or town, and state general tax, agricultural homestead credit under section 273.1384, voter approved school levy, other local school levy, and the sum of the special taxing districts, and as a total of all taxing authorities:

(i) the actual tax for taxes payable in the current year; and

(ii) the proposed tax amount.

If the county levy under clause (2) includes an amount for a lake improvement district as defined under sections 103B.501 to 103B.581, the amount attributable for that purpose must be separately stated from the remaining county levy amount.

In the case of a town or the state general tax, the final tax shall also be its proposed tax unless the town changes its levy at a special town meeting under section 365.52. If a school district has certified under section 126C.17, subdivision 9, that a referendum will be held in the school district at the November general election, the county auditor must note next to the school district's proposed amount that a referendum is pending and that, if approved by the voters, the tax amount may be higher than shown on the notice. In the case of the city of Minneapolis, the levy for Minneapolis Park and Recreation shall be listed separately from the remaining amount of the city's levy. In the case of the city of St. Paul, the levy for the St. Paul Library Agency must be listed separately from the remaining amount of the city's levy. In the case of Ramsey County, any amount levied under section 134.07 may be listed separately from the remaining amount of the county's levy. In the case of a parcel where tax increment or the fiscal disparities areawide tax under chapter 276A or 473F applies, the proposed tax levy on the captured value or the proposed tax levy on the tax capacity subject to the areawide tax must each be stated separately and not included in the sum of the special taxing districts; and

(3) the increase or decrease between the total taxes payable in the current year and the total proposed taxes, expressed as a percentage.

For purposes of this section, the amount of the tax on homesteads qualifying under the senior citizens' property tax deferral program under chapter 290B is the total amount of property tax before subtraction of the deferred property tax amount.

37.1 (e) The notice must clearly state that the proposed or final taxes do not include the
37.2 following:

37.3 (1) special assessments;

37.4 (2) levies approved by the voters after the date the proposed taxes are certified, including
37.5 bond referenda and school district levy referenda;

37.6 (3) a levy limit increase approved by the voters by the first Tuesday after the first Monday
37.7 in November of the levy year as provided under section 275.73;

37.8 (4) amounts necessary to pay cleanup or other costs due to a natural disaster occurring
37.9 after the date the proposed taxes are certified;

37.10 (5) amounts necessary to pay tort judgments against the taxing authority that become
37.11 final after the date the proposed taxes are certified; and

37.12 (6) the contamination tax imposed on properties which received market value reductions
37.13 for contamination.

37.14 (f) Except as provided in subdivision 7, failure of the county auditor to prepare or the
37.15 county treasurer to deliver the notice as required in this section does not invalidate the
37.16 proposed or final tax levy or the taxes payable pursuant to the tax levy.

37.17 (g) If the notice the taxpayer receives under this section lists the property as
37.18 nonhomestead, and satisfactory documentation is provided to the county assessor by the
37.19 applicable deadline, and the property qualifies for the homestead classification in that
37.20 assessment year, the assessor shall reclassify the property to homestead for taxes payable
37.21 in the following year.

37.22 (h) In the case of class 4 residential property used as a residence for lease or rental
37.23 periods of 30 days or more, the taxpayer must either:

37.24 (1) mail or deliver a copy of the notice of proposed property taxes to each tenant, renter,
37.25 or lessee; or

37.26 (2) post a copy of the notice in a conspicuous place on the premises of the property.

37.27 The notice must be mailed or posted by the taxpayer by November 27 or within three
37.28 days of receipt of the notice, whichever is later. A taxpayer may notify the county treasurer
37.29 of the address of the taxpayer, agent, caretaker, or manager of the premises to which the
37.30 notice must be mailed in order to fulfill the requirements of this paragraph.

(i) For purposes of this subdivision and subdivision 6, "metropolitan special taxing districts" means the following taxing districts in the seven-county metropolitan area that levy a property tax for any of the specified purposes listed below:

~~(1) Metropolitan Council under section 473.132, 473.167, 473.249, 473.325, 473.446, 473.521, 473.547, or 473.834;~~

~~(2)~~ (1) Metropolitan Airports Commission under section 473.667, 473.671, or 473.672; and

~~(3)~~ (2) Metropolitan Mosquito Control Commission under section 473.711.

For purposes of this section, any levies made by the regional rail authorities in the county of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington under chapter 398A shall be included with the appropriate county's levy.

(j) The governing body of a county, city, or school district may, with the consent of the county board, include supplemental information with the statement of proposed property taxes about the impact of state aid increases or decreases on property tax increases or decreases and on the level of services provided in the affected jurisdiction. This supplemental information may include information for the following year, the current year, and for as many consecutive preceding years as deemed appropriate by the governing body of the county, city, or school district. It may include only information regarding:

(1) the impact of inflation as measured by the implicit price deflator for state and local government purchases;

(2) population growth and decline;

(3) state or federal government action; and

(4) other financial factors that affect the level of property taxation and local services that the governing body of the county, city, or school district may deem appropriate to include.

The information may be presented using tables, written narrative, and graphic representations and may contain instruction toward further sources of information or opportunity for comment.

Sec. 56. Minnesota Statutes 2016, section 275.066, is amended to read:

275.066 SPECIAL TAXING DISTRICTS; DEFINITION.

39.1 For the purposes of property taxation and property tax state aids, the term "special taxing
39.2 districts" includes the following entities:

39.3 (1) watershed districts under chapter 103D;

39.4 (2) sanitary districts under sections 442A.01 to 442A.29;

39.5 (3) regional sanitary sewer districts under sections 115.61 to 115.67;

39.6 (4) regional public library districts under section 134.201;

39.7 (5) park districts under chapter 398;

39.8 (6) regional railroad authorities under chapter 398A;

39.9 (7) hospital districts under sections 447.31 to 447.38;

39.10 (8) St. Cloud Metropolitan Transit Commission under sections 458A.01 to 458A.15;

39.11 (9) Duluth Transit Authority under sections 458A.21 to 458A.37;

39.12 (10) regional development commissions under sections 462.381 to 462.398;

39.13 (11) housing and redevelopment authorities under sections 469.001 to 469.047;

39.14 (12) port authorities under sections 469.048 to 469.068;

39.15 (13) economic development authorities under sections 469.090 to 469.1081;

39.16 ~~(14) Metropolitan Council under sections 473.123 to 473.549;~~

39.17 ~~(15)~~ (14) Metropolitan Airports Commission under sections 473.601 to 473.679;

39.18 ~~(16)~~ (15) Metropolitan Mosquito Control Commission under sections 473.701 to 473.716;

39.19 ~~(17)~~ (16) Morrison County Rural Development Financing Authority under Laws 1982,
39.20 chapter 437, section 1;

39.21 ~~(18)~~ (17) Croft Historical Park District under Laws 1984, chapter 502, article 13, section
39.22 6;

39.23 ~~(19)~~ (18) East Lake County Medical Clinic District under Laws 1989, chapter 211,
39.24 sections 1 to 6;

39.25 ~~(20)~~ (19) Floodwood Area Ambulance District under Laws 1993, chapter 375, article
39.26 5, section 39;

39.27 ~~(21)~~ (20) Middle Mississippi River Watershed Management Organization under sections
39.28 103B.211 and 103B.241;

39.29 ~~(22)~~ (21) emergency medical services special taxing districts under section 144F.01;

40.1 ~~(23)~~ (22) a county levying under the authority of section 103B.241, 103B.245, or
40.2 103B.251;

40.3 ~~(24)~~ (23) Southern St. Louis County Special Taxing District; Chris Jensen Nursing Home
40.4 under Laws 2003, First Special Session chapter 21, article 4, section 12;

40.5 ~~(25)~~ (24) an airport authority created under section 360.0426; and

40.6 ~~(26)~~ (25) any other political subdivision of the state of Minnesota, excluding counties,
40.7 school districts, cities, and towns, that has the power to adopt and certify a property tax levy
40.8 to the county auditor, as determined by the commissioner of revenue.

40.9 Sec. 57. Minnesota Statutes 2016, section 275.62, subdivision 3, is amended to read:

40.10 Subd. 3. **Population estimate.** For the purposes of this section, the population of a local
40.11 governmental unit shall be that established by the last federal census, by a census taken
40.12 under section 275.14, or by an estimate made by the ~~Metropolitan Council or by the state~~
40.13 demographer made under section 4A.02, whichever is the most recent as to the stated date
40.14 of count or estimate for the calendar year preceding the current levy year.

40.15 Sec. 58. Minnesota Statutes 2016, section 275.70, subdivision 4, is amended to read:

40.16 Subd. 4. **Population; number of households.** "Population" or "number of households"
40.17 means the population or number of households for the local governmental unit as established
40.18 by the last federal census, by a census taken under section 275.14, or by an estimate made
40.19 by the ~~metropolitan council or by the state~~ demographer under section 4A.02, whichever is
40.20 most recent as to the stated date of the count or estimate up to and including June 1 of the
40.21 current levy year.

40.22 Sec. 59. Minnesota Statutes 2016, section 297A.70, subdivision 2, is amended to read:

40.23 Subd. 2. **Sales to government.** (a) All sales, except those listed in paragraph (b), to the
40.24 following governments and political subdivisions, or to the listed agencies or instrumentalities
40.25 of governments and political subdivisions, are exempt:

40.26 (1) the United States and its agencies and instrumentalities;

40.27 (2) school districts, local governments, the University of Minnesota, state universities,
40.28 community colleges, technical colleges, state academies, the Perpich Minnesota Center for
40.29 Arts Education, and an instrumentality of a political subdivision that is accredited as an
40.30 optional/special function school by the North Central Association of Colleges and Schools;

(3) hospitals and nursing homes owned and operated by political subdivisions of the state of tangible personal property and taxable services used at or by hospitals and nursing homes;

~~(4) notwithstanding paragraph (d), the sales and purchases by the Metropolitan Council of vehicles and repair parts to equip operations provided for in section 473.4051 are exempt through December 31, 2016;~~

~~(5)~~ (4) other states or political subdivisions of other states, if the sale would be exempt from taxation if it occurred in that state; and

~~(6)~~ (5) public libraries, public library systems, multicounty, multitype library systems as defined in section 134.001, county law libraries under chapter 134A, state agency libraries, the state library under section 480.09, and the Legislative Reference Library.

(b) This exemption does not apply to the sales of the following products and services:

(1) building, construction, or reconstruction materials purchased by a contractor or a subcontractor as a part of a lump-sum contract or similar type of contract with a guaranteed maximum price covering both labor and materials for use in the construction, alteration, or repair of a building or facility;

(2) construction materials purchased by tax exempt entities or their contractors to be used in constructing buildings or facilities which will not be used principally by the tax exempt entities;

(3) the leasing of a motor vehicle as defined in section 297B.01, subdivision 11, except for leases entered into by the United States or its agencies or instrumentalities;

(4) lodging as defined under section 297A.61, subdivision 3, paragraph (g), clause (2), and prepared food, candy, soft drinks, and alcoholic beverages as defined in section 297A.67, subdivision 2, except for lodging, prepared food, candy, soft drinks, and alcoholic beverages purchased directly by the United States or its agencies or instrumentalities; or

(5) goods or services purchased by a local government as inputs to a liquor store, gas or electric utility, solid waste hauling service, solid waste recycling service, landfill, golf course, marina, campground, cafe, or laundromat.

(c) As used in this subdivision, "school districts" means public school entities and districts of every kind and nature organized under the laws of the state of Minnesota, and any instrumentality of a school district, as defined in section 471.59.

(d) For purposes of the exemption granted under this subdivision, "local governments" has the following meaning:

(1) for the period prior to January 1, 2017, local governments means statutory or home rule charter cities, counties, and townships; and

(2) beginning January 1, 2017, local governments means statutory or home rule charter cities, counties, and townships; special districts as defined under section 6.465; any instrumentality of a statutory or home rule charter city, county, or township as defined in section 471.59; and any joint powers board or organization created under section 471.59.

Sec. 60. Minnesota Statutes 2016, section 297A.70, subdivision 3, is amended to read:

Subd. 3. Sales of certain goods and services to government. (a) The following sales to or use by the specified governments and political subdivisions of the state are exempt:

(1) repair and replacement parts for emergency rescue vehicles, fire trucks, and fire apparatus to a political subdivision;

(2) machinery and equipment, except for motor vehicles, used directly for mixed municipal solid waste management services at a solid waste disposal facility as defined in section 115A.03, subdivision 10;

(3) chore and homemaking services to a political subdivision of the state to be provided to elderly or disabled individuals;

(4) telephone services to the Office of MN.IT Services that are used to provide telecommunications services through the MN.IT services revolving fund;

(5) firefighter personal protective equipment as defined in paragraph (b), if purchased or authorized by and for the use of an organized fire department, fire protection district, or fire company regularly charged with the responsibility of providing fire protection to the state or a political subdivision;

(6) bullet-resistant body armor that provides the wearer with ballistic and trauma protection, if purchased by a law enforcement agency of the state or a political subdivision of the state, or a licensed peace officer, as defined in section 626.84, subdivision 1;

(7) motor vehicles purchased or leased by political subdivisions of the state if the vehicles are exempt from registration under section 168.012, subdivision 1, paragraph (b), exempt from taxation under section 473.448, or exempt from the motor vehicle sales tax under section 297B.03, clause (12);

(8) equipment designed to process, dewater, and recycle biosolids for wastewater treatment facilities of political subdivisions, and materials incidental to installation of that equipment;

(9) the removal of trees, bushes, or shrubs for the construction and maintenance of roads, trails, or firebreaks when purchased by an agency of the state or a political subdivision of the state;

(10) purchases by ~~the Metropolitan Council or~~ the Department of Transportation of vehicles and repair parts to equip operations provided for in section 174.90, including, but not limited to, the Northstar Corridor Rail project; and

(11) purchases of water used directly in providing public safety services by an organized fire department, fire protection district, or fire company regularly charged with the responsibility of providing fire protection to the state or a political subdivision.

(b) For purposes of this subdivision, "firefighters personal protective equipment" means helmets, including face shields, chin straps, and neck liners; bunker coats and pants, including pant suspenders; boots; gloves; head covers or hoods; wildfire jackets; protective coveralls; goggles; self-contained breathing apparatus; canister filter masks; personal alert safety systems; spanner belts; optical or thermal imaging search devices; and all safety equipment required by the Occupational Safety and Health Administration.

(c) For purchases of items listed in paragraph (a), clause (10), the tax must be imposed and collected as if the rate under section 297A.62, subdivision 1, applied and then refunded in the manner provided in section 297A.75.

Sec. 61. Minnesota Statutes 2016, section 297A.992, subdivision 4, is amended to read:

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

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

(c) The joint powers board may establish a technical advisory group that is separate from the GEARS Committee. The group must consist of representatives of cities, counties, or

public agencies, ~~including the Metropolitan Council~~. The technical advisory group must be used solely for technical consultation purposes.

Sec. 62. Minnesota Statutes 2016, section 297A.992, subdivision 5, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

~~(g)~~ (f) Grants must be funded by the proceeds of the taxes imposed under this section, bonds, notes, or other obligations issued by the joint powers board under subdivision 7.

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

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

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

Sec. 63. Minnesota Statutes 2016, section 352.01, subdivision 2a, is amended to read:

Subd. 2a. **Included employees.** (a) "State employee" includes:

(1) employees of the Minnesota Historical Society;

(2) employees of the State Horticultural Society;

- 46.1 (3) employees of the Minnesota Crop Improvement Association;
- 46.2 (4) employees of the adjutant general whose salaries are paid from federal funds and
46.3 who are not covered by any federal civilian employees retirement system;
- 46.4 (5) employees of the Minnesota State Colleges and Universities who are employed under
46.5 the university or college activities program;
- 46.6 (6) currently contributing employees covered by the system who are temporarily
46.7 employed by the legislature during a legislative session or any currently contributing
46.8 employee employed for any special service as defined in subdivision 2b, clause (6);
- 46.9 (7) employees of the legislature who are appointed without a limit on the duration of
46.10 their employment;
- 46.11 (8) trainees who are employed on a full-time established training program performing
46.12 the duties of the classified position for which they will be eligible to receive immediate
46.13 appointment at the completion of the training period;
- 46.14 (9) employees of the Minnesota Safety Council;
- 46.15 (10) any employees who are on authorized leave of absence from the Transit Operating
46.16 Division of the former Metropolitan Transit Commission and who are employed by the
46.17 labor organization which is the exclusive bargaining agent representing employees of the
46.18 Transit Operating Division;
- 46.19 (11) employees of the ~~Metropolitan Council~~, Metropolitan Parks and Open Space
46.20 Commission, Metropolitan Sports Facilities Commission, or Metropolitan Mosquito Control
46.21 Commission unless excluded under subdivision 2b or are covered by another public pension
46.22 fund or plan under section 473.415, subdivision 3;
- 46.23 (12) judges of the Tax Court;
- 46.24 (13) personnel who were employed on June 30, 1992, by the University of Minnesota
46.25 in the management, operation, or maintenance of its heating plant facilities, whose
46.26 employment transfers to an employer assuming operation of the heating plant facilities, so
46.27 long as the person is employed at the University of Minnesota heating plant by that employer
46.28 or by its successor organization;
- 46.29 (14) personnel who are employed as seasonal employees in the classified or unclassified
46.30 service;

(15) persons who are employed by the Department of Commerce as a peace officer in the Commerce Fraud Bureau under section 45.0135 who have attained the mandatory retirement age specified in section 43A.34, subdivision 4;

(16) employees of the University of Minnesota unless excluded under subdivision 2b, clause (3);

(17) employees of the Middle Management Association whose employment began after July 1, 2007, and to whom section 352.029 does not apply;

(18) employees of the Minnesota Government Engineers Council to whom section 352.029 does not apply;

(19) employees of the Minnesota Sports Facilities Authority;

(20) employees of the Minnesota Association of Professional Employees;

(21) employees of the Minnesota State Retirement System;

(22) employees of the State Agricultural Society;

(23) employees of the Gillette Children's Hospital Board who were employed in the state unclassified service at the former Gillette Children's Hospital on March 28, 1974; and

(24) if approved for coverage by the Board of Directors of Conservation Corps Minnesota, employees of Conservation Corps Minnesota so employed on June 30, 2003.

(b) Employees specified in paragraph (a), clause (13), are included employees under paragraph (a) if employer and employee contributions are made in a timely manner in the amounts required by section 352.04. Employee contributions must be deducted from salary. Employer contributions are the sole obligation of the employer assuming operation of the University of Minnesota heating plant facilities or any successor organizations to that employer.

Sec. 64. Minnesota Statutes 2016, section 352.01, subdivision 2b, is amended to read:

Subd. 2b. **Excluded employees.** "State employee" does not include:

(1) persons who are:

(i) students employed by the University of Minnesota, or within the Minnesota State Colleges and Universities system, unless approved for coverage by the Board of Regents of the University of Minnesota or the Board of Trustees of the Minnesota State Colleges and Universities, whichever applies;

(ii) employed as interns for a period not to exceed six months unless included under subdivision 2a, paragraph (a), clause (8);

(iii) employed as trainee employees unless included under subdivision 2a, paragraph (a), clause (8); or

(iv) employed in the student worker classification as designated by Minnesota Management and Budget;

(2) employees who are:

(i) eligible for membership in the state Teachers Retirement Association, unless the person is an employee of the Department of Education who elected to be covered by the general state employees retirement plan of the Minnesota State Retirement System instead of the Teachers Retirement Association;

(ii) employees of the state who, in any year, were credited with 12 months of allowable service as a public school teacher and, as such, are members of a retirement plan governed by chapter 354 or 354A unless the employment is incidental employment as a state employee that is not covered by a retirement plan governed by chapter 354 or 354A;

(iii) employees of the state who are employed by the Board of Trustees of the Minnesota State Colleges and Universities in an unclassified position that is listed in section 43A.08, subdivision 1, clause (9);

(iv) persons employed by the Board of Trustees of the Minnesota State Colleges and Universities who elected retirement coverage other than by the general state employees retirement plan of the Minnesota State Retirement System under Minnesota Statutes 1994, section 136C.75;

(v) officers or enlisted personnel in the National Guard or in the naval militia who are assigned to permanent peacetime duty and who are or are required to be members of a federal retirement system under federal law;

(vi) persons employed by the Department of Military Affairs as full-time firefighters and who, as such, are members of the public employees police and fire retirement plan;

(vii) members of the State Patrol retirement plan under section 352B.011, subdivision 10; and

~~(viii) off-duty police officers while employed by the Metropolitan Council and persons employed as full-time police officers by the Metropolitan Council and who, as such, are members of the public employees police and fire retirement plan; and~~

49.1 ~~(ix)~~ (viii) employees of the state who have elected to transfer account balances derived
49.2 from state service to the unclassified state employees retirement program under section
49.3 352D.02, subdivision 1d;

49.4 (3) employees of the University of Minnesota who are excluded from coverage by action
49.5 of the Board of Regents;

49.6 (4) election judges and persons who are employed solely to administer elections;

49.7 (5) persons who are:

49.8 (i) engaged in public work for the state but who are employed by contractors when the
49.9 performance of the contract is authorized by the legislature or other competent authority;

49.10 (ii) employed to perform professional services where the service is incidental to the
49.11 person's regular professional duties and where compensation is paid on a per diem basis;
49.12 or

49.13 (iii) compensated on a fee payment basis or as an independent contractor;

49.14 (6) persons who are employed:

49.15 (i) on a temporary basis by the house of representatives, the senate, or a legislative
49.16 commission or agency under the jurisdiction of the Legislative Coordinating Commission;

49.17 (ii) as a temporary employee on or after July 1 for a period ending on or before October
49.18 15 of that calendar year for the Minnesota State Agricultural Society or the Minnesota State
49.19 Fair, or as an employee at any time for a special event held on the fairgrounds;

49.20 (iii) by the executive branch as a temporary employee in the classified service or as an
49.21 executive branch temporary employee in the unclassified service if appointed for a definite
49.22 period not to exceed six months, and if employment is less than six months, then in any
49.23 12-month period;

49.24 (iv) by the adjutant general if employed on an unlimited intermittent or temporary basis
49.25 in the classified service or in the unclassified service for the support of Army or Air National
49.26 Guard training facilities; and

49.27 (v) by a state or federal program for training or rehabilitation as a temporary employee
49.28 if employed for a limited period from an area of economic distress and if other than a skilled
49.29 or supervisory personnel position or other than a position that has civil service status covered
49.30 by the retirement system; ~~and~~

50.1 ~~(vi) by the Metropolitan Council or a statutory board of the Metropolitan Council where~~
50.2 ~~the members of the board are appointed by the Metropolitan Council as a temporary employee~~
50.3 ~~if the appointment does not exceed six months;~~

50.4 (7) receivers, jurors, notaries public, and court employees who are not in the judicial
50.5 branch as defined in section 43A.02, subdivision 25, except referees and adjusters employed
50.6 by the Department of Labor and Industry;

50.7 (8) patient and inmate help who perform services in state charitable, penal, and
50.8 correctional institutions, including a Minnesota Veterans Home;

50.9 (9) employees of the Sibley House Association;

50.10 (10) persons who are:

50.11 (i) members of any state board or commission who serve the state intermittently and are
50.12 paid on a per diem basis, the secretary, secretary-treasurer, and treasurer of those boards if
50.13 their compensation is \$5,000 or less per year, or, if they are legally prohibited from serving
50.14 more than three years, and the board of managers of the State Agricultural Society and its
50.15 treasurer unless the treasurer is also its full-time secretary;

50.16 (ii) examination monitors employed by a department, agency, commission, or board of
50.17 the state to conduct examinations that are required by law; or

50.18 (iii) appointees serving as a member of a fact-finding commission or an adjustment
50.19 panel, an arbitrator, or a labor referee under chapter 179;

50.20 (11) emergency employees who are in the classified service, but if an emergency
50.21 employee, within the same pay period, becomes a provisional or probationary employee on
50.22 other than a temporary basis, the employee must be considered a "state employee"
50.23 retroactively to the beginning of the pay period;

50.24 (12) persons who are members of a religious order who are excluded from coverage
50.25 under the federal Old Age, Survivors, Disability, and Health Insurance Program for the
50.26 performance of service as specified in United States Code, title 42, section 410(a)(8)(A),
50.27 as amended, if no irrevocable election of coverage has been made under section 3121(r) of
50.28 the Internal Revenue Code of 1986, as amended;

50.29 (13) members of trades who are employed by the successor to the Metropolitan Waste
50.30 Control Commission, who have trade union pension plan coverage under a collective
50.31 bargaining agreement, and who are first employed after June 1, 1977;

(14) foreign citizens who are employed under a work permit of less than three years or under an H-1b visa or a J-1 visa that is initially valid for less than three years of employment, unless notice of a visa extension which allows them to work for three or more years as of the date that the extension is granted and is supplied to the retirement plan, in which case the person is eligible for coverage from the date of the extension; and

(15) reemployed annuitants of the general state employees retirement plan, the military affairs personnel retirement plan, the transportation department pilots retirement plan, the state fire marshal employees retirement plan, or the correctional state employees retirement plan during the course of that reemployment.

Sec. 65. Minnesota Statutes 2016, section 352.03, subdivision 1, is amended to read:

Subdivision 1. **Membership of board; election; term.** (a) The policy-making function of the system is vested in a board of 11 members known as the board of directors. This board shall consist of:

(1) three members appointed by the governor, one of whom must be a constitutional officer or appointed state official and two of whom must be public members knowledgeable in pension matters;

(2) four state employees elected by active members and former members eligible for a deferred annuity from the general state employees retirement plan, excluding employees and deferred annuitants for whom a board member is designated;

(3) one employee of the ~~Metropolitan Council's~~ Department of Transportation's transit operations or its successor agency designated by the executive committee of the labor organization that is the exclusive bargaining agent representing employees of the transit division;

(4) one employee who is a member of the State Patrol retirement plan elected by active members and former members eligible for a deferred annuity from that plan;

(5) one employee who is a member of the correctional state employees retirement plan established under this chapter elected by active members and former members eligible for a deferred annuity from that plan; and

(6) one retired employee of a plan included in the system, elected by disabled and retired employees of the plans administered by the system at a time and in a manner determined by the board.

(b) The terms of the four elected state employees under paragraph (a), clause (2), must be staggered, with two of the state employee board positions elected each biennium, whose terms of office begin on the first Monday in May after their election. Elected members and the appointed member of the ~~Metropolitan Council's~~ Department of Transportation's transit operations hold office for a term of four years and until their successors are elected or appointed, and have qualified.

(c) An employee or former employee of the system is not eligible for membership on the board of directors. A state employee on leave of absence is not eligible for election or reelection to membership on the board of directors.

(d) The term of any board member who is on leave for more than six months automatically ends on expiration of the term of office.

Sec. 66. Minnesota Statutes 2016, section 352.04, subdivision 6, is amended to read:

Subd. 6. **Quasi-state agencies; employer contributions.** For those of their employees who are covered by the system, the State Horticultural Society, the Disabled American Veterans, Department of Minnesota, Veterans of Foreign Wars, Department of Minnesota, the Minnesota Crop Improvement Association, the Minnesota Historical Society, the Armory Building Commission, the Minnesota Safety Council, ~~the Metropolitan Council and any of its statutory boards,~~ the employer of persons described in section 352.01, subdivision 2a, paragraph (a), clause (15), and any other agency employing employees covered by this system, respectively, shall also pay into the retirement fund the amount required by subdivision 3.

Sec. 67. Minnesota Statutes 2016, section 352D.02, subdivision 1, is amended to read:

Subdivision 1. **Coverage.** (a) Employees enumerated in paragraph (c), clauses (2), (3), (4), (6) to (14), and (16) to (18), if they are in the unclassified service of the state ~~or~~ ~~Metropolitan Council~~ and are eligible for coverage under the general state employees retirement plan under chapter 352, are participants in the unclassified program under this chapter unless the employee gives notice to the executive director of the Minnesota State Retirement System within one year following the commencement of employment in the unclassified service that the employee desires coverage under the general state employees retirement plan. For the purposes of this chapter, an employee who does not file notice with the executive director is deemed to have exercised the option to participate in the unclassified program.

(b) Persons referenced in paragraph (c), clause (5), are participants in the unclassified program under this chapter unless the person was eligible to elect different coverage under section 3A.07 and elected retirement coverage by the applicable alternative retirement plan. Persons referenced in paragraph (c), clause (15), are participants in the unclassified program under this chapter for judicial employment in excess of the service credit limit in section 490.121, subdivision 22.

(c) Enumerated employees and referenced persons are:

(1) the governor, the lieutenant governor, the secretary of state, the state auditor, and the attorney general;

(2) an employee in the Office of the Governor, Lieutenant Governor, Secretary of State, State Auditor, Attorney General;

(3) an employee of the State Board of Investment;

(4) the head of a department, division, or agency created by statute in the unclassified service, an acting department head subsequently appointed to the position, or an employee enumerated in section 15A.0815 or 15A.083, subdivision 4;

(5) a member of the legislature;

(6) an unclassified employee of the legislature or a commission or agency of the legislature who is appointed without a limit on the duration of the employment or a temporary legislative employee having shares in the supplemental retirement fund as a result of former employment covered by this chapter, whether or not eligible for coverage under the Minnesota State Retirement System;

(7) a person who is employed in a position established under section 43A.08, subdivision 1, clause (3), or in a position authorized under a statute creating or establishing a department or agency of the state, which is at the deputy or assistant head of department or agency or director level;

~~(8) the regional administrator, or executive director of the Metropolitan Council, general counsel, division directors, operations managers, and other positions as designated by the council, all of which may not exceed 27 positions at the council and the chair;~~

~~(9)~~ (8) the commissioner, deputy commissioner, and not to exceed nine positions of the Minnesota Office of Higher Education in the unclassified service, as designated by the Minnesota Office of Higher Education before January 1, 1992, or subsequently redesignated with the approval of the board of directors of the Minnesota State Retirement System, unless

54.1 the person has elected coverage by the individual retirement account plan under chapter
54.2 354B;

54.3 ~~(10)~~ (9) the clerk of the appellate courts appointed under article VI, section 2, of the
54.4 Constitution of the state of Minnesota, the state court administrator and judicial district
54.5 administrators;

54.6 ~~(11)~~ (10) the chief executive officers of correctional facilities operated by the Department
54.7 of Corrections and of hospitals and nursing homes operated by the Department of Human
54.8 Services;

54.9 ~~(12)~~ (11) an employee whose principal employment is at the state ceremonial house;

54.10 ~~(13)~~ (12) an employee of the Agricultural Utilization Research Institute;

54.11 ~~(14)~~ (13) an employee of the State Lottery who is covered by the managerial plan
54.12 established under section 43A.18, subdivision 3;

54.13 ~~(15)~~ (14) a judge who has exceeded the service credit limit in section 490.121, subdivision
54.14 22;

54.15 ~~(16)~~ (15) an employee of Enterprise Minnesota, Inc.;

54.16 ~~(17)~~ (16) a person employed by the Minnesota State Colleges and Universities as faculty
54.17 or in an eligible unclassified administrative position as defined in section 354B.20,
54.18 subdivision 6, who was employed by the former state university or the former community
54.19 college system before May 1, 1995, and elected unclassified program coverage prior to May
54.20 1, 1995; and

54.21 ~~(18)~~ (17) a person employed by the Minnesota State Colleges and Universities who was
54.22 employed in state service before July 1, 1995, who subsequently is employed in an eligible
54.23 unclassified administrative position as defined in section 354B.20, subdivision 6, and who
54.24 elects coverage by the unclassified program.

54.25 Sec. 68. Minnesota Statutes 2016, section 353.64, subdivision 7a, is amended to read:

54.26 Subd. 7a. **Pension coverage for certain metropolitan transit police officers.** A person
54.27 who is employed as a police officer by the Metropolitan Council before July 1, 2018, and
54.28 who is not eligible for coverage under the agreement with the Secretary of the federal
54.29 Department of Health and Human Services making the provisions of the federal Old Age,
54.30 Survivors, and Disability Insurance Act because the person's position is excluded from
54.31 application under United States Code, sections 418(d)(5)(A) and 418(d)(8)(D), and under
54.32 section 355.07, is a member of the public employees police and fire fund and is considered

to be a police officer within the meaning of this section. The Metropolitan Council shall deduct the employee contribution from the salary of each police officer as required by section 353.65, subdivision 2, shall make the employer contribution for each police officer as required by section 353.65, subdivision 3, and shall meet the employer recording and reporting requirements in section 353.65, subdivision 4.

Sec. 69. Minnesota Statutes 2016, section 363A.44, subdivision 1, is amended to read:

Subdivision 1. **Scope.** (a) No department, agency of the state, ~~the Metropolitan Council,~~ or an agency subject to section 473.143, subdivision 1, shall execute a contract for goods or services or an agreement for goods or services in excess of \$500,000 with a business that has 40 or more full-time employees in this state or a state where the business has its primary place of business on a single day during the prior 12 months, unless the business has an equal pay certificate or it has certified in writing that it is exempt. A certificate is valid for four years.

(b) This section does not apply to a business with respect to a specific contract if the commissioner of administration determines that application of this section would cause undue hardship to the contracting entity. This section does not apply to a contract to provide goods and services to individuals under chapters 43A, 62A, 62C, 62D, 62E, 256B, 256I, 256L, and 268A, with a business that has a license, certification, registration, provider agreement, or provider enrollment contract that is prerequisite to providing those goods and services. This section does not apply to contracts entered into by the State Board of Investment for investment options under section 352.965, subdivision 4.

Sec. 70. Minnesota Statutes 2016, section 373.40, subdivision 1, is amended to read:

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

(a) "Bonds" means an obligation as defined under section 475.51.

(b) "Capital improvement" means acquisition or betterment of public lands, buildings, or other improvements within the county for the purpose of a county courthouse, administrative building, health or social service facility, correctional facility, jail, law enforcement center, hospital, morgue, library, park, qualified indoor ice arena, roads and bridges, public works facilities, fairground buildings, and records and data storage facilities, and the acquisition of development rights in the form of conservation easements under chapter 84C. An improvement must have an expected useful life of five years or more to qualify. "Capital improvement" does not include a recreation or sports facility building

(such as, but not limited to, a gymnasium, ice arena, racquet sports facility, swimming pool, exercise room or health spa), unless the building is part of an outdoor park facility and is incidental to the primary purpose of outdoor recreation. For purposes of this section, "capital improvement" includes expenditures for purposes described in this paragraph that have been incurred by a county before approval of a capital improvement plan, if such expenditures are included in a capital improvement plan approved on or before the date of the public hearing under subdivision 2 regarding issuance of bonds for such expenditures.

(c) "Metropolitan county" means a county located in the seven-county metropolitan area as defined in section 473.121 or a county with a population of 90,000 or more.

(d) "Population" means the population established by the most recent of the following (determined as of the date the resolution authorizing the bonds was adopted):

(1) the federal decennial census,

(2) a special census conducted under contract by the United States Bureau of the Census,
or

(3) a population estimate made ~~either by the Metropolitan Council or by the state~~ demographer under section 4A.02.

(e) "Qualified indoor ice arena" means a facility that meets the requirements of section 373.43.

Sec. 71. Minnesota Statutes 2016, section 383A.81, subdivision 3, is amended to read:

Subd. 3. **Matching funds.** In expending funds under this section, the county shall seek matching funds from contamination cleanup funds administered by the commissioner of the Department of Employment and Economic Development, ~~the Metropolitan Council,~~ the federal government, the private sector, and any other source.

Sec. 72. Minnesota Statutes 2016, section 383B.81, subdivision 3, is amended to read:

Subd. 3. **Matching funds.** In expending funds under this section the county shall seek matching funds from contamination cleanup funds administered by the commissioners of the Department of Employment and Economic Development, ~~the Metropolitan Council,~~ the federal government, the private sector and any other source.

Sec. 73. Minnesota Statutes 2016, section 398A.04, subdivision 1, is amended to read:

Subdivision 1. **General.** An authority may exercise all the powers necessary or desirable to implement the powers specifically granted in this section, and in exercising the powers

is deemed to be performing an essential governmental function and exercising a part of the sovereign power of the state, and is a local government unit and political subdivision of the state. Without limiting the generality of the foregoing, the authority may:

(1) sue and be sued, have a seal, which may but need not be affixed to documents as directed by the board, make and perform contracts, and have perpetual succession;

(2) acquire real and personal property within or outside its taxing jurisdiction, by purchase, gift, devise, condemnation, conditional sale, lease, lease purchase, or otherwise; or for purposes, including the facilitation of an economic development project pursuant to section 383B.81 or 469.091 or 469.175, subdivision 7, that also improve rail service;

(3) hold, manage, control, sell, convey, lease, mortgage, or otherwise dispose of real or personal property; and

(4) make grants or otherwise appropriate funds to the Department of Transportation, ~~the Metropolitan Council~~, or any other state or local governmental unit for the purposes described in subdivision 2 with respect to railroad facilities located or to be located within the authority's jurisdiction, whether or not the facilities will be acquired, constructed, owned, or operated by the authority.

Sec. 74. Minnesota Statutes 2016, section 398A.04, subdivision 2a, is amended to read:

Subd. 2a. **Bus rapid transit development.** A regional rail authority may exercise the powers conferred under this section to: plan, establish, acquire, develop, purchase, enlarge, extend, improve, maintain, equip, regulate, and protect; and pay costs of construction and operation of a bus rapid transit system located within its county on transitways ~~included in and approved by the Metropolitan Council's 2030 Transportation Policy Plan~~. This subdivision applies only to the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 75. Minnesota Statutes 2016, section 414.02, subdivision 3, is amended to read:

Subd. 3. **Relevant factors, order.** (a) In arriving at a decision, the chief administrative law judge shall consider the following factors:

(1) present population and number of households, past population and projected population growth for the subject area;

(2) quantity of land within the subject area; the natural terrain including recognizable physical features, general topography, major watersheds, soil conditions and such natural features as rivers, lakes and major bluffs;

(3) present pattern of physical development, planning, and intended land uses in the subject area including residential, industrial, commercial, agricultural, and institutional land uses and the impact of the proposed action on those uses;

(4) the present transportation network and potential transportation issues, including proposed highway development;

(5) land use controls and planning presently being utilized in the subject area, ~~including comprehensive plans, policies of the Metropolitan Council;~~ and whether there are inconsistencies between proposed development and existing land use controls;

(6) existing levels of governmental services being provided to the subject area, including water and sewer service, fire rating and protection, law enforcement, street improvements and maintenance, administrative services, and recreational facilities and the impact of the proposed action on the delivery of the services;

(7) existing or potential environmental problems and whether the proposed action is likely to improve or resolve these problems;

(8) fiscal impact on the subject area and adjacent units of local government, including present bonded indebtedness; local tax rates of the county, school district, and other governmental units, including, where applicable, the net tax capacity of platted and unplatted lands and the division of homestead and nonhomestead property; and other tax and governmental aid issues;

(9) relationship and effect of the proposed action on affected and adjacent school districts and communities;

(10) whether delivery of services to the subject area can be adequately and economically delivered by the existing government;

(11) analysis of whether necessary governmental services can best be provided through the proposed action or another type of boundary adjustment;

(12) degree of contiguity of the boundaries of the subject area and adjacent units of local government; and

(13) analysis of the applicability of the State Building Code.

(b) Based upon these factors, the chief administrative law judge may order the incorporation on finding that:

(1) the property to be incorporated is now, or is about to become, urban or suburban in character; or

(2) that the existing township form of government is not adequate to protect the public health, safety, and welfare; or

(3) the proposed incorporation would be in the best interests of the area under consideration.

(c) The chief administrative law judge may deny the incorporation if the area, or a part thereof, would be better served by annexation to an adjacent municipality.

(d) The chief administrative law judge may alter the boundaries of the proposed incorporation by increasing or decreasing the area to be incorporated so as to include only that property which is now, or is about to become, urban or suburban in character, or may exclude property that may be better served by another unit of government. The chief administrative law judge may also alter the boundaries of the proposed incorporation so as to follow visible, clearly recognizable physical features for municipal boundaries.

(e) In all cases, the chief administrative law judge shall set forth the factors which are the basis for the decision.

(f) Notwithstanding any other provision of law to the contrary relating to the number of wards which may be established, the chief administrative law judge may provide for election of council members by wards, not less than three nor more than seven in number, whose limits are prescribed in the chief administrative law judge's order upon a finding that area representation is required to accord proper representation in the proposed incorporated area because of uneven population density in different parts thereof or the existence of agricultural lands therein which are in the path of suburban development, but after four years from the effective date of an incorporation the council of the municipality may by resolution adopted by a four-fifths vote abolish the ward system and provide for the election of all council members at large as in other municipalities.

(g) The chief administrative law judge's order for incorporation shall provide for the election of municipal officers in accordance with section 414.09. The plan of government shall be "Optional Plan A", provided that an alternate plan may be adopted pursuant to section 412.551, at any time.

(h) The ordinances of the township in which the new municipality is located shall continue in effect until repealed by the governing body of the new municipality.

Sec. 76. Minnesota Statutes 2016, section 414.031, subdivision 4, is amended to read:

Subd. 4. **Relevant factors, order.** (a) In arriving at a decision, the presiding administrative law judge shall consider the following sources and factors:

60.1 (1) recordings and public documents from joint informational meetings under section
60.2 414.0333 relevant to other factors listed in this subdivision;

60.3 (2) present population and number of households, past population and projected
60.4 population growth of the annexing municipality and subject area and adjacent units of local
60.5 government;

60.6 (3) quantity of land within the subject area and adjacent units of local government; and
60.7 natural terrain including recognizable physical features, general topography, major
60.8 watersheds, soil conditions and such natural features as rivers, lakes and major bluffs;

60.9 (4) degree of contiguity of the boundaries between the annexing municipality and the
60.10 subject area;

60.11 (5) present pattern of physical development, planning, and intended land uses in the
60.12 subject area and the annexing municipality including residential, industrial, commercial,
60.13 agricultural and institutional land uses and the impact of the proposed action on those land
60.14 uses;

60.15 (6) the present transportation network and potential transportation issues, including
60.16 proposed highway development;

60.17 (7) land use controls and planning presently being utilized in the annexing municipality
60.18 and the subject area, including comprehensive plans for development in the area ~~and plans~~
60.19 ~~and policies of the Metropolitan Council~~, and whether there are inconsistencies between
60.20 proposed development and existing land use controls and the reasons therefore;

60.21 (8) existing levels of governmental services being provided in the annexing municipality
60.22 and the subject area, including water and sewer service, fire rating and protection, law
60.23 enforcement, street improvements and maintenance, administrative services, and recreational
60.24 facilities and the impact of the proposed action on the delivery of said services;

60.25 (9) the implementation of previous annexation agreements and orders;

60.26 (10) existing or potential environmental problems and whether the proposed action is
60.27 likely to improve or resolve these problems;

60.28 (11) plans and programs by the annexing municipality for providing needed and enhanced
60.29 governmental services to the subject area in a cost-effective and feasible manner within a
60.30 reasonable time from the date of the annexation;

61.1 (12) an analysis of the fiscal impact on the annexing municipality, the subject area, and
61.2 adjacent units of local government, including net tax capacity and the present bonded
61.3 indebtedness, and the local tax rates of the county, school district, and township;

61.4 (13) relationship and effect of the proposed action on affected and adjacent school
61.5 districts and communities;

61.6 (14) adequacy of town government to deliver services to the subject area;

61.7 (15) analysis of whether necessary governmental services can best be provided through
61.8 the proposed action or another type of boundary adjustment;

61.9 (16) if only a part of a township is annexed, the ability of the remainder of the township
61.10 to continue or the feasibility of it being incorporated separately or being annexed to another
61.11 municipality; and

61.12 (17) information received by the presiding administrative law judge from the tour required
61.13 under subdivision 3a.

61.14 (b) Based upon the factors, the presiding administrative law judge may order the
61.15 annexation on finding:

61.16 (1) that the subject area is now, or is about to become, urban or suburban in character;

61.17 (2) that municipal government in the area proposed for annexation is required to protect
61.18 the public health, safety, and welfare; or

61.19 (3) that the annexation would be in the best interest of the subject area.

61.20 (c) If only a part of a township is to be annexed, the presiding administrative law judge
61.21 shall consider whether the remainder of the township can continue to carry on the functions
61.22 of government without undue hardship.

61.23 (d) The presiding administrative law judge shall deny the annexation on finding that the
61.24 increase in revenues for the annexing municipality bears no reasonable relation to the
61.25 monetary value of benefits conferred upon the annexed area.

61.26 (e) The presiding administrative law judge may deny the annexation on finding:

61.27 (1) that annexation of all or a part of the property to an adjacent municipality would
61.28 better serve the interests of the residents of the property; or

61.29 (2) that the remainder of the township would suffer undue hardship.

61.30 (f) The presiding administrative law judge may alter the boundaries of the area to be
61.31 annexed by increasing or decreasing the area so as to include only that property which is

now or is about to become urban or suburban in character or to add property of such character abutting the area proposed for annexation in order to preserve or improve the symmetry of the area, or to exclude property that may better be served by another unit of government.

(g) The presiding administrative law judge may also alter the boundaries of the proposed annexation so as to follow visible, clearly recognizable physical features.

(h) If the presiding administrative law judge determines that part of the area would be better served by another municipality or township, the presiding administrative law judge may initiate and approve annexation by conducting further hearings and issuing orders pursuant to subdivisions 3 and 4.

(i) In all cases, the presiding administrative law judge shall set forth the factors which are the basis for the decision.

Sec. 77. Minnesota Statutes 2016, section 462A.04, subdivision 1, is amended to read:

Subdivision 1. **Creation; members.** There is created a public body corporate and politic to be known as the "Minnesota Housing Finance Agency," which shall perform the governmental functions and exercise the sovereign powers delegated to it in this chapter in furtherance of the public policies and purposes declared in section 462A.02. The agency shall consist of the state auditor and six public members appointed by the governor with advice and consent of the senate. No more than three public members shall reside in the metropolitan area of jurisdiction of the Metropolitan Council as provided defined in section 473.123, subdivision 1 ~~473.123, subdivision 1~~ 473.121, subdivision 2, and no more than one public member shall reside in any one of the development regions established under the provisions of sections 462.381 to 462.396. Each member shall hold office until a successor has been appointed and has qualified. A certificate of appointment or reappointment of any member shall be conclusive evidence of the due and proper appointment of the member.

Sec. 78. Minnesota Statutes 2016, section 462A.07, subdivision 11, is amended to read:

Subd. 11. **Cooperative relationships.** It may establish cooperative relationships with such regional county and multicounty housing authorities as may be established, ~~including the Metropolitan Council,~~ and may develop priorities for the utilization of agency resources and assistance within a region in cooperation with regional county and multicounty housing authorities.

63.1 Sec. 79. Minnesota Statutes 2016, section 462A.222, subdivision 4, is amended to read:

63.2 Subd. 4. **Distribution plan.** (a) By October 1, 1990, the Metropolitan Council, in
63.3 consultation with the agency and representatives of local government and housing and
63.4 redevelopment authorities, shall develop and submit to the agency a plan for allocating tax
63.5 credits in 1991 and thereafter in the metropolitan area, based on regional housing needs and
63.6 priorities. The agency may amend the distribution plan after consultation with ~~the~~
63.7 ~~Metropolitan Council~~, representatives of local governments, and housing and redevelopment
63.8 authorities.

63.9 (b) By October 1, 1990, the agency, in consultation with representatives of local
63.10 government and housing and redevelopment authorities, shall develop a plan for allocating
63.11 tax credits in 1991 and thereafter in greater Minnesota, based on regional housing needs
63.12 and priorities. The agency may amend the distribution plan after consultation with
63.13 representatives of local governments and housing and redevelopment authorities.

63.14 (c) In preparing the distribution plans, the ~~Metropolitan Council and the~~ agency shall
63.15 estimate the number of households in the metropolitan area and in greater Minnesota,
63.16 respectively, who are paying more than 50 percent of their income for rent and the cost of
63.17 providing sufficient rental or other assistance so that no household pays more than 50 percent
63.18 of its income for rent. In addition, the ~~Metropolitan Council and the~~ agency shall identify
63.19 the nature and scope of existing programs which primarily serve families at 60 percent of
63.20 the median income and individuals at 30 percent of the median income.

63.21 Sec. 80. Minnesota Statutes 2016, section 462C.04, subdivision 2, is amended to read:

63.22 Subd. 2. **Program review.** A public hearing shall be held on each program after one
63.23 publication of notice in a newspaper circulating generally in the city, at least 15 days before
63.24 the hearing. On or before the day on which notice of the public hearing is published, the
63.25 city shall submit the program to the ~~metropolitan council, if the city is located in the~~
63.26 ~~metropolitan area as defined in section 473.121, subdivision 2, or to the regional development~~
63.27 commission for the area in which the city is located, if any, for review and comment. The
63.28 appropriate reviewing agency shall comment on:

63.29 (a) whether the program furthers local and regional housing policies and is consistent
63.30 with the Metropolitan Development Guide, if the city is located in the metropolitan area,
63.31 or adopted policies of the regional development commission; and

63.32 (b) the compatibility of the program with the housing portion of the comprehensive plan
63.33 of the city, if any.

64.1 Review of the program may be conducted either by the board of the reviewing agency
64.2 or by the staff of the agency. Any comment submitted by the reviewing agency to the city
64.3 must be presented to the body considering the proposed program at the public hearing held
64.4 on the program.

64.5 A member or employee of the reviewing agency shall be permitted to present the
64.6 comments of the reviewing agency at the public hearing. After conducting the public hearing,
64.7 the program may be adopted with or without amendment, provided that any amendments
64.8 must not be inconsistent with the comments, if any, of the reviewing agency and must not
64.9 contain any material changes from the program submitted to the reviewing agency other
64.10 than changes in the financial aspects of any proposed issue of bonds or obligations. If any
64.11 material change other than a change in the financial aspects of a proposed issue of bonds
64.12 or obligations, or any change which is inconsistent with the comments of the reviewing
64.13 agency is adopted, the amended program shall be resubmitted to the appropriate reviewing
64.14 agency for review and comment, and a public hearing shall be held on the amended program
64.15 after one publication of notice in a newspaper circulating generally in the city at least 15
64.16 days before the hearing. The amended program shall be considered after the public hearing
64.17 in the same manner as consideration of the initial program.

64.18 Sec. 81. Minnesota Statutes 2016, section 462C.071, subdivision 2, is amended to read:

64.19 Subd. 2. **Limitation; origination period.** During the first ten months of an origination
64.20 period, a city may make loans financed with proceeds of mortgage bonds for the purchase
64.21 of existing housing. Loans financed with the proceeds of mortgage bonds for new housing
64.22 in the metropolitan area may be made during the first ten months of an origination period
64.23 only if at least one of the following conditions is met:

64.24 (1) the new housing is located in a redevelopment area;

64.25 (2) the new housing is replacing a structurally substandard structure or structures;

64.26 (3) the new housing is located on a parcel purchased by the city or conveyed to the city
64.27 under section 282.01, subdivision 1; or

64.28 (4) the new housing is part of a housing affordability initiative, other than those financed
64.29 with the proceeds from the sale of bonds, in which federal, state, or local assistance is used
64.30 to substantially improve the terms of the financing or to substantially write down the purchase
64.31 price of the new housing; ~~or.~~

64.32 ~~(5) the new housing is located in a city that has entered into a housing affordability~~
64.33 ~~agreement with the metropolitan council.~~

65.1 Upon expiration of the first ten-month period, a city may make loans financed with the
65.2 proceeds of mortgage bonds for the purchase of new and existing housing.

65.3 Sec. 82. Minnesota Statutes 2016, section 465.82, subdivision 1, is amended to read:

65.4 Subdivision 1. **Adoption and state agency review.** Each governing body that proposes
65.5 to take part in a combination under sections 465.81 to 465.86 must by resolution adopt a
65.6 plan for cooperation and combination. The plan must address each item in this section. The
65.7 plan must be specific for any item that will occur within three years and may be general or
65.8 set forth alternative proposals for an item that will occur more than three years in the future.
65.9 ~~For a metropolitan area local government unit, the plan must be submitted to the Metropolitan~~
65.10 ~~Council for review and comment. The council may point out any resources or technical~~
65.11 ~~assistance it may be able to provide a governing body submitting a plan under this~~
65.12 ~~subdivision. Significant modifications and specific resolutions of items must be submitted~~
65.13 ~~to the council, if appropriate, for review and comment.~~ In the official newspaper of each
65.14 local government unit proposing to take part in the combination, the governing body shall
65.15 publish at least a summary of the adopted plans; and each significant modification and
65.16 resolution of items; ~~and, if appropriate, the results of each council review and comment.~~ If
65.17 a territory of a unit is to be apportioned between or among two or more units contiguous to
65.18 the unit that is to be apportioned, the plan must specify the area that will become a part of
65.19 each remaining unit.

65.20 Sec. 83. Minnesota Statutes 2016, section 469.174, subdivision 26, is amended to read:

65.21 Subd. 26. **Population.** "Population" means the population established as of December
65.22 31 by the most recent of the following:

65.23 (1) the federal census;

65.24 (2) a special census conducted under contract with the United States Bureau of the
65.25 Census; and

65.26 ~~(3) a population estimate made by the Metropolitan Council; and~~

65.27 ~~(4)~~ (3) a population estimate made by the state demographer under section 4A.02.

65.28 The population so established applies to the following calendar year.

65.29 Sec. 84. Minnesota Statutes 2016, section 469.351, subdivision 2, is amended to read:

65.30 Subd. 2. **Designation of transit improvement areas.** A transit improvement area must
65.31 increase the effectiveness of a transit project by incorporating one or more public transit

modes with commercial, residential, or mixed-use development and by providing for safe and pedestrian-friendly use. The commissioner, in consultation with affected state and regional agencies, must designate transit improvement areas that meet the objectives under this subdivision. Affected state and regional agencies include, but are not limited to, the Minnesota Department of Transportation, and the Minnesota Housing Finance Agency, ~~and the Metropolitan Council for transit improvement areas located in the seven-county metropolitan region.~~ To be eligible for designation, an applicant must submit a transit area improvement plan according to the requirements and timelines established by the commissioner. At a minimum, the plan must include the information specified under subdivision 3. The commissioner may modify an applicant's plan to better achieve the objectives of transit improvement areas. The commissioner must notify applicants of the designations and must provide a statement of any changes to an applicant's plan with justification for all changes.

Sec. 85. Minnesota Statutes 2016, section 471.425, subdivision 1, is amended to read:

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

(a) "Contract" means any written legal document or documents signed by both parties in which the terms and conditions of any interest or other penalty for late payments are clearly stated.

(b) "Date of receipt" means the completed delivery of the goods or services or the satisfactory installation, assembly or specified portion thereof, or the receipt of the invoice for the delivery of the goods or services, whichever is later.

(c) "Governing board" means the elected or appointed board of the municipality and includes, but is not limited to, city councils, town boards and county boards.

(d) "Municipality" means any home rule charter or statutory city, county, town, school district, political subdivision or agency of local government. "Municipality" means ~~the Metropolitan Council or any board or~~ an agency created under chapter 473.

Sec. 86. Minnesota Statutes 2016, section 471.9997, is amended to read:

471.9997 FEDERALLY ASSISTED RENTAL HOUSING; IMPACT STATEMENT.

At least 12 months before termination of participation in a federally assisted rental housing program, including project-based Section 8 and Section 236 rental housing, the owner of the federally assisted rental housing must submit a statement regarding the impact

of termination on the residents of the rental housing to the governing body of the local government unit in which the housing is located. The impact statement must identify the number of units that will no longer be subject to rent restrictions imposed by the federal program, the estimated rents that will be charged as compared to rents charged under the federal program, and actions the owner will take to assist displaced tenants in obtaining other housing. A copy of the impact statement must be provided to each resident of the affected building; and to the Minnesota Housing Finance Agency; ~~and, if the property is located in the metropolitan area as defined in section 473.121, subdivision 2, the Metropolitan Council.~~

Sec. 87. Minnesota Statutes 2016, section 473.121, subdivision 2, is amended to read:

Subd. 2. **Metropolitan area or area.** "Metropolitan area" or "area" means the area ~~over which the Metropolitan Council has jurisdiction~~, including only the counties of Anoka; Carver; Dakota excluding the city of Northfield; Hennepin excluding the cities of Hanover and Rockford; Ramsey; Scott excluding the city of New Prague; and Washington.

Sec. 88. Minnesota Statutes 2016, section 473.142, is amended to read:

473.142 SMALL BUSINESSES.

(a) ~~The Metropolitan Council and~~ agencies specified in section 473.143, subdivision 1, may award up to a six percent preference in the amount bid for specified goods or services to small targeted group businesses and veteran-owned small businesses designated under section 16C.16.

(b) ~~The council and~~ Each agency specified in section 473.143, subdivision 1, may designate a purchase of goods or services for award only to small targeted group businesses designated under section 16C.16 if the ~~council or~~ agency determines that at least three small targeted group businesses are likely to bid. ~~The council and~~ Each agency specified in section 473.143, subdivision 1, may designate a purchase of goods or services for award only to veteran-owned small businesses designated under section 16C.16 if the ~~council or~~ agency determines that at least three veteran-owned small businesses are likely to bid.

(c) ~~The council and~~ Each agency specified in section 473.143, subdivision 1, as a condition of awarding a construction contract or approving a contract for consultant, professional, or technical services, may set goals that require the prime contractor to subcontract a portion of the contract to small targeted group businesses and veteran-owned small businesses designated under section 16C.16. The ~~council or~~ agency must establish a procedure for granting waivers from the subcontracting requirement when qualified small

68.1 targeted group businesses and veteran-owned small businesses are not reasonably available.
68.2 The ~~council~~ or agency may establish financial incentives for prime contractors who exceed
68.3 the goals for use of subcontractors and financial penalties for prime contractors who fail to
68.4 meet goals under this paragraph. The subcontracting requirements of this paragraph do not
68.5 apply to prime contractors who are small targeted group businesses and veteran-owned
68.6 small businesses. At least 75 percent of the value of the subcontracts awarded to small
68.7 targeted group businesses under this paragraph must be performed by the business to which
68.8 the subcontract is awarded or by another small targeted group business. At least 75 percent
68.9 of the value of the subcontracts awarded to veteran-owned small businesses under this
68.10 paragraph must be performed by the business to which the subcontract is awarded or another
68.11 veteran-owned small business.

68.12 (d) ~~The council and~~ Each agency listed in section 473.143, subdivision 1, ~~are~~ is
68.13 encouraged to purchase from small targeted group businesses and veteran-owned small
68.14 businesses designated under section 16C.16 when making purchases that are not subject to
68.15 competitive bidding procedures.

68.16 (e) ~~The council and~~ Each agency may adopt rules to implement this section.

68.17 (f) Each ~~council~~ or agency contract must require the prime contractor to pay any
68.18 subcontractor within ten days of the prime contractor's receipt of payment from the ~~council~~
68.19 ~~or~~ agency for undisputed services provided by the subcontractor. The contract must require
68.20 the prime contractor to pay interest of 1-1/2 percent per month or any part of a month to
68.21 the subcontractor on any undisputed amount not paid on time to the subcontractor. The
68.22 minimum monthly interest penalty payment for an unpaid balance of \$100 or more is \$10.
68.23 For an unpaid balance of less than \$100, the prime contractor shall pay the actual penalty
68.24 due to the subcontractor. A subcontractor who prevails in a civil action to collect interest
68.25 penalties from a prime contractor must be awarded its costs and disbursements, including
68.26 attorney fees, incurred in bringing the action.

68.27 (g) This section does not apply to procurement financed in whole or in part with federal
68.28 funds if the procurement is subject to federal disadvantaged, minority, or women business
68.29 enterprise regulations. ~~The council and~~ Each agency shall report to the commissioner of
68.30 administration on compliance with this section. The information must be reported at the
68.31 time and in the manner requested by the commissioner.

68.32 Sec. 89. Minnesota Statutes 2016, section 473.1425, is amended to read:

68.33 **473.1425 WORKING CAPITAL FUND.**

~~The Metropolitan Council or~~ A metropolitan agency defined in section 473.121, subdivision 5a, to the extent allowed by other law or contract, may grant available money that has been appropriated for socially or economically disadvantaged business programs to a guaranty fund administered by a nonprofit organization that makes or guarantees working capital loans to businesses owned and operated by socially or economically disadvantaged persons as defined in Code of Federal Regulations, title 49, section 23.5. The purpose of loans made or guaranteed by the organization must be to provide short-term working capital to enable eligible businesses to be awarded contracts for goods and services or for construction related services from government agencies.

Sec. 90. Minnesota Statutes 2016, section 473.143, is amended to read:

473.143 AFFIRMATIVE ACTION PLANS.

Subdivision 1. **Application.** For purposes of this section, "agency" means a metropolitan agency as defined in section 473.121, except the Metropolitan Parks and Open Space Commission. Agency also means the Metropolitan Mosquito Control Commission. For purposes of this section, "commissioner" means the commissioner of the state Department of Management and Budget.

Subd. 2. **Development and contents.** ~~The council and~~ Each agency shall develop an affirmative action plan and submit its plan to the commissioner for approval. The commissioner may not approve a plan unless the commissioner determines that it will be effective in assuring that employment positions are equally accessible to all qualified persons, in eliminating the underutilization of qualified members of protected groups, in providing a supportive work environment to all employees, regardless of race, religion, sex, national origin, or disability, and in dealing with discrimination complaints. For purposes of this section, "protected group" has the meaning given it in section 43A.02, subdivision 33. A plan must contain at least the elements required in this subdivision.

(a) It must identify protected groups that are underrepresented in the ~~council's or~~ agency's work force.

(b) It must designate a person responsible for directing and implementing the affirmative action program and assign the specific responsibilities and duties of that person. The person responsible for implementing the program shall report directly to the ~~council's or~~ agency's chief operating officer regarding the person's affirmative action duties. The person responsible for the affirmative action program shall review examination and other selection criteria to assure compliance with law. This person shall be involved in the filling of all vacancies in

70.1 the ~~council~~ or agency work force, to the extent necessary to facilitate attainment of affirmative
70.2 action goals.

70.3 (c) It must describe the methods by which the plan will be communicated to employees
70.4 and to other persons.

70.5 (d) It must describe methods for recruiting members of protected groups. These methods
70.6 may include internship programs, cooperation with union apprenticeship programs, and
70.7 other steps necessary to expand the number of protected group members in applicant pools.

70.8 (e) It must describe internal procedures in accordance with this paragraph for processing
70.9 complaints of alleged discrimination from job applicants and employees. The procedures
70.10 must provide for an initial determination of whether the complaint is properly a discrimination
70.11 complaint subject to the procedure under the affirmative action plan. Complaints filed under
70.12 the discrimination procedures that allege reprisals against an employee for opposing a
70.13 forbidden practice or for filing a charge, testifying, or participating in an investigation,
70.14 proceeding, or hearing relating to a forbidden practice are appealable to the chief operating
70.15 officer of the ~~council~~ or agency. Procedures under this paragraph must be distinct from any
70.16 procedures available under a union contract or personnel policy for nondiscrimination
70.17 complaints. Use of procedures developed under this paragraph is not a prerequisite to filing
70.18 charges with a governmental enforcement agency, nor does it limit a person's right to file
70.19 these charges.

70.20 (f) It must set goals and timetables to eliminate underutilization of members of each
70.21 protected group in the ~~council~~ or agency work force.

70.22 (g) It must provide a plan for retaining and promoting protected group members in the
70.23 ~~council~~ or agency work force. This plan should encourage training opportunities for protected
70.24 group members, to the extent necessary to eliminate underutilization in specific parts of the
70.25 work force.

70.26 (h) It must describe methods of auditing, evaluating, and reporting program success,
70.27 including a procedure that requires a preemployment review of all hiring decisions for
70.28 occupational groups with unmet affirmative action goals.

70.29 (i) It must provide for training of management and supervisory personnel in
70.30 implementation of the plan and in dealing with alleged acts of discrimination in the
70.31 workplace.

70.32 (j) It must provide for periodic surveying of the ~~council~~ or agency work force to determine
70.33 employee attitudes toward implementation of the plan.

(k) It must provide for creation of an employee committee to advise on implementation of the plan and on any changes needed in the plan.

Subd. 3. **Harassment.** ~~The council and~~ Each agency shall adopt written policies forbidding harassment based on sex, disability, or race in their workplaces and establishing implementation plans and grievance procedures to deal with complaints of harassment based on sex, disability, or race.

Subd. 4. **Performance evaluation.** The evaluation of the performance of each supervisory and managerial employee of the ~~council and the~~ agencies must include evaluation of the person's performance in implementing the ~~council's or~~ agency's affirmative action plan and in preventing forbidden discrimination in the workplace.

Subd. 5. **Report.** By March 1 each year, the commissioner shall report to the legislature on affirmative action progress of ~~the council and of~~ each agency. The report must include:

(1) an audit of the record of ~~the council and~~ each agency to determine compliance with affirmative action goals and to evaluate overall progress in attainment of overall affirmative action objectives;

(2) if ~~the council or~~ any agency has failed to make satisfactory progress toward its affirmative action goals, a list of unmet goals and an analysis of why the failure occurred;

(3) a summary of all personnel actions taken by ~~the council and~~ each agency during the past calendar year, categorized by occupational group, protected group status, and full-time, part-time, temporary, and seasonal status; and

(4) a summary of discrimination complaints and lawsuits against ~~the council and~~ each agency filed or resolved during the past calendar year, including the basis for the complaints and lawsuits.

For purposes of this subdivision, "personnel action" means a new hire, promotion, transfer, demotion, layoff, recall from layoff, suspension with or without pay, letter of reprimand, involuntary termination, other disciplinary action, and voluntary termination.

~~The council and~~ Each agency shall report to the commissioner all information that the commissioner requests to make the report required by this subdivision. In providing this information, the ~~council and~~ agencies are not required to reveal information that is not public data under chapter 13.

~~The council and~~ Each agency shall submit these reports at the time and in the manner requested by the commissioner. The commissioner shall report to the legislature on the failure of ~~the council or~~ an agency to file the required report in a timely manner.

Subd. 6. **Coordination.** The commissioner or a designee shall meet with affirmative action officers of ~~the council and~~ all of the agencies to share successful techniques and foster innovative means to implement affirmative action plans and eliminate discrimination in the workplace.

Subd. 7. **Coordination with legislature.** ~~The council and~~ Each agency shall facilitate legislative oversight of equal opportunity practices by providing the legislature access, including access to computerized records if compatible systems exist, to public data maintained by the agency. ~~The council and~~ agencies must not provide access to information that is not public data as defined in section 13.02, subdivision 8a.

Sec. 91. Minnesota Statutes 2016, section 473.144, is amended to read:

473.144 CERTIFICATES OF COMPLIANCE FOR CONTRACTS.

(a) For all contracts for goods and services in excess of \$100,000, ~~neither the council nor an~~ no agency listed in section 473.143, subdivision 1, shall accept any bid or proposal for a contract or agreement from any business having more than 40 full-time employees within this state on a single working day during the previous 12 months, unless the firm or business has an affirmative action plan for the employment of minority persons, women, and qualified disabled individuals submitted to the commissioner of human rights for approval. ~~Neither the council nor an~~ No agency listed in section 473.143, subdivision 1, shall execute the contract or agreement until the affirmative action plan has been approved by the commissioner of human rights. Receipt of a certificate of compliance from the commissioner of human rights signifies that a business has an approved affirmative action plan. A certificate is valid for two years. Section 363A.36 governs revocation of certificates. The rules adopted by the commissioner of human rights under section 363A.37 apply to this section.

(b) This paragraph applies to a contract for goods or services in excess of \$100,000 to be entered into between ~~the council or~~ an agency listed in section 473.143, subdivision 1, and a business that is not subject to paragraph (a), but that has more than 40 full-time employees on a single working day during the previous 12 months in the state where the business has its primary place of business. ~~The council or the~~ agency may not execute a contract or agreement with a business covered by this paragraph unless the business has a certificate of compliance issued by the commissioner under paragraph (a) or the business certifies to the contracting agency that it is in compliance with federal affirmative action requirements.

73.1 Sec. 92. Minnesota Statutes 2016, section 473.145, is amended to read:

73.2 **473.145 DEVELOPMENT GUIDE.**

73.3 The ~~Metropolitan Council~~ commissioner of administration shall prepare and adopt, after
73.4 appropriate study and such public hearings as may be necessary, a comprehensive
73.5 development guide for the metropolitan area. It shall consist of a compilation of policy
73.6 statements, goals, standards, programs, and maps prescribing guides for the orderly and
73.7 economical development, public and private, of the metropolitan area. The comprehensive
73.8 development guide shall recognize and encompass physical, social, or economic needs of
73.9 the metropolitan area and those future developments which will have an impact on the entire
73.10 area including but not limited to such matters as land use, parks and open space land needs,
73.11 the necessity for and location of airports, highways, transit facilities, public hospitals,
73.12 libraries, schools, and other public buildings.

73.13 Sec. 93. Minnesota Statutes 2016, section 473.146, subdivision 1, is amended to read:

73.14 Subdivision 1. **Requirement.** The ~~council~~ commissioner of administration shall adopt
73.15 a long-range comprehensive policy plan for transportation and wastewater treatment. The
73.16 plans must substantially conform to all policy statements, purposes, goals, standards, and
73.17 maps in the development guide ~~developed and adopted by the council~~ required under this
73.18 chapter. Each policy plan must include, to the extent appropriate to the functions, services,
73.19 and systems covered, the following:

73.20 (1) forecasts of changes in the general levels and distribution of population, households,
73.21 employment, land uses, and other relevant matters, for the metropolitan area and appropriate
73.22 subareas;

73.23 (2) a statement of issues, problems, needs, and opportunities with respect to the functions,
73.24 services, and systems covered;

73.25 (3) a statement of ~~the council's~~ goals, objectives, and priorities with respect to the
73.26 functions, services, and systems covered, addressing areas and populations to be served,
73.27 the levels, distribution, and staging of services; a general description of the facility systems
73.28 required to support the services; the estimated cost of improvements required to achieve
73.29 the ~~council's~~ goals for the regional systems, including an analysis of what portion of the
73.30 funding for each improvement is proposed to come from the state, ~~Metropolitan Council~~
73.31 ~~levies, and~~ cities, counties, and towns in the metropolitan area, respectively, and other
73.32 similar matters;

73.33 (4) a statement of policies to effectuate the ~~council's~~ goals, objectives, and priorities;

(5) a statement of the fiscal implications of the ~~council's~~ plan, including a statement of:
 (i) the resources available under existing fiscal policy; (ii) the adequacy of resources under existing fiscal policy and any shortfalls and unattended needs; (iii) additional resources, if any, that are or may be required to effectuate the ~~council's~~ commissioner of administration's goals, objectives, and priorities; and (iv) any changes in existing fiscal policy, on regional revenues and intergovernmental aids respectively, that are expected or ~~that the council has recommended or may recommend~~ in the plan;

(6) a statement of the relationship of the policy plan to other policy plans and chapters of the ~~Metropolitan~~ development guide; and

~~(7) a statement of the relationships to local comprehensive plans prepared under sections 473.851 to 473.871; and~~

~~(8)~~ additional general information as may be necessary to develop the policy plan or as may be required by the laws relating to the metropolitan agency and function covered by the policy plan.

Sec. 94. Minnesota Statutes 2016, section 473.146, subdivision 3, is amended to read:

Subd. 3. ~~Development guide:~~ **Transportation.** The transportation chapter must include policies relating to all transportation forms and be designed to promote the legislative determinations, policies, and goals set forth in section 473.371. In addition to the requirements of subdivision 1 regarding the contents of the policy plan, the nontransit element of the transportation chapter must include the following:

(1) a statement of the needs and problems of the metropolitan area with respect to the functions covered, including the present and prospective demand for and constraints on access to regional business concentrations and other major activity centers and the constraints on and acceptable levels of development and vehicular trip generation at such centers;

(2) the objectives of and the policies to be forwarded by the policy plan;

(3) a general description of the physical facilities and services to be developed;

(4) a statement as to the general location of physical facilities and service areas;

(5) a general statement of timing and priorities in the development of those physical facilities and service areas;

(6) a detailed statement, updated every two years, of timing and priorities for improvements and expenditures needed on the metropolitan highway system;

(7) a general statement on the level of public expenditure appropriate to the facilities;
and

(8) a long-range assessment of air transportation trends and factors that may affect airport development in the metropolitan area and policies and strategies that will ensure a comprehensive, coordinated, and timely investigation and evaluation of alternatives for airport development.

The ~~council~~ commissioner of administration shall develop the nontransit element in consultation with the transportation advisory board and the Metropolitan Airports Commission and cities having an airport located within or adjacent to its corporate boundaries. ~~The council shall also take,~~ taking into consideration the airport development and operations plans and activities of the commission. The ~~council~~ commissioner of administration shall transmit the results to the ~~state~~ Department of Transportation.

Sec. 95. Minnesota Statutes 2016, section 473.146, subdivision 4, is amended to read:

Subd. 4. **Transportation planning.** (a) ~~The Metropolitan Council is the designated commissioner and affected local governments shall cooperate to designate a planning agency~~ for any long-range comprehensive transportation planning required by section 134 of the Federal Highway Act of 1962, Section 4 of Urban Mass Transportation Act of 1964 and Section 112 of Federal Aid Highway Act of 1973 and other federal transportation laws. The ~~council~~ designated planning agency shall assure administration and coordination of transportation planning with appropriate state, regional and other agencies, counties, and municipalities.

(b) The ~~council~~ designated planning agency shall establish an advisory body consisting of citizens and representatives of municipalities, counties, and state agencies in fulfillment of the planning responsibilities of the ~~council~~ designated planning agency. The membership of the advisory body must consist of:

(1) the commissioner of transportation or the commissioner's designee;

(2) the commissioner of the Pollution Control Agency or the commissioner's designee;

(3) one member of the Metropolitan Airports Commission appointed by the commission;

(4) one person appointed by the ~~council~~ commissioner to represent nonmotorized transportation;

(5) one person appointed by the commissioner ~~of transportation~~ to represent the freight transportation industry;

(6) two persons appointed by the ~~council~~ commissioner to represent public transit;

(7) ten elected officials of cities within the metropolitan area, including one representative from each first-class city, appointed by the Association of Metropolitan Municipalities;

(8) one member of the county board of each county in the seven-county metropolitan area, appointed by the respective county boards; and

(9) eight citizens appointed by the ~~council~~ commissioner, one from each ~~council precinct~~ Metropolitan Airports Commission District;

(10) one elected official from a city participating in the replacement service program under section 473.388, appointed by the Suburban Transit Association; ~~and~~.

~~(11) one member of the council, appointed by the council.~~

(c) The ~~council~~ designated planning agency shall appoint a chair from among the members of the advisory body.

Sec. 96. Minnesota Statutes 2016, section 473.146, is amended by adding a subdivision to read:

Subd. 5. **Consultation with agency; predrafting notice.** (a) In preparing or amending the policy plan, the commissioner of administration shall consult with and make use of the expertise of the affected metropolitan agency. The agency shall cooperate with the commissioner and make its records, studies, plans, and other information available to the commissioner.

(b) Before beginning to prepare a substantial revision of a policy plan, the office shall publish notice and request comments from the public. At least 90 days before publication of the predrafting notice, the office shall submit a draft of the notice to the affected metropolitan agency for review and comment. The predrafting notice must include a statement of the subjects expected to be covered by the policy and implementation plans; a summary of important problems, issues, and matters that are expected to be addressed in the plans; and a summary of the studies and other information required as the basis of the plans. All interested persons must be afforded an opportunity to submit data or views on the predrafting notice, either orally or in writing.

(c) Before adopting a policy plan or substantial revision, the commissioner shall submit the proposed plan to the affected metropolitan agency for its review, and the agency shall report its comments to the commissioner within 90 days.

77.1 Sec. 97. Minnesota Statutes 2016, section 473.146, is amended by adding a subdivision
77.2 to read:

77.3 Subd. 6. **Hearing; adoption.** The office shall hold a public hearing on the proposed
77.4 policy plan at a time and place in the metropolitan area determined by the commissioner.
77.5 Not less than 15 days before the hearing, the commissioner shall publish notice in a
77.6 newspaper or newspapers having general circulation in the metropolitan area, stating the
77.7 date, time, and place of hearing, and the place where the proposed policy plan and agency
77.8 comments may be examined by any interested person. At any hearing, interested persons
77.9 must be permitted to present their views on the policy plan, and the hearing may be continued
77.10 from time to time. After receipt of the agency's report and the hearing, the commissioner
77.11 may revise the proposed plan giving appropriate consideration to all comments received
77.12 and thereafter shall adopt the plan by resolution.

77.13 Sec. 98. Minnesota Statutes 2016, section 473.146, is amended by adding a subdivision
77.14 to read:

77.15 Subd. 7. **Effect.** Adopted policy plans must be followed by the office and the affected
77.16 metropolitan agency.

77.17 Sec. 99. Minnesota Statutes 2016, section 473.146, is amended by adding a subdivision
77.18 to read:

77.19 Subd. 8. **Amendment.** An amendment to a policy plan may be initiated by the
77.20 commissioner or by an affected metropolitan agency. At least every five years, the
77.21 commissioner shall engage in a comprehensive review of the policy plan and revise the plan
77.22 as necessary. The commissioner shall amend a policy plan in accordance with the procedures
77.23 established in this section.

77.24 Sec. 100. Minnesota Statutes 2016, section 473.8011, is amended to read:

77.25 **473.8011 METROPOLITAN AGENCY RECYCLING GOAL.**

77.26 By December 31, 1993, ~~the Metropolitan Council,~~ each metropolitan agency as defined
77.27 in section 473.121, and the Metropolitan Mosquito Control District established in section
77.28 473.702 shall recycle at least 40 percent by weight of the solid waste generated by their
77.29 offices or other operations. The commissioner shall provide information and technical
77.30 assistance to ~~the council,~~ agencies, and the district to implement effective recycling programs.

77.31 By August 1 of each year, ~~the council,~~ each agency, and the district shall submit to the
77.32 Pollution Control Agency a report for the previous fiscal year describing recycling rates,

specified by the county in which the ~~council~~, agency, or operation is located, and progress toward meeting the recycling goal. The Pollution Control Agency shall incorporate the recycling rates reported in the respective county's recycling rates for the previous fiscal year.

If the goal is not met, the ~~council~~, agency, or district must include in its 1994 report reasons for not meeting the goal and a plan for meeting it in the future.

Sec. 101. Minnesota Statutes 2016, section 473.910, subdivision 3, is amended to read:

Subd. 3. **Membership.** The board shall be composed of ~~13~~ 12 members. Three members must be appointed by the Minneapolis City Council from among its members; three by the Hennepin County Board, from among its members; one by the Minneapolis Park Board, from among its members; ~~one by the Metropolitan Council, from among its members;~~ two members of the public appointed by the Minneapolis City Council; two members of the public appointed by the Hennepin County Board; and one member appointed by the member of Congress from the fifth district or the member's designee. The public members must reside or do business in the affected area.

Sec. 102. Minnesota Statutes 2016, section 477A.011, subdivision 3, is amended to read:

Subd. 3. **Population.** "Population" means the population estimated or established as of July 15 in an aid calculation year by the most recent federal census, by a special census conducted under contract with the United States Bureau of the Census, ~~by a population estimate made by the Metropolitan Council pursuant to section 473.24,~~ or by a population estimate of the state demographer made pursuant to section 4A.02, whichever is the most recent as to the stated date of the count or estimate for the preceding calendar year, and which has been certified to the commissioner of revenue on or before July 15 of the aid calculation year. The term "per capita" refers to population as defined by this subdivision. A revision of an estimate or count is effective for these purposes only if it is certified to the commissioner on or before July 15 of the aid calculation year. Clerical errors in the certification or use of the estimates and counts established as of July 15 in the aid calculation year are subject to correction within the time periods allowed under section 477A.014.

Sec. 103. Minnesota Statutes 2016, section 477A.011, subdivision 38, is amended to read:

Subd. 38. **Household size.** "Household size" means the average number of persons per household in the jurisdiction as most recently estimated and reported by the state demographer ~~and Metropolitan Council~~ as of July 15 of the aid calculation year. A revision

to an estimate or enumeration is effective for these purposes only if it is certified to the commissioner on or before July 15 of the aid calculation year. Clerical errors in the certification or use of estimates and counts established as of July 15 in the aid calculation year are subject to correction within the time periods allowed under section 477A.014.

Sec. 104. Minnesota Statutes 2016, section 477A.0124, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) For the purposes of this section, the following terms have the meanings given them.

(b) "County program aid" means the sum of "county need aid," "county tax base equalization aid," and "county transition aid."

(c) "Age-adjusted population" means a county's population multiplied by the county age index.

(d) "County age index" means the percentage of the population over age 65 within the county divided by the percentage of the population over age 65 within the state, except that the age index for any county may not be greater than 1.8 nor less than 0.8.

(e) "Population over age 65" means the population over age 65 established as of July 15 in an aid calculation year by the most recent federal census, by a special census conducted under contract with the United States Bureau of the Census, ~~by a population estimate made by the Metropolitan Council,~~ or by a population estimate of the state demographer made pursuant to section 4A.02, whichever is the most recent as to the stated date of the count or estimate for the preceding calendar year and which has been certified to the commissioner of revenue on or before July 15 of the aid calculation year. A revision to an estimate or count is effective for these purposes only if certified to the commissioner on or before July 15 of the aid calculation year. Clerical errors in the certification or use of estimates and counts established as of July 15 in the aid calculation year are subject to correction within the time periods allowed under section 477A.014.

(f) "Part I crimes" means the three-year average annual number of Part I crimes reported for each county by the Department of Public Safety for the most recent years available. By July 1 of each year, the commissioner of public safety shall certify to the commissioner of revenue the number of Part I crimes reported for each county for the three most recent calendar years available.

(g) "Households receiving food stamps" means the average monthly number of households receiving food stamps for the three most recent years for which data is available. By July 1 of each year, the commissioner of human services must certify to the commissioner

80.1 of revenue the average monthly number of households in the state and in each county that
80.2 receive food stamps, for the three most recent calendar years available.

80.3 (h) "County net tax capacity" means the county's adjusted net tax capacity under section
80.4 273.1325.

80.5 Sec. 105. Minnesota Statutes 2016, section 572A.02, subdivision 5, is amended to read:

80.6 Subd. 5. **Decision factors.** In disputes brought under this section, the arbitration panel
80.7 shall consider the following factors in making a decision:

80.8 (1) present population and number of households, past population, and projected
80.9 population growth of the subject area and adjacent units of local government;

80.10 (2) quantity of land within the subject area and adjacent units of local government; and
80.11 natural terrain including recognizable physical features, general topography, major
80.12 watersheds, soil conditions, and such natural features as rivers, lakes, and major bluffs;

80.13 (3) degree of contiguity of the boundaries between the municipality and the subject area;

80.14 (4) present pattern of physical development, planning, and intended land uses in the
80.15 subject area and the municipality including residential, industrial, commercial, agricultural,
80.16 and institutional land uses and the impact of the proposed action on those land uses;

80.17 (5) the present transportation network and potential transportation issues, including
80.18 proposed highway development;

80.19 (6) land use controls and planning presently being utilized in the municipality and the
80.20 subject area, including comprehensive plans for development in the area ~~and plans and~~
80.21 ~~policies of the Metropolitan Council~~, and whether there are inconsistencies between proposed
80.22 development and existing land use controls and the reasons therefore;

80.23 (7) existing levels of governmental services being provided in the municipality and the
80.24 subject area, including water and sewer service, fire rating and protection, law enforcement,
80.25 street improvements and maintenance, administrative services, and recreational facilities
80.26 and the impact of the proposed action on the delivery of said services;

80.27 (8) existing or potential environmental problems and whether the proposed action is
80.28 likely to improve or resolve these problems;

80.29 (9) plans and programs by the municipality for providing needed governmental services
80.30 to the subject area;

81.1 (10) an analysis of the fiscal impact on the municipality, the subject area, and adjacent
81.2 units of local government, including net tax capacity and the present bonded indebtedness,
81.3 and the local tax rates of the county, school district, and township;

81.4 (11) relationship and effect of the proposed action on affected and adjacent school
81.5 districts and communities;

81.6 (12) adequacy of town government to deliver services to the subject area;

81.7 (13) analysis of whether necessary governmental services can best be provided through
81.8 the proposed action or another type of boundary adjustment; and

81.9 (14) if only a part of a township is annexed, the ability of the remainder of the township
81.10 to continue or the feasibility of it being incorporated separately or being annexed to another
81.11 municipality.

81.12 Any party to the proceeding may present evidence and testimony on any of the above factors
81.13 at the hearing on the matter.

81.14 Sec. 106. Minnesota Statutes 2016, section 604B.04, subdivision 7, is amended to read:

81.15 Subd. 7. **Governmental unit immunity.** No cause of action may be maintained against
81.16 a governmental unit as defined in section 462.384, subdivision 2, including governmental
81.17 units acting jointly under section 471.59, for damages or harm resulting from the collection,
81.18 publication, or dissemination of year 2000 solution information to other governmental units
81.19 or ~~to the Metropolitan Council or~~ metropolitan agencies.

81.20 Sec. 107. Minnesota Statutes 2016, section 609.2231, subdivision 11, is amended to read:

81.21 Subd. 11. **Transit operators.** (a) A person is guilty of a gross misdemeanor if (1) the
81.22 person assaults a transit operator, or intentionally throws or otherwise transfers bodily fluids
81.23 onto a transit operator; and (2) the transit operator is acting in the course of the operator's
81.24 duties and is operating a transit vehicle, aboard a transit vehicle, or otherwise responsible
81.25 for a transit vehicle. A person convicted under this paragraph may be sentenced to
81.26 imprisonment for not more than one year or to payment of a fine of not more than \$3,000,
81.27 or both.

81.28 (b) For the purposes of this subdivision, "transit operator" means a driver or operator of
81.29 a transit vehicle that is used to provide any of the following services:

81.30 (1) public transit, as defined in section 174.22, subdivision 7;

81.31 (2) light rail transit service;

82.1 (3) special transportation service under section 473.386, whether provided by the
82.2 ~~Metropolitan Council~~ Department of Transportation or by other providers under contract
82.3 with the ~~council~~ department; or

82.4 (4) commuter rail service.

82.5 Sec. 108. Minnesota Statutes 2016, section 609.594, subdivision 1, is amended to read:

82.6 Subdivision 1. **Definitions.** As used in this section:

82.7 (1) "critical public service facility" includes railroad yards and stations, bus stations,
82.8 airports, and other mass transit facilities; oil refineries; storage areas or facilities for hazardous
82.9 materials, hazardous substances, or hazardous wastes; and bridges;

82.10 (2) "pipeline" has the meaning given in section 609.6055, subdivision 1; and

82.11 (3) "utility" includes: (i) any organization defined as a utility in section 216C.06,
82.12 subdivision 18; (ii) any telecommunications carrier or telephone company regulated under
82.13 chapter 237; and (iii) any local utility or enterprise formed for the purpose of providing
82.14 electrical or gas heating and power, telephone, water, sewage, wastewater, or other related
82.15 utility service, which is owned, controlled, or regulated by a town, a statutory or home rule
82.16 charter city, a county, a port development authority, ~~the Metropolitan Council~~, a district
82.17 heating authority, a regional commission or other regional government unit, or a combination
82.18 of these governmental units.

82.19 Sec. 109. Minnesota Statutes 2016, section 609.6055, subdivision 1, is amended to read:

82.20 Subdivision 1. **Definitions.** (a) As used in this section, the following terms have the
82.21 meanings given.

82.22 (b) "Critical public service facility" includes buildings and other physical structures, and
82.23 fenced in or otherwise enclosed property, of railroad yards and stations, bus stations, airports,
82.24 and other mass transit facilities; oil refineries; and storage areas or facilities for hazardous
82.25 materials, hazardous substances, or hazardous wastes. The term also includes nonpublic
82.26 portions of bridges. The term does not include railroad tracks extending beyond a critical
82.27 public service facility.

82.28 (c) "Pipeline" includes an aboveground pipeline, a belowground pipeline housed in an
82.29 underground structure, and any equipment, facility, or building located in this state that is
82.30 used to transport natural or synthetic gas, crude petroleum or petroleum fuels or oil or their
82.31 derivatives, or hazardous liquids, to or within a distribution, refining, manufacturing, or

83.1 storage facility that is located inside or outside of this state. Pipeline does not include service
83.2 lines.

83.3 (d) "Utility" includes:

83.4 (1) any organization defined as a utility in section 216C.06, subdivision 18;

83.5 (2) any telecommunications carrier or telephone company regulated under chapter 237;
83.6 and

83.7 (3) any local utility or enterprise formed for the purpose of providing electrical or gas
83.8 heating and power, telephone, water, sewage, wastewater, or other related utility service,
83.9 which is owned, controlled, or regulated by a town, a statutory or home rule charter city, a
83.10 county, a port development authority, ~~the Metropolitan Council~~, a district heating authority,
83.11 a regional commission or other regional government unit, or a combination of these
83.12 governmental units.

83.13 The term does not include property located above buried power or telecommunications
83.14 lines or property located below suspended power or telecommunications lines, unless the
83.15 property is fenced in or otherwise enclosed.

83.16 (e) "Utility line" includes power, telecommunications, and transmissions lines as well
83.17 as related equipment owned or controlled by a utility.

83.18 Sec. 110. **BONDS.**

83.19 Bonds and other debt authorized by any sections of statute affected by this article that
83.20 are outstanding on the effective date of this article must be paid and retired according to
83.21 those sections and the terms of the bonds or other debt instruments. The auditors of the
83.22 metropolitan counties shall see to the administration of this section.

83.23 Sec. 111. **REPEALER.**

83.24 (a) Minnesota Statutes 2016, sections 3.8841; 103B.235, subdivision 3a; 238.43,
83.25 subdivision 5; 297A.992, subdivision 12; 462.382; 462C.071, subdivision 4; 473.121,
83.26 subdivisions 3 and 8; 473.123, subdivisions 1, 2a, 3, 3a, 3e, 4, and 8; 473.125; 473.127;
83.27 473.129; 473.1293; 473.132; 473.165; 473.24; 473.242; 473.245; 473.246; 473.249,
83.28 subdivisions 1 and 2; 473.25; 473.251; 473.253; 473.254; 473.255; 473.3875; and 473.915,
83.29 are repealed.

84.1 (b) Minnesota Rules, parts 5800.0010; 5800.0020; 5800.0030; 5800.0040; 5800.0050;
84.2 5800.0060; 5800.0070; 5800.0080; 5800.0090; 5800.0100; 5800.0110; 5800.0120;
84.3 5800.0130; 5800.0140; and 5800.0150, are repealed.

84.4 Sec. 112. **EFFECTIVE DATE.**

84.5 This article is effective July 1, 2017.

84.6 **ARTICLE 2**

84.7 **PUBLIC SAFETY RADIO COMMUNICATION**

84.8 Section 1. Minnesota Statutes 2016, section 403.30, subdivision 1, is amended to read:

84.9 Subdivision 1. **Standing appropriation; costs covered.** The amount necessary to pay
84.10 debt service costs and reserves for bonds issued by the Metropolitan Council under section
84.11 403.27 before July 1, 2018, or by the commissioner of management and budget under section
84.12 403.275 is appropriated from the 911 emergency telecommunications service account
84.13 established under section 403.11 to the commissioner of management and budget. The
84.14 commissioner of management and budget shall transmit the necessary amounts to the
84.15 ~~Metropolitan Council as requested by the council~~ auditors of the metropolitan counties as
84.16 requested by the auditors.

84.17 This appropriation shall be used to pay annual debt service costs and reserves for bonds
84.18 issued pursuant to section 403.27 or 403.275 prior to use of fee money to pay other costs
84.19 or to support other appropriations.

84.20 Sec. 2. Minnesota Statutes 2016, section 403.31, subdivision 4, is amended to read:

84.21 Subd. 4. **Powers of government units.** To accomplish any duty imposed on it by the
84.22 ~~council or~~ radio board, the governing body of every local government in the metropolitan
84.23 area may exercise the powers granted any municipality by chapters 117, 412, 429, and 475
84.24 and by sections 115.46, 444.075, and 471.59.

84.25 Sec. 3. Minnesota Statutes 2016, section 403.31, subdivision 5, is amended to read:

84.26 Subd. 5. **Deficiency tax levies.** If the governing body of any local government using the
84.27 first or second phase system fails to meet any payment to the board under subdivision 1
84.28 when due, the ~~Metropolitan Council~~ local government governing body may certify to the
84.29 auditor of the county in which the government unit is located the amount required for
84.30 payment of the amount due with interest at six percent per year. The auditor shall levy and
84.31 extend the amount due, with interest, as a tax upon all taxable property in the government

85.1 unit for the next calendar year, free from any existing limitations imposed by law or charter.
85.2 This tax shall be collected in the same manner as the general taxes of the government unit,
85.3 and the proceeds of the tax, when collected, shall be paid by the county treasurer to the
85.4 board and credited to the government unit for which the tax was levied.

85.5 Sec. 4. Minnesota Statutes 2016, section 403.36, subdivision 1, is amended to read:

85.6 Subdivision 1. **Membership.** (a) The commissioner of public safety shall convene and
85.7 chair the Statewide Radio Board to develop a project plan for a statewide, shared, trunked
85.8 public safety radio communication system. The system may be referred to as "Allied Radio
85.9 Matrix for Emergency Response," or "ARMER."

85.10 (b) The board consists of the following members or their designees:

85.11 (1) the commissioner of public safety;

85.12 (2) the commissioner of transportation;

85.13 (3) the state chief information officer;

85.14 (4) the commissioner of natural resources;

85.15 (5) the chief of the Minnesota State Patrol;

85.16 ~~(6) the chair of the Metropolitan Council;~~

85.17 ~~(7)~~ (6) two elected city officials, one from the nine-county metropolitan area and one
85.18 from Greater Minnesota, appointed by the governing body of the League of Minnesota
85.19 Cities;

85.20 ~~(8)~~ (7) two elected county officials, one from the nine-county metropolitan area and one
85.21 from Greater Minnesota, appointed by the governing body of the Association of Minnesota
85.22 Counties;

85.23 ~~(9)~~ (8) two sheriffs, one from the nine-county metropolitan area and one from Greater
85.24 Minnesota, appointed by the governing body of the Minnesota Sheriffs' Association;

85.25 ~~(10)~~ (9) two chiefs of police, one from the nine-county metropolitan area and one from
85.26 Greater Minnesota, appointed by the governor after considering recommendations made by
85.27 the Minnesota Chiefs' of Police Association;

85.28 ~~(11)~~ (10) two fire chiefs, one from the nine-county metropolitan area and one from
85.29 Greater Minnesota, appointed by the governor after considering recommendations made by
85.30 the Minnesota Fire Chiefs' Association;

(12) (11) two representatives of emergency medical service providers, one from the nine-county metropolitan area and one from Greater Minnesota, appointed by the governor after considering recommendations made by the Minnesota Ambulance Association;

(13) (12) the chair of the regional radio board for the metropolitan area; and

(14) (13) a representative of Greater Minnesota elected by those units of government in phase three and any subsequent phase of development as defined in the statewide, shared radio and communication plan, who have submitted a plan to the Statewide Radio Board and where development has been initiated.

(c) The Statewide Radio Board shall coordinate the appointment of board members representing Greater Minnesota with the appointing authorities and may designate the geographic region or regions from which an appointed board member is selected where necessary to provide representation from throughout the state.

Sec. 5. **BONDS AND CERTIFICATES.**

Debt obligations authorized and issued under Minnesota Statutes, section 403.27, before the effective date of this article must be paid for and retired according to that section and the terms of those obligations and their bond indentures and trust agreements. The metropolitan county auditors shall administer this section.

Sec. 6. **REPEALER.**

Minnesota Statutes 2016, sections 403.27; 403.29, subdivision 4; and 403.32, are repealed.

Sec. 7. **EFFECTIVE DATE.**

This article is effective July 1, 2017.

ARTICLE 3

FISCAL DISPARITIES

Section 1. Minnesota Statutes 2016, section 473F.02, subdivision 7, is amended to read:

Subd. 7. **Population.** "Population" means the most recent estimate of the population of a municipality made by the Metropolitan Council under section 473.24 state demographer and filed with the commissioner of revenue as of July 15 of the year in which a municipality's distribution net tax capacity is calculated.

87.1 Sec. 2. Minnesota Statutes 2016, section 473F.02, subdivision 8, is amended to read:

87.2 Subd. 8. **Municipality.** "Municipality" means a city, town, or township located in whole
87.3 or part within the area, but not the cities of New Prague or Northfield. If a municipality is
87.4 located partly within and partly without the area, the references in sections 473F.01 to
87.5 473F.13 to property or any portion thereof subject to taxation or taxing jurisdiction within
87.6 the municipality are to such property or portion thereof as is located in that portion of the
87.7 municipality within the area, except that the fiscal capacity of such a municipality shall be
87.8 computed upon the basis of the valuation and population of the entire municipality.

87.9 A municipality shall be excluded from the area if its municipal comprehensive zoning
87.10 and planning policies conscientiously exclude most commercial-industrial development,
87.11 for reasons other than preserving an agricultural use. ~~The Metropolitan Council and the~~
87.12 commissioner of administration and the commissioner of revenue shall jointly make this
87.13 determination annually and shall notify those municipalities that are ineligible to participate
87.14 in the tax base sharing program provided in this chapter for the following year.

87.15 Sec. 3. Minnesota Statutes 2016, section 473F.08, subdivision 3, is amended to read:

87.16 Subd. 3. **Apportionment of levy.** The county auditor shall apportion the levy of each
87.17 governmental unit in the auditor's county in the manner prescribed by this subdivision. The
87.18 auditor shall:

87.19 (a) by August 20, determine the areawide portion of the levy for each governmental unit
87.20 by multiplying the local tax rate of the governmental unit for the preceding levy year times
87.21 the distribution value set forth in subdivision 2, clause (b);

87.22 (b) by September 5, determine the local portion of the current year's levy by subtracting
87.23 the resulting amount from clause (a) from the governmental unit's current year's levy; and

87.24 (c) for determinations made under clause (a) in the case of school districts, for taxes
87.25 payable in 2002, exclude the general education tax rate and the portion of the referendum
87.26 tax rate attributable to the first \$415 per pupil unit from the local tax rate for the preceding
87.27 levy year;

87.28 ~~(d) for determinations made under clause (a) in the case of the Metropolitan Council,~~
87.29 ~~for taxes payable in 2002, exclude the transit operating tax rate from the local tax rate for~~
87.30 ~~the preceding levy year; and~~

87.31 ~~(e) for determinations made under clause (a) in the case of transit opt-out cities, for taxes~~
87.32 ~~payable in 2002, exclude the opt-out transit rate from the local tax rate for the preceding~~
87.33 ~~levy year.~~

88.1 Sec. 4. Minnesota Statutes 2016, section 473F.08, subdivision 5, is amended to read:

88.2 Subd. 5. **Areawide tax rate.** On or before August 25 of each year, the county auditor
88.3 shall certify to the administrative auditor that portion of the levy of each governmental unit
88.4 determined under subdivisions 3, clause (a), and 3a,~~and 3b~~. The administrative auditor shall
88.5 then determine the areawide tax rate sufficient to yield an amount equal to the sum of such
88.6 levies from the areawide net tax capacity. On or before September 1 of each year, the
88.7 administrative auditor shall certify the areawide tax rate to each of the county auditors.

88.8 Sec. 5. Minnesota Statutes 2016, section 473F.08, subdivision 7a, is amended to read:

88.9 Subd. 7a. **Certification of values; payment.** The administrative auditor shall determine
88.10 for each county the difference between the total levy on distribution value pursuant to
88.11 subdivisions 3, clause (a), and 3a,~~and 3b~~, within the county and the total tax on contribution
88.12 value pursuant to subdivision 6, within the county. On or before May 16 of each year, the
88.13 administrative auditor shall certify the differences so determined to each county auditor. In
88.14 addition, the administrative auditor shall certify to those county auditors for whose county
88.15 the total tax on contribution value exceeds the total levy on distribution value the settlement
88.16 the county is to make to the other counties of the excess of the total tax on contribution
88.17 value over the total levy on distribution value in the county. On or before June 15 and
88.18 November 15 of each year, each county treasurer in a county having a total tax on
88.19 contribution value in excess of the total levy on distribution value shall pay one-half of the
88.20 excess to the other counties in accordance with the administrative auditors certification.

88.21 Sec. 6. Minnesota Statutes 2016, section 473F.13, subdivision 1, is amended to read:

88.22 Subdivision 1. **Certification of change in status.** If a municipality is dissolved, is
88.23 consolidated with all or part of another municipality, annexes territory, has a portion of its
88.24 territory detached from it, or is newly incorporated, the secretary of state shall immediately
88.25 certify that fact to the commissioner of revenue. The secretary of state shall also certify to
88.26 the commissioner of revenue the current population of the new, enlarged, or successor
88.27 municipality, if determined by the chief administrative law judge of the state Office of
88.28 Administrative Hearings incident to consolidation, annexation, or incorporation proceedings.
88.29 The population so certified shall govern for purposes of sections 473F.01 to 473F.13 until
88.30 ~~the Metropolitan Council~~ state demographer files its first population estimate as of a later
88.31 date with the commissioner of revenue. If an annexation of unincorporated land occurs
88.32 without proceedings before the chief administrative law judge, the population of the annexing
88.33 municipality as previously determined shall continue to govern for purposes of sections

89.1 473F.01 to 473F.13 until the ~~Metropolitan Council~~ state demographer files its first population
89.2 estimate as of a later date with the commissioner of revenue.

89.3 Sec. 7. **REPEALER.**

89.4 Minnesota Statutes 2016, sections 473F.02, subdivision 21; and 473F.08, subdivision
89.5 3b, are repealed.

89.6 Sec. 8. **EFFECTIVE DATE.**

89.7 This article is effective July 1, 2018.

89.8 ARTICLE 4

89.9 METROPOLITAN LAND USE PLANNING

89.10 Section 1. **REPEALER.**

89.11 Minnesota Statutes 2016, sections 473.175; 473.181, subdivisions 2 and 5; 473.191;
89.12 473.206; 473.208; 473.851; 473.852, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, and 10; 473.853;
89.13 473.854; 473.856; 473.857; 473.858; 473.859; 473.86; 473.861; 473.862; 473.864; 473.865;
89.14 473.866; 473.867, subdivisions 1, 2, 3, 5, and 6; 473.869; 473.87; and 473.871, are repealed.

89.15 Sec. 2. **EFFECTIVE DATE.**

89.16 This article is effective July 1, 2018.

89.17 ARTICLE 5

89.18 METROPOLITAN AIRPORTS COMMISSION

89.19 Section 1. Minnesota Statutes 2016, section 473.192, subdivision 2, is amended to read:

89.20 Subd. 2. **Definitions.** For purposes of this section, "metropolitan area" has the meaning
89.21 given it in section 473.121, subdivision 2. "Transportation policy plan" means the plan
89.22 adopted by the ~~Metropolitan Council~~ commissioner of administration pursuant to section
89.23 473.145. "Municipality" has the meaning provided by section 462.352, subdivision 2.

89.24 Sec. 2. Minnesota Statutes 2016, section 473.192, subdivision 3, is amended to read:

89.25 Subd. 3. **Ordinance.** A municipality in the metropolitan area that, in part or in whole,
89.26 is within the aircraft noise zones designated in the transportation policy plan may adopt and
89.27 enforce ordinances and controls to regulate building construction methods and materials
89.28 for the purpose of attenuating aircraft noise in habitable buildings in and around the noise

zone. The ordinance or control shall not apply to remodeling or rehabilitating an existing residential building nor to the construction of an appurtenance to an existing residential building. An ordinance adopted by a municipality must be adequate to implement the ~~Metropolitan Council's~~ guidelines of the commissioner of administration for land use compatibility with aircraft noise. Section 326B.121 does not apply to ordinances adopted under this section.

Sec. 3. Minnesota Statutes 2016, section 473.602, is amended to read:

473.602 DECLARATION OF PURPOSES.

It is the purpose of sections 473.601 to 473.679 to:

(1) promote the public welfare and national security; serve public interest, convenience, and necessity; promote air navigation and transportation, international, national, state, and local, in and through this state; promote the efficient, safe, and economical handling of air commerce; assure the inclusion of this state in national and international programs of air transportation; and to those ends to develop the full potentialities of the metropolitan area in this state as an aviation center, and to correlate that area with all aviation facilities in the entire state so as to provide for the most economical and effective use of aeronautic facilities and services in that area;

(2) assure the residents of the metropolitan area of the minimum environmental impact from air navigation and transportation, and to that end provide for noise abatement, control of airport area land use, and other protective measures; and

(3) promote the overall goals of the state's environmental policies and minimize the public's exposure to noise and safety hazards around airports.

To achieve these purposes, the corporation shall cooperate with and assist the ~~Metropolitan Council~~ commissioner of administration, the federal government, the commissioner of transportation of this state, the Pollution Control Agency, and others engaged in aeronautics or the promotion and regulation of aeronautics and shall seek to coordinate its activities with the aeronautical activities of these bodies.

Sec. 4. Minnesota Statutes 2016, section 473.604, subdivision 1, is amended to read:

Subdivision 1. **Composition.** The commission consists of:

(1) the mayor of each of the cities, or a qualified voter appointed by the mayor, for the term of office as mayor;

91.1 (2) eight members, appointed by the governor, one from each of the following agency
91.2 districts, based on the Metropolitan Council plan MC2013-1A, on file with the Geographical
91.3 Information Systems Office of the Legislative Coordinating Commission and published on
91.4 its Web site on April 9, 2013:

- 91.5 (i) district A, consisting of council districts 1 and 2;
- 91.6 (ii) district B, consisting of council districts 3 and 4;
- 91.7 (iii) district C, consisting of council districts 5 and 6;
- 91.8 (iv) district D, consisting of council districts 7 and 8;
- 91.9 (v) district E, consisting of council districts 9 and 10;
- 91.10 (vi) district F, consisting of council districts 11 and 12;
- 91.11 (vii) district G, consisting of council districts 13 and 14; and
- 91.12 (viii) district H, consisting of council districts 15 and 16.

91.13 Each member shall be a resident of the district represented. For appointments after June 2,
91.14 2006, a member must have resided in the district for at least six months and in the state for
91.15 at least one year immediately preceding the appointment. The terms of the members from
91.16 districts A, B, F, and H expire on January 1, 2007. The terms of the members from districts
91.17 C, D, E, and G expire on January 5, 2009. The successors of each member must be appointed
91.18 to four-year terms. Before making an appointment, the governor shall consult with each
91.19 member of the legislature from the district for which the member is to be appointed, to
91.20 solicit the legislator's recommendation on the appointment;

91.21 (3) four members appointed by the governor from outside of the metropolitan area to
91.22 reflect fairly the various regions and interests throughout the state that are affected by the
91.23 operation of the commission's major airport and airport system. Two of these members must
91.24 be residents of statutory or home rule charter cities, towns, or counties containing an airport
91.25 designated by the commissioner of transportation as a key airport. The other two must be
91.26 residents of statutory or home rule charter cities, towns, or counties containing an airport
91.27 designated by the commissioner of transportation as an intermediate airport. The members
91.28 must be appointed by the governor as follows: one for a term of one year, one for a term of
91.29 two years, one for a term of three years, and one for a term of four years. All of the terms
91.30 start on July 1, 1989. The successors of each member must be appointed to four-year terms
91.31 commencing on the first Monday in January of each fourth year after the expiration of the
91.32 original term. Before making an appointment, the governor shall consult each member of

92.1 the legislature representing the municipality or county from which the member is to be
92.2 appointed, to solicit the legislator's recommendation on the appointment; and

92.3 (4) a chair appointed by the governor for a term of four years. The chair may be removed
92.4 at the pleasure of the governor.

92.5 Sec. 5. Minnesota Statutes 2016, section 473.604, is amended by adding a subdivision to
92.6 read:

92.7 Subd. 1a. **Redistricting.** The legislature shall redraw the boundaries of the districts after
92.8 each decennial federal census so that each district has substantially equal population.
92.9 Redistricting is effective in the year ending in the numeral "3." Within 60 days after a
92.10 redistricting plan takes effect, the governor shall appoint members from the newly drawn
92.11 districts to serve terms as provided under subdivision 2.

92.12 Sec. 6. Minnesota Statutes 2016, section 473.608, subdivision 19, is amended to read:

92.13 Subd. 19. **Acoustical barriers.** The corporation shall construct an acoustical barrier in
92.14 or along the perimeter of maintenance areas of the Minneapolis-St. Paul International Airport.
92.15 It also shall construct acoustical barriers along the perimeter of runways of such airport
92.16 where it is reasonably necessary, practical and safe to do so according to the standards of
92.17 the Federal Aviation Administration. All barriers shall conform to specifications approved
92.18 by the Pollution Control Agency. For purposes of this subdivision, an acoustical barrier is
92.19 a wall, fence, natural barrier such as an earthen barrier or trees designed to abate noise. The
92.20 corporation shall also confer and cooperate with any entity which it creates for the purpose
92.21 of studying and implementing sound abatement programs and with representatives of persons
92.22 residing in the vicinity of any airport who desire to explore means for relieving the area of
92.23 the detrimental effects of aircraft noise.

92.24 Notwithstanding the provisions of any other law none of the construction authorized by
92.25 this subdivision shall be subject to review or approval by the ~~Metropolitan Council~~
92.26 commissioner of administration.

92.27 Sec. 7. Minnesota Statutes 2016, section 473.611, subdivision 5, is amended to read:

92.28 Subd. 5. **New or existing airports.** Any long-term comprehensive plans adopted by the
92.29 commission for the betterment and enlargement of existing airports, for the acquisition and
92.30 construction of new airports, and for the categories of use of airports owned or controlled
92.31 by the commission shall be consistent with the development guide of the ~~Metropolitan~~
92.32 ~~Council~~ commissioner of administration.

93.1 Sec. 8. Minnesota Statutes 2016, section 473.638, is amended to read:

93.2 **473.638 CONTROL MEASURE INVOLVING TAKING.**

93.3 Subd. 2. **Retention or sale of property.** The commission may retain any property now
93.4 owned by it ~~or acquired under subdivision 1~~ and use it for a lawful purpose, or it may provide
93.5 for the sale or other disposition of the property in accordance with a redevelopment plan in
93.6 the same manner and upon the same terms as the housing and redevelopment authority and
93.7 governing body of a municipality under the provisions of section 469.029, all subject to
93.8 existing land use and development control measures approved by the ~~council~~ commissioner
93.9 of administration.

93.10 Subd. 3. **Sharing of costs.** The Metropolitan Airports Commission and any other
93.11 government unit in the metropolitan area may enter into an agreement under which the cost
93.12 of acquiring a property and the proceeds from the sale or other disposition of it under
93.13 subdivision 2 are to be shared by the commission and such government unit. The commission;
93.14 ~~the Metropolitan Council~~, or any government unit may also enter into any agreements with
93.15 the United States or the state of Minnesota, or any agency or subdivision of either, and do
93.16 all acts and things required by state or federal law or rules as a condition or consideration
93.17 for the loan or grant of funds or property for the purpose of land acquisition or improvement
93.18 under subdivisions 1 and 2.

93.19 Sec. 9. Minnesota Statutes 2016, section 473.64, is amended to read:

93.20 **473.64 GOVERNMENTS IN AIRPORT DEVELOPMENT AREA; TAX SHARING.**

93.21 The governing bodies of government units located wholly or partly in an airport
93.22 development area shall jointly study and decide upon a plan for the sharing of property tax
93.23 revenues derived from property located in an airport development area. If 80 percent of the
93.24 government units having territory within the airport development area agree upon a plan,
93.25 the plan is effective, and all government units shall enter into whatever agreements may be
93.26 necessary for this purpose. The plan, however, may not impair the existing contract
93.27 obligations of any government unit. This section does not apply to the Metropolitan Airports
93.28 Commission ~~or the council~~.

93.29 Sec. 10. Minnesota Statutes 2016, section 473.655, is amended to read:

93.30 **473.655 PUBLIC AND GOVERNMENTAL PURPOSES.**

93.31 It is hereby determined and declared that the purposes of sections 473.601 to 473.679
93.32 are public and governmental; that the development of the metropolitan airports system by

94.1 the corporation be consistent with the transportation chapter of the Metropolitan Council's
94.2 Development Guide and promote the public safety and welfare of the state; and that the
94.3 development, extension, maintenance, and operation of the system in such a manner as to
94.4 assure the residents of the metropolitan area of the minimum environmental impact from
94.5 air navigation and transportation, with provision for noise abatement, control of airport area
94.6 land use, and other protective measures, is essential to the development of air navigation
94.7 and transportation in and through this state, and is necessary in order to assure the inclusion
94.8 of this state in national and international systems of air transportation, benefits the people
94.9 of the state as a whole, renders a general public service, and provides employment, and is
94.10 of great public economic benefit.

94.11 Sec. 11. Minnesota Statutes 2016, section 473.661, subdivision 4, is amended to read:

94.12 Subd. 4. **Noise mitigation.** (a) According to the schedule in paragraph (b), commission
94.13 funds must be dedicated (1) to supplement the implementation of corrective land use
94.14 management measures approved by the Federal Aviation Administration as part of the
94.15 commission's Federal Aviation Regulations, part 150 noise compatibility program, and (2)
94.16 for soundproofing and accompanying air conditioning of residences, schools, and other
94.17 public buildings when there is a demonstrated need because of aircraft noise, regardless of
94.18 the location of the building to be soundproofed.

94.19 (b) The noise mitigation program described in paragraph (a) shall be funded by the
94.20 commission from whatever source of funds according to the following schedule:

94.21 In 1993, an amount equal to 20 percent of the passenger facilities charges revenue amount
94.22 budgeted by the commission for 1993;

94.23 In 1994, an amount equal to 20 percent of the passenger facilities charges revenue amount
94.24 budgeted by the commission for 1994;

94.25 In 1995, an amount equal to 35 percent of the passenger facilities charges revenue amount
94.26 budgeted by the commission for 1995; and

94.27 In 1996 and 1997, an amount equal to 40 percent of the passenger facilities charges
94.28 revenue amount budgeted by the commission for 1996.

94.29 (c) From 1996 to 2002, the commission shall spend no less than \$185,000,000 from any
94.30 source of funds for insulation and accompanying air conditioning of residences, schools,
94.31 and other publicly owned buildings where there is a demonstrated need because of aircraft
94.32 noise; and property acquisition, limited to residences, schools, and other publicly owned
94.33 buildings, within the noise impacted area. In addition, the corporation shall insulate and air

95.1 condition four schools in Minneapolis and two schools in Richfield that are located in the
95.2 1996 60 Ldn contour.

95.3 (d) Before the commission constructs a new runway at Minneapolis-St. Paul International
95.4 Airport, the commission shall determine the probable levels of noise that will result in
95.5 various parts of the metropolitan area from the operation of aircraft on the new runway and
95.6 shall develop a program to mitigate noise in those parts of the metropolitan area that are
95.7 located outside the 1996 65 Ldn contour but will be located within the 65 Ldn contour as
95.8 established after the new runway is in operation. Based upon this determination, the
95.9 commission shall reserve in its annual budget, until noise mitigation measures are completed,
95.10 an amount of money necessary to implement this noise mitigation program in the newly
95.11 impacted areas.

95.12 (e) The commission's capital improvement projects, program, and plan must reflect the
95.13 requirements of this section. As part of the commission's report to the legislature under
95.14 section 473.621, subdivision 1a, the commission must provide a description and the status
95.15 of each noise mitigation project implemented under this section.

95.16 ~~(f) Within 180 days of submitting the commission's and the Metropolitan Council's~~
95.17 ~~report and recommendations on major airport planning to the legislature as required by~~
95.18 ~~Minnesota Statutes 2012, section 473.618, the commission, with the assistance of its sound~~
95.19 ~~abatement advisory committee, shall make a recommendation to the state Advisory Council~~
95.20 ~~on Metropolitan Airport Planning regarding proposed mitigation activities and appropriate~~
95.21 ~~funding levels for mitigation activities at Minneapolis-St. Paul International Airport and in~~
95.22 ~~the neighboring communities. The recommendation shall examine mitigation measures to~~
95.23 ~~the 60 Ldn level. The state Advisory Council on Metropolitan Airport Planning shall review~~
95.24 ~~the recommendation and comment to the legislature within 60 days after the recommendation~~
95.25 ~~is submitted to the council.~~

95.26 Sec. 12. Minnesota Statutes 2016, section 473.667, subdivision 8, is amended to read:

95.27 Subd. 8. **Refunding deficiencies.** If in any year the revenues available for transfer to
95.28 the debt service fund are or will in the judgment of the commission be insufficient to produce
95.29 the balance required thereon on October 10 under the provisions of subdivision 4, or to
95.30 make any interest or principal payment due on certificates of indebtedness issued under the
95.31 provisions of subdivision 10, the commission may, ~~with the approval of the council,~~ issue
95.32 refunding bonds and appropriate the proceeds to the debt service fund in the amount needed
95.33 to restore the deficiency, provided that the refunding bonds shall not mature earlier than the
95.34 date or dates when the commission estimates that the revenues from enforced or increased

96.1 rates, fees, charges, and rentals will be sufficient to pay them and to meet all other
96.2 requirements of the debt service fund as stated in subdivision 4.

96.3 Sec. 13. **REPEALER.**

96.4 Minnesota Statutes 2016, section 473.621, subdivision 6, is repealed.

96.5 Sec. 14. **EFFECTIVE DATE.**

96.6 This article is effective July 1, 2018.

96.7 **ARTICLE 6**

96.8 **METROPOLITAN AGRICULTURAL PRESERVES**

96.9 Section 1. Minnesota Statutes 2016, section 473H.04, subdivision 3, is amended to read:

96.10 Subd. 3. **Maps to ~~Met Council~~ Minnesota planning.** The authority shall provide the
96.11 ~~Metropolitan Council~~ commissioner of administration with suitable maps showing any lands
96.12 certified eligible pursuant to subdivision 1 or decertified pursuant to subdivision 2. The
96.13 ~~Metropolitan Council~~ commissioner of administration shall maintain maps of the metropolitan
96.14 area showing all certified long-term agricultural lands.

96.15 Sec. 2. Minnesota Statutes 2016, section 473H.06, subdivision 1, is amended to read:

96.16 Subdivision 1. **Application.** Upon receipt of an application, the authority shall determine
96.17 if all material required in section 473H.05 has been submitted and, if so, shall determine
96.18 that the application is complete. When used in this chapter, the term "date of application"
96.19 means the date the application is determined complete by the authority. Within five days
96.20 of the date of application, the authority shall forward the completed and signed application
96.21 to the county recorder, and copies to the county auditor, the county assessor, the ~~Metropolitan~~
96.22 ~~Council~~ commissioner of administration, and the county soil and water conservation district.

96.23 Sec. 3. Minnesota Statutes 2016, section 473H.06, subdivision 5, is amended to read:

96.24 Subd. 5. **Maps; reports.** The ~~Metropolitan Council~~ commissioner of administration
96.25 shall maintain agricultural preserve maps, illustrating (a) certified long-term agricultural
96.26 lands; and (b) lands covenanted as agricultural preserves. The ~~council~~ commissioner of
96.27 administration shall make yearly reports to the Department of Agriculture and such other
96.28 agencies as the ~~council~~ commissioner of administration deems appropriate.

97.1 Sec. 4. Minnesota Statutes 2016, section 473H.08, subdivision 4, is amended to read:

97.2 Subd. 4. **Notice to others.** Upon receipt of the notice provided in subdivision 2, or upon
97.3 notice served by the authority as provided in subdivision 3, the authority shall forward the
97.4 original notice to the county recorder for recording, or to the registrar of titles if the land is
97.5 registered, and shall notify the county auditor, county assessor, the ~~Metropolitan Council~~,
97.6 commissioner of administration, and the county soil and water conservation district of the
97.7 date of expiration. Designation as an agricultural preserve and all benefits and limitations
97.8 accruing through sections 473H.02 to 473H.17 for the preserve shall cease on the date of
97.9 expiration. The restrictive covenant contained in the application shall terminate on the date
97.10 of expiration.

97.11 Sec. 5. **REPEALER.**

97.12 Minnesota Statutes 2016, section 473H.02, subdivisions 7 and 8, are repealed.

97.13 Sec. 6. **EFFECTIVE DATE.**

97.14 This article is effective July 1, 2018.

97.15 ARTICLE 7

97.16 PARKS AND OPEN SPACE

97.17 Section 1. Minnesota Statutes 2016, section 473.121, subdivision 14, is amended to read:

97.18 Subd. 14. **Regional recreation open space.** "Regional recreation open space" means
97.19 land and water areas, or interests therein, and facilities determined by the ~~Metropolitan~~
97.20 ~~Council~~ commissioner of administration to be of regional importance in providing for a
97.21 balanced system of public outdoor recreation for the metropolitan area, including but not
97.22 limited to park reserves, major linear parks and trails, large recreation parks, and
97.23 conservatories, zoos, and other special use facilities.

97.24 Sec. 2. Minnesota Statutes 2016, section 473.147, is amended to read:

97.25 **473.147 REGIONAL RECREATION OPEN SPACE SYSTEM POLICY PLAN.**

97.26 Subdivision 1. **Requirements.** The ~~Metropolitan Council~~ commissioner of administration
97.27 after consultation with the Parks and Open Space Commission, municipalities, park districts
97.28 and counties in the metropolitan area, and after appropriate public hearings, shall prepare
97.29 and adopt a long-range system policy plan for regional recreation open space as part of the
97.30 ~~council's~~ Metropolitan Development Guide. The plan shall substantially conform to all

98.1 policy statements, purposes, goals, standards, and maps in development guide sections and
98.2 comprehensive plans as developed and adopted by the ~~council pursuant to the chapters of~~
98.3 ~~the Minnesota Statutes directly relating to the council~~ commissioner of administration. The
98.4 policy plan shall identify generally the areas which should be acquired by a public agency
98.5 to provide a system of regional recreation open space comprising park district, county and
98.6 municipal facilities which, together with state facilities, reasonably will meet the outdoor
98.7 recreation needs of the people of the metropolitan area and shall establish priorities for
98.8 acquisition and development. The policy plan shall estimate the cost of the recommended
98.9 acquisitions and development, including an analysis of what portion of the funding is
98.10 proposed to come from the state, Metropolitan ~~Council~~ Parks and Open Space Commission's
98.11 levies, and cities, counties, and towns in the metropolitan area, respectively. In preparing
98.12 or amending the policy plan the ~~council~~ commissioner of administration shall consult with
98.13 and make maximum use of the expertise of the commission. The policy plan shall include
98.14 a five-year capital improvement program, which shall be revised periodically, and shall
98.15 establish criteria and priorities for the allocation of funds for such acquisition and
98.16 development. The legislature in each bonding measure shall designate an anticipated level
98.17 of funding for this acquisition and development for each of the two succeeding bienniums.

98.18 Subd. 2. **Review, comment, hearing; revision.** Before adopting the policy plan, the
98.19 ~~council~~ commissioner of administration shall submit the proposed plan to the parks and
98.20 open space commission for its review, and the commission shall report its comments to the
98.21 ~~council~~ commissioner of administration within 60 days. The ~~council~~ commissioner of
98.22 administration shall hold a public hearing on the proposed policy plan at such time and
98.23 place in the metropolitan area as it shall determine. Not less than 15 days before the hearing,
98.24 the ~~council~~ commissioner of administration shall publish notice thereof in a newspaper or
98.25 newspapers having general circulation in the metropolitan area, stating the date, time and
98.26 place of hearing, and the place where the proposed policy plan and commission comments
98.27 may be examined by any interested person. At any hearing interested persons shall be
98.28 permitted to present their views on the policy plan, and the hearing may be continued from
98.29 time to time. After receipt of the commission's report and hearing, the ~~council~~ commissioner
98.30 of administration may revise the proposed plan giving appropriate consideration to all
98.31 comments received, and thereafter shall adopt the plan by resolution. An amendment to the
98.32 policy plan may be proposed by the ~~council~~ commissioner of administration or by the parks
98.33 and open space commission. At least every four years the ~~council~~ commissioner of
98.34 administration shall engage in a comprehensive review of the policy plan, development
98.35 guide sections, comprehensive plans, capital improvement programs and other plans in

99.1 substantial conformance with the requirements of subdivision 1 which have been adopted
99.2 by the ~~council~~ commissioner of administration.

99.3 Sec. 3. Minnesota Statutes 2016, section 473.301, subdivision 2, is amended to read:

99.4 Subd. 2. **Policy plan.** "Policy plan" means a plan adopted by the ~~council~~ commissioner
99.5 of administration pursuant to section 473.147, generally describing the extent, type and
99.6 location of regional recreation open space needed for the metropolitan area and the timing
99.7 of its acquisition and development.

99.8 Sec. 4. Minnesota Statutes 2016, section 473.303, is amended to read:

99.9 **473.303 METROPOLITAN PARKS AND OPEN SPACE COMMISSION.**

99.10 Subdivision 1. **General.** A Metropolitan Parks and Open Space Commission is established
99.11 ~~as an agency of the council~~ to carry out the purposes and activities specified in sections
99.12 473.301 to 473.341 and to serve as the governing body of the district and shall be organized
99.13 and structured as provided in this section.

99.14 Subd. 2. **Membership; appointments.** (a) The ~~agency~~ commission consists of eight
99.15 members, plus a chair appointed as provided in subdivision 3. The ~~Metropolitan Council~~
99.16 governor shall appoint the eight members on a nonpartisan basis after consultation with the
99.17 members of the legislature from the district for which the member is to be appointed. The
99.18 consultation with legislators in the affected district must include informing each legislator
99.19 of the name, address, and background of each candidate for appointment and soliciting and
99.20 reporting to the appointments committee the recommendation of each legislator on the
99.21 appointment.

99.22 (b) In addition to the notice required in section 15.0597, subdivision 4, notice of vacancies
99.23 and expiration of terms must be published in newspapers of general circulation in the
99.24 metropolitan area and the appropriate districts. The ~~council~~ commission shall notify in
99.25 writing the governing bodies of the statutory and home rule charter cities, counties, and
99.26 towns having territory in the district for which the member is to be appointed. The notices
99.27 must describe the appointment process and invite participation and recommendations on
99.28 the appointment.

99.29 (c) The ~~council~~ commission shall establish an appointments committee, composed of
99.30 members of the ~~council~~ governing bodies of the implementing agencies, to screen and review
99.31 candidates. Following the submission of member applications ~~to the Metropolitan Council~~
99.32 as provided under section 15.0597, subdivision 5, the appointments committee shall conduct

public meetings, following appropriate notice, to accept statements from or on behalf of persons who have applied or been nominated for appointment and to allow consultation with and secure the advice of the public and local elected officials. The committee shall hold the meeting on each appointment in the district or in a reasonably convenient and accessible location in the part of the metropolitan area in which the district is located. The committee may consolidate meetings. Following the meetings, the committee shall submit to the ~~council~~ commission a written report that lists the persons who have applied or been nominated or recommended for the position, along with a description of the background and qualifications of each. In making its recommendation, the committee specifically shall consider evidence of the candidate's commitment to regularly communicate on issues before the agency with ~~Metropolitan Council members~~, legislators and local elected officials in the district, and the committee shall report its findings on this subject in its written report to the ~~council~~ commission.

(d) One member shall be appointed from each of the following agency districts:

(1) district A, consisting of ~~council districts 1 and 2~~ Metropolitan Airports Commission district A;

(2) district B, consisting of ~~council districts 3 and 4~~ Metropolitan Airports Commission district B;

(3) district C, consisting of ~~council districts 5 and 6~~ Metropolitan Airports Commission district C;

(4) district D, consisting of ~~council districts 7 and 8~~ Metropolitan Airports Commission district D;

(5) district E, consisting of ~~council districts 9 and 10~~ Metropolitan Airports Commission district E;

(6) district F, consisting of ~~council districts 11 and 12~~ Metropolitan Airports Commission district F;

(7) district G, consisting of ~~council districts 13 and 14~~ Metropolitan Airports Commission district G; and

(8) district H, consisting of ~~council districts 15 and 16~~ Metropolitan Airports Commission district H.

Subd. 3. **Chair.** The chair of the commission shall be appointed by the ~~council~~ governor and shall be the ninth member of the commission and shall meet all qualifications established for members, except the chair need only reside within the metropolitan area. The chair shall

101.1 preside at all meetings of the commission, if present, and shall perform all other duties and
101.2 functions assigned by the commission or by law. The commission may appoint from among
101.3 its members a vice-chair to act for the chair during temporary absence or disability.

101.4 Subd. 3a. **Members; duties.** Each member shall communicate regularly with ~~Metropolitan~~
101.5 ~~Council members~~, legislators, and local government officials in the district the member
101.6 represents.

101.7 Subd. 4. **Qualifications.** Each member shall be a resident of the commission district for
101.8 which appointed and shall not during terms of office as a commission member ~~hold the~~
101.9 ~~office of Metropolitan Council member~~, or be a member of any metropolitan agency or hold
101.10 any judicial office.

101.11 Subd. 4a. **Terms.** Following each apportionment of Metropolitan ~~Council~~ Airports
101.12 Commission districts, as provided under section ~~473.123, subdivision 3a~~ 473.604, subdivision
101.13 1a, the ~~Metropolitan Council~~ governor shall appoint a chair and eight commission members
101.14 from newly drawn districts. The terms of members and chairs are as follows: members
101.15 representing commission districts A, B, C, and D, and the chair of the commission, for terms
101.16 ending the first Monday in January of the year ending in the numeral "7"; members
101.17 representing commission districts E, F, G, and H, for terms ending the first Monday in
101.18 January of the year ending in the numeral "5." Thereafter the term of each member and the
101.19 chair is four years, with terms ending the first Monday in January, except that all terms
101.20 expire on the effective date of the next apportionment. The chair shall continue to serve
101.21 until a successor is appointed and qualified. A member shall continue to serve the commission
101.22 district until a successor is appointed and qualified; except that, following each
101.23 apportionment, the member shall continue to serve at large until the ~~Metropolitan Council~~
101.24 governor appoints eight commission members as provided under subdivision 2, to serve
101.25 terms as provided under this subdivision. The appointments to the commission must be
101.26 made by the first Monday in May of the year in which the term ends.

101.27 Subd. 5. **Vacancies; removal.** If the office of any commission member or the chair
101.28 becomes vacant, the vacancy shall be filled by appointment in the same manner the original
101.29 appointment was made. Members, other than the chair, may be removed by the ~~council~~
101.30 governor only for cause. The chair may be removed at the pleasure of the ~~council~~ governor.

101.31 Subd. 6. **Compensation.** Members and the chair shall serve without compensation but
101.32 shall be reimbursed for all actual and necessary expenses incurred in the performance of
101.33 duties as determined by the ~~Metropolitan Council~~ Legislative Coordinating Commission.

Sec. 5. Minnesota Statutes 2016, section 473.313, is amended to read:

473.313 MASTER PLANS.

Subdivision 1. **Adoption.** Each park district located wholly or partially within the metropolitan area, and each county in the metropolitan area not wholly within a park district, shall prepare, after consultation with all affected municipalities, and submit to the ~~Metropolitan Council~~ commissioner of administration, and from time to time revise and resubmit to the ~~council~~ commissioner of administration, a master plan and annual budget for the acquisition and development of regional recreation open space located within the district or county, consistent with the ~~council's~~ commissioner of administration's policy plan.

Subd. 2. **Council Commissioner of administration review.** The ~~Metropolitan Council~~ commissioner of administration shall review with the advice of the commission, each master plan to determine whether it is consistent with the ~~council's~~ commissioner of administration's policy plan. If it is not consistent, the ~~council~~ commissioner of administration shall return the plan with its comments to the municipalities, park district or county for revision and resubmittal.

Sec. 6. Minnesota Statutes 2016, section 473.315, subdivision 1, is amended to read:

Subdivision 1. **To certain metro governments or agencies.** The ~~Metropolitan Council~~ with the advice of the commission may make grants, from any funds available to it for recreation open space purposes, to any implementing agency, as defined in section 473.351, to cover the cost, or any portion of the cost, of acquiring or developing regional recreation open space in accordance with the policy plan; and all such agencies may enter into contracts for this purpose or rights or interests therein. The cost of acquisition shall include any payments required for relocation pursuant to sections 117.50 to 117.56.

Sec. 7. Minnesota Statutes 2016, section 473.325, is amended to read:

473.325 SALES OF G.O. REFUNDING BONDS.

Subdivision 1. **Up to \$40,000,000 outstanding.** The ~~Metropolitan Council~~ Parks and Open Space Commission may by resolution authorize the issuance of general obligation bonds of the ~~council~~ commission such that the amount outstanding and undischarged at any time shall not exceed \$40,000,000, for which its full faith and credit and taxing powers shall be pledged, for the acquisition and betterment of regional recreation open space in accordance with sections 473.301 to 473.341. The ~~Metropolitan Council~~ Parks and Open Space

103.1 Commission may also issue general obligation bonds for the purpose of refunding outstanding
103.2 obligations issued hereunder. The amount of refunding bonds that may be issued from time
103.3 to time shall not be subject to the dollar limitation contained in this subdivision nor shall
103.4 such refunding bonds be included in computing the amount of bonds that may be issued
103.5 within such dollar limitation.

103.6 Subd. 2. **Chapter 475 applies; exceptions.** The Metropolitan ~~Council~~ Parks and Open
103.7 Space Commission shall sell and issue the bonds in the manner provided in chapter 475,
103.8 and shall have the same powers and duties as a municipality issuing bonds under that law,
103.9 except that the approval of a majority of the electors shall not be required and the net debt
103.10 limitations shall not apply. The terms of each series of bonds shall be fixed so that the
103.11 amount of principal and interest on all outstanding and undischarged bonds, together with
103.12 the bonds proposed to be issued, due in any year shall not exceed 0.01209 percent of
103.13 estimated market value of all taxable property in the metropolitan area as last finally equalized
103.14 prior to a proposed issue. The bonds shall be secured in accordance with section 475.61,
103.15 subdivision 1, and any taxes required for their payment shall be levied by the ~~council~~
103.16 commission, shall not affect the amount or rate of taxes which may be levied by the ~~council~~
103.17 commission for other purposes, shall be spread against all taxable property in the metropolitan
103.18 area and shall not be subject to limitation as to rate or amount. Any taxes certified by the
103.19 ~~council~~ commission to the county auditors for collection shall be reduced by the amount
103.20 received by the ~~council~~ commission from the commissioner of management and budget or
103.21 the federal government for the purpose of paying the principal and interest on bonds to
103.22 which the levy relates. The ~~council~~ commission shall certify the fact and amount of all
103.23 money so received to the county auditors, and the auditors shall reduce the levies previously
103.24 made for the bonds in the manner and to the extent provided in section 475.61, subdivision
103.25 3.

103.26 Subd. 3. **Temporary loans.** The Metropolitan ~~Council~~ Parks and Open Space
103.27 Commission shall have the power, after the authorization of bonds pursuant to this section,
103.28 to provide funds immediately required for the purposes of sections 473.301 to 473.341, by
103.29 effecting temporary loans upon such terms as it shall by resolution determine, evidenced
103.30 by notes due in not exceeding 24 months from the date thereof, payable to the order of the
103.31 lender or to the bearer, to be repaid with interest from the proceeds of such bonds when
103.32 issued and delivered to the purchaser thereof. Such temporary loans may be made without
103.33 public advertisement.

103.34 Subd. 4. **Full faith, credit switch.** In the event that the full faith and credit pledge of
103.35 the Metropolitan ~~Council~~ Parks and Open Space Commission for the payment of principal

104.1 and interest on the bonds issued under this section is superseded and replaced by the full
104.2 faith and credit pledge of the state of Minnesota, by binding and irrevocable legislation,
104.3 such action shall extinguish the full faith and credit pledge theretofore made for all bonds
104.4 and the interest thereon issued pursuant to this section.

104.5 Sec. 8. Minnesota Statutes 2016, section 473.334, subdivision 1, is amended to read:

104.6 Subdivision 1. **Generally.** In determining the special benefit received by regional
104.7 recreation open space system property as defined in sections 473.301 to 473.351 from an
104.8 improvement for which a special assessment is determined, the governing body shall not
104.9 consider any use of the property other than as regional recreation open space property at
104.10 the time the special assessment is determined. The ~~Metropolitan Council~~ commission shall
104.11 not be bound by the determination of the governing body of the city but may pay a lesser
104.12 amount, as agreed upon by the ~~Metropolitan Council~~ commission and the governing body
104.13 of the city, as they determine is the measure of benefit to the land from the improvement.

104.14 Sec. 9. Minnesota Statutes 2016, section 473.341, is amended to read:

104.15 **473.341 TAX EQUIVALENTS.**

104.16 In the year in which the ~~Metropolitan Council~~ commission or an implementing agency
104.17 as defined in section 473.351 acquires fee title to any real property included in the regional
104.18 recreation open space system, the ~~Metropolitan Council~~ commission shall grant sufficient
104.19 funds to the appropriate implementing agency to make the tax equivalent payment required
104.20 in this section. The ~~council~~ commission shall determine the total amount of property taxes
104.21 levied on the real property for municipal or township purposes for collection in the year in
104.22 which title passed. The municipality or township in which the real property is situated shall
104.23 be paid 180 percent of the total tax amount determined by the ~~council~~ commission. If the
104.24 implementing agency has granted a life estate to the seller of the real property and the seller
104.25 is obligated to pay property taxes on the property, this tax equivalent shall not be paid until
104.26 the life estate ends. All amounts paid pursuant to this section are costs of acquisition of the
104.27 real property acquired.

104.28 Sec. 10. Minnesota Statutes 2016, section 473.351, subdivision 1, is amended to read:

104.29 Subdivision 1. **Definitions.** The definitions in this subdivision apply to this section.

104.30 (a) "Implementing agency" means the counties of Anoka, Washington, Ramsey, Scott,
104.31 Carver, Dakota, the city of St. Paul, the city of Bloomington, the Minneapolis Park and
104.32 Recreation Board, and the Three Rivers Park District.

(b) "Operation and maintenance expenditures" means the cost of providing for the operation and maintenance of waters, lands, and facilities that are a part of the metropolitan area regional park and open space system, including but not limited to, the provision of fire, police, maintenance, forestry, rehabilitation expenses pertaining to routine care, and the allocation of the administrative overhead costs of the regional park and open space systems.

(c) "Operation and maintenance money" means money appropriated by the legislature to the commissioner of employment and economic development for distribution by the Metropolitan Council Parks and Open Space Commission.

(d) "Regional recreation open space systems" means those parks that have been designated by the Metropolitan Council commissioner of administration under section 473.145.

Sec. 11. Minnesota Statutes 2016, section 473.351, subdivision 2, is amended to read:

Subd. 2. **Metropolitan Council Parks and Open Space Commission obligation.**

Annually before August 1 the Metropolitan Council commission shall distribute grant money received from the commissioner of natural resources to fund the operation and maintenance expenditures of the implementing agencies for the operation and maintenance of regional park and open space systems. The Metropolitan Council commission shall annually report to the legislature the amount distributed to each implementing agency and its estimate of the percentage of operation and maintenance expenditures paid for with operation and maintenance money.

Sec. 12. Minnesota Statutes 2016, section 473.351, subdivision 3, is amended to read:

Subd. 3. **Allocation formula.** By July 1 of every year each implementing agency must submit to the Metropolitan Parks and Open Space Commission a statement of the next annual anticipated operation and maintenance expenditures of the regional recreation open space parks systems within their respective jurisdictions and the previous year's actual expenditures. After reviewing the actual expenditures submitted and by July 15 of each year, the Metropolitan Parks and Open Space Commission shall ~~forward to the Metropolitan Council the funding requests from the implementing agencies based on the actual expenditures made. The Metropolitan Council shall~~ distribute the operation and maintenance money as follows:

(1) 40 percent based on the use that each implementing agency's regional recreation open space system has in proportion to the total use of the metropolitan regional recreation open space system;

(2) 40 percent based on the operation and maintenance expenditures made in the previous year by each implementing agency in proportion to the total operation and maintenance expenditures of all of the implementing agencies; and

(3) 20 percent based on the acreage that each implementing agency's regional recreation open space system has in proportion to the total acreage of the metropolitan regional recreation open space system. The 80 percent natural resource management land acreage of the park reserves must be divided by four in calculating the distribution under this clause.

Each implementing agency must receive no less than 40 percent of its actual operation and maintenance expenses to be incurred in the current calendar year budget as submitted to the parks and open space commission. If the available operation and maintenance money is less than the total amount determined by the formula including the preceding, the implementing agencies will share the available money in proportion to the amounts they would otherwise be entitled to under the formula.

Sec. 13. **BONDS.**

Bonds authorized by Minnesota Statutes, section 473.325, that are outstanding on the effective date of this article must be paid and retired according to those sections and the terms of the bonds. The auditors of the metropolitan counties shall see to the administration of this section.

Sec. 14. **ASSET ALLOCATION.**

Assets of the Metropolitan Council attributable to the regional recreation open space systems defined in Minnesota Statutes, section 473.351, shall be transferred to the Metropolitan Parks and Open Space Commission.

Sec. 15. **TAX EQUIVALENTS.**

If tax equivalents under Minnesota Statutes, section 473.341, are owned by an implementing agency as defined in Minnesota Statutes, section 473.351, to a municipality as defined in Minnesota Statutes, section 473.301, that is not an implementing agency, on the termination of a life estate, the implementing agency must make the payment.

Sec. 16. **REPEALER.**

Minnesota Statutes 2016, section 473.121, subdivision 12, is repealed.

107.1 Sec. 17. **EFFECTIVE DATE.**

107.2 This article is effective July 1, 2018.

107.3 **ARTICLE 8**

107.4 **TRANSPORTATION**

107.5 Section 1. Minnesota Statutes 2016, section 117.57, subdivision 3, is amended to read:

107.6 Subd. 3. **Relation to regional railroad authorities.** An authority shall not be adjudged
107.7 to have a superior public use to that of a regional railroad authority as defined in section
107.8 398A.01, a railroad property which has been identified and approved as a light rail corridor
107.9 by the former Metropolitan Council under chapter 473, or a state trail covered by section
107.10 85.015.

107.11 Sec. 2. Minnesota Statutes 2016, section 160.165, subdivision 1, is amended to read:

107.12 Subdivision 1. **Definitions.** For the purposes of this section, the following terms have
107.13 the meanings given:

107.14 (1) "project" means construction work to maintain, construct, reconstruct, or improve a
107.15 street or highway or for a rail transit project;

107.16 (2) "substantial business impacts" means impairment of road access, parking, or visibility
107.17 for one or more business establishments as a result of a project, for a minimum period of
107.18 one month; and

107.19 (3) "transportation authority" means the commissioner, as to trunk highways and rail
107.20 transit projects; the county board, as to county state-aid highways and county highways;
107.21 the town board, as to town roads; and statutory or home rule charter cities, as to city streets;
107.22 ~~the Metropolitan Council, for rail transit projects located entirely within the metropolitan~~
107.23 ~~area as defined in section 473.121, subdivision 2; and the commissioner, for all other rail~~
107.24 ~~transit projects.~~

107.25 Sec. 3. Minnesota Statutes 2016, section 160.93, subdivision 1, is amended to read:

107.26 Subdivision 1. **Fees authorized.** To improve efficiency and provide more options to
107.27 individuals traveling in a trunk highway corridor, the commissioner of transportation may
107.28 charge user fees to owners or operators of single-occupant vehicles using dynamic shoulder
107.29 lanes as designated by the commissioner and any designated high-occupancy vehicle lanes.
107.30 The fees may be collected using electronic or other toll-collection methods and may vary
107.31 in amount with the time of day and level of traffic congestion within the corridor. The

108.1 commissioner shall ~~consult with the Metropolitan Council and~~ obtain necessary federal
108.2 authorizations before implementing user fees on a high-occupancy vehicle lane or dynamic
108.3 shoulder lane. Fees under this section are not subject to section 16A.1283.

108.4 Sec. 4. Minnesota Statutes 2016, section 160.93, subdivision 2, is amended to read:

108.5 Subd. 2. **Deposit of revenues; appropriation.** (a) Except as provided in subdivision
108.6 2a, money collected from fees authorized under subdivision 1 must be deposited in a
108.7 high-occupancy vehicle lane user fee account in the special revenue fund. A separate account
108.8 must be established for each trunk highway corridor. Money in the account is appropriated
108.9 to the commissioner.

108.10 (b) From this appropriation the commissioner shall first repay the trunk highway fund
108.11 and any other fund source for money spent to install, equip, or modify the corridor for the
108.12 purposes of subdivision 1, and then shall pay all the costs of implementing and administering
108.13 the fee collection system for that corridor.

108.14 (c) The commissioner shall spend remaining money in the account as follows:

108.15 (1) one-half must be spent for transportation capital improvements within the corridor;
108.16 and

108.17 (2) one-half must be ~~transferred to the Metropolitan Council~~ spent for expansion and
108.18 improvement of bus transit services within the corridor beyond the level of service provided
108.19 on the date of implementation of subdivision 1.

108.20 Sec. 5. Minnesota Statutes 2016, section 160.93, subdivision 2a, is amended to read:

108.21 Subd. 2a. **I-35W high-occupancy vehicle and dynamic shoulder lane account.** (a)
108.22 An I-35W high-occupancy vehicle and dynamic shoulder lane account is established in the
108.23 special revenue fund. Money collected from fees authorized under subdivision 1 for the
108.24 marked Interstate Highway 35W (I-35W) corridor must be deposited in the account and
108.25 used as described in this subdivision. Money in the account is appropriated to the
108.26 commissioner.

108.27 (b) During the first year of revenue operations, the commissioner shall use the money
108.28 received in that year to pay the costs of operating and administering the fee collection system
108.29 within the corridor, up to \$1,000,000. Any remaining money must be ~~transferred to the~~
108.30 ~~Metropolitan Council~~ used for improvement of bus transit services within the I-35W corridor
108.31 including transit capital expenses.

(c) During the second and subsequent years of revenue operations, the commissioner shall use money in the account as follows:

(1) each year, allocate the lesser amount of \$1,000,000 or 75 percent of the revenues for operating and administering the fee collection system within the corridor;

(2) ~~transfer use~~ the remaining amount up to the amount allocated under clause (1) ~~to the Metropolitan Council~~ for improvement of bus transit within the corridor including capital expenses; and

(3) allocate any remaining amount as follows: (i) 25 percent to ~~the commissioner for operating and administering~~ operate and administer the fee collection system within the corridor and for transportation capital improvements that are consistent with the goals of the urban partnership agreement and that are located within the corridor and (ii) 75 percent ~~to the Metropolitan Council~~ for improvement of bus transit services within the corridor including transit capital expenses.

Sec. 6. Minnesota Statutes 2016, section 162.09, subdivision 4, is amended to read:

Subd. 4. **Federal census is conclusive.** (a) In determining whether any city has a population of 5,000 or more, the last federal census shall be conclusive, except as otherwise provided in this subdivision.

(b) The governing body of a city may contract with the United States Bureau of the Census to take a special census. A certified copy of the results of the census shall be filed with the appropriate state authorities by the city. The result of the census shall be the population of the city for the purposes of any law providing that population is a required qualification for distribution of highway aids under chapter 162. The special census shall remain in effect until the next federal census is completed and filed. The expense of taking the special census shall be paid by the city.

(c) If an entire area not heretofore incorporated as a city is incorporated as such during the interval between federal censuses, its population shall be determined by its incorporation census. The incorporation census shall be determinative of the population of the city only until the next federal census.

(d) The population of a city created by the consolidation of two or more previously incorporated cities shall be determined by the most recent population estimate of the ~~Metropolitan Council~~ or state demographer, until the first federal decennial census or special census taken after the consolidation.

(e) The population of a city that is not receiving a municipal state-aid street fund apportionment shall be determined, upon request of the city, by the most recent population estimate of the ~~Metropolitan Council~~ or state demographer. A municipal state-aid street fund apportionment received by the city must be based on this population estimate until the next federal decennial census or special census.

(f) A city that is found in the most recent federal decennial census to have a population of less than 5,000 is deemed for the purposes of this chapter and the Minnesota Constitution, article XIV, to have a population of 5,000 or more under the following circumstances: (1) immediately before the most recent federal decennial census, the city was receiving municipal state-aid street fund distributions; and (2) the population of the city was found in the most recent federal decennial census to be less than 5,000. Following the end of the first calendar year that ends in "5" after the decennial census and until the next decennial census, the population of any city must be determined under paragraphs (a) to (e).

Sec. 7. Minnesota Statutes 2016, section 169.306, is amended to read:

169.306 USE OF SHOULDERS BY BUSES.

(a) A road authority, as defined in section 160.02, subdivision 25, is authorized to permit transit buses and Metro Mobility buses use of a shoulder, as designated by the road authority, of a freeway or expressway, as defined in section 160.02, in Minnesota.

(b) If a road authority permits the use of a freeway or expressway shoulder by transit buses, the road authority shall permit the use on that shoulder of a bus (1) with a seating capacity of 40 passengers or more operated by a motor carrier of passengers, as defined in section 221.012, subdivision 26, while operating in intrastate commerce or (2) providing regular route transit service, as defined in section 174.22, subdivision 8, or Metro Mobility services, and operated by or under contract with the ~~Metropolitan Council~~ Department of Transportation, a local transit authority, or a transit authority created by the legislature. Drivers of these buses must have adequate training in the requirements of paragraph (c), as determined by the commissioner.

(c) Buses authorized to use the shoulder under this section may be operated on the shoulder only when main-line traffic speeds are less than 35 miles per hour, except as provided for in paragraph (f). Drivers of buses being operated on the shoulder may not exceed the speed of main-line traffic by more than 15 miles per hour and may never exceed 35 miles per hour, except as provided for in paragraph (f). Drivers of buses being operated on the shoulder must yield to merging, entering, and exiting traffic and must yield to other

111.1 vehicles on the shoulder. Buses operated on the shoulder must be registered with the
111.2 Department of Transportation.

111.3 (d) For the purposes of this section, the term "Metro Mobility bus" means a motor vehicle
111.4 of not less than 20 feet in length engaged in providing special transportation services under
111.5 section 473.386 that is:

111.6 (1) operated by or under contract with a public or private entity receiving financial
111.7 assistance to provide transit services from the ~~Metropolitan Council~~ or the commissioner
111.8 of transportation; and

111.9 (2) authorized by a road authority to use freeway or expressway shoulders.

111.10 (e) This section does not apply to the operation of buses on dynamic shoulder lanes.

111.11 (f) The commissioner may authorize different operating conditions and maximum speeds,
111.12 not to exceed the posted speed limit, based upon an engineering study and recommendation
111.13 by the road authority. The engineering study must be conducted by the road authority and
111.14 must conform with the manual and specifications adopted under section 169.06, subdivision
111.15 1, and applicable state and federal standards. The road authority shall consult the public
111.16 transit operator before recommending operating conditions different from those authorized
111.17 by law.

111.18 Sec. 8. Minnesota Statutes 2016, section 169.781, subdivision 1, is amended to read:

111.19 Subdivision 1. **Definitions.** For purposes of sections 169.781 to 169.783:

111.20 (a) "Commercial motor vehicle":

111.21 (1) means a motor vehicle as defined in section 169.011, subdivision 16, paragraph (a),
111.22 or combination of motor vehicles used to transport passengers or property if the motor
111.23 vehicle:

111.24 (i) has a gross vehicle weight of more than 26,000 pounds;

111.25 (ii) is a vehicle in a combination of more than 26,000 pounds;

111.26 (iii) is a bus; or

111.27 (iv) is of any size and is used in the transportation of hazardous materials that are required
111.28 to be placarded under Code of Federal Regulations, title 49, parts 100-185; and

111.29 (2) does not include (i) a school bus or Head Start bus displaying a certificate under
111.30 section 169.451, or (ii) a bus operated by the ~~Metropolitan Council~~ Department of
111.31 Transportation or by a local transit commission created in chapter 458A.

(b) "Commissioner" means the commissioner of public safety.

(c) "Owner" means a person who owns, or has control, under a lease of more than 30 days' duration, of one or more commercial motor vehicles.

Sec. 9. Minnesota Statutes 2016, section 169.791, subdivision 5, is amended to read:

Subd. 5. **Exemptions.** Buses or other commercial vehicles operated by the ~~Metropolitan Council~~ commissioner of transportation, commercial vehicles required to file proof of insurance pursuant to chapter 221, and school buses as defined in section 171.01, subdivision 45, are exempt from this section.

Sec. 10. Minnesota Statutes 2016, section 169.792, subdivision 11, is amended to read:

Subd. 11. **Exemptions.** Buses or other commercial vehicles operated by the ~~Metropolitan Council~~ Department of Transportation, commercial vehicles required to file proof of insurance pursuant to chapter 221, and school buses as defined in section 171.01, subdivision 45, are exempt from this section.

Sec. 11. Minnesota Statutes 2016, section 174.03, subdivision 1, is amended to read:

Subdivision 1. **Statewide transportation plan; priorities; schedule of expenditures.** In order to best meet the present and future transportation needs of the public, to insure a strong state economy, to make most efficient use of public and private funds, to lessen adverse environmental impacts of the transportation sector, and to promote the more efficient use of energy and other resources for transportation purposes, the commissioner shall:

(1) three months after notification that the department is ready to commence operations and prior to the drafting of the statewide transportation plan, hold public hearings as may be appropriate solely for the purpose of receiving suggestions for future transportation alternatives and priorities for the state. The ~~Metropolitan Council~~, regional development commissions, and port authorities shall appear at the hearings and submit information concerning transportation-related planning undertaken and accomplished by these agencies. Other political subdivisions may appear and submit such information at the hearings. These hearings shall be completed no later than six months from the date of the commissioner's notification;

(2) develop, adopt, revise, and monitor a statewide transportation plan, taking into account the suggestions and information submitted at the public hearings held pursuant to clause (1). The plan shall incorporate all modes of transportation including bicycle commutation and recreation and provide for the interconnection and coordination of different

113.1 modes of transportation. The commissioner shall evaluate all transportation programs and
113.2 facilities proposed for inclusion in the plan in terms of economic costs and benefits, safety
113.3 aspects, impact on present and planned land uses, environmental effects, energy efficiency,
113.4 national transportation policies and priorities, and availability of federal and other financial
113.5 assistance;

113.6 (3) based upon the statewide transportation plan, develop statewide transportation
113.7 priorities and schedule authorized public capital improvements and other authorized public
113.8 transportation expenditures pursuant to the priorities. As permitted by the federal Surface
113.9 Transportation Program and subject to available funding, the commissioner shall give serious
113.10 consideration to prioritizing for funding ~~those~~ trunk highway projects in the metropolitan
113.11 area, as defined in section 473.121, subdivision 2, that are consistent with policies included
113.12 in the ~~Metropolitan Council's~~ metropolitan development guide, transportation policy plan,
113.13 and regional development framework, and that have been awarded funding through the
113.14 federal Surface Transportation Program. In responding to an unforeseen, catastrophic event
113.15 affecting the state transportation system, the commissioner may, upon written notification
113.16 to the chairs of the senate and house of representatives committees with jurisdiction over
113.17 transportation policy and finance, prioritize projects without regard to availability of federal
113.18 funding; and

113.19 (4) complete the plan and priorities required by this subdivision no later than July 1,
113.20 1978. Upon completion of the plan and priorities, the commissioner shall prepare and
113.21 periodically revise, as necessary, the schedule of authorized public transportation
113.22 expenditures. The plan, priorities, and schedule are exempt from the provisions of the
113.23 Administrative Procedure Act.

113.24 Sec. 12. Minnesota Statutes 2016, section 174.03, subdivision 4, is amended to read:

113.25 Subd. 4. **Other duties.** The commissioner shall:

113.26 (1) construct and maintain transportation facilities as authorized by law;

113.27 (2) cooperate with, and may provide technical and financial assistance to, the ~~Metropolitan~~
113.28 ~~Council~~ and regional development commissions in the regional transportation planning
113.29 process, in accordance with mutually acceptable terms and conditions;

113.30 (3) cooperate with, and may provide planning and technical assistance upon the request
113.31 of, any political subdivision or other governmental agency in accordance with mutually
113.32 accepted terms and conditions, except as otherwise restricted by law; and

(4) develop, revise, and monitor a statewide rail transportation plan as part of the statewide transportation planning process, including a study and evaluation of alternative methods for insuring adequate and economical transportation of agricultural commodities, supplies, and other goods to and from rural areas of the state. The plan shall include an analysis of rail lines in the state for the purpose of determining (i) eligibility of rail lines for assistance under federal and state rail assistance programs, (ii) eligibility of rail lines for inclusion in the state rail bank, and (iii) the actions required by the state to insure the continuation of rail service that meets essential state needs and objectives.

Sec. 13. Minnesota Statutes 2016, section 174.03, subdivision 5, is amended to read:

Subd. 5. **Regional transportation planning.** ~~The Metropolitan Council, pursuant to section 473.146, and the~~ regional development commissions shall develop regional long-range transportation policy plans in cooperation with the commissioner and local units of government. Upon promulgation of the statewide transportation plan, and periodically as necessary thereafter, each regional policy plan shall be reviewed and amended, if necessary, by the appropriate regional agency to insure that the regional policy plan is not in conflict with the statewide transportation plan.

Sec. 14. Minnesota Statutes 2016, section 174.03, subdivision 6a, is amended to read:

Subd. 6a. **Economic analysis of nonhighway alternatives.** If the commissioner considers congestion pricing, tolls, mileage pricing, or public-private partnerships in order to meet the transportation needs of commuters in the department's metropolitan district between 2001 and 2020, the commissioner shall, in cooperation with the ~~Metropolitan Council and the~~ regional railroad authorities in the district, compare the economics of these financing methods with the economics of nonhighway alternatives for moving commuters. The commissioner shall analyze the economics as they relate to both individuals and to the transportation system.

Sec. 15. Minnesota Statutes 2016, section 174.04, subdivision 1, is amended to read:

Subdivision 1. **Review of application.** Any state agency which receives an application from a regional development commission, ~~metropolitan council,~~ public transit commission, airport commission, port authority, or other political subdivision of the state, or any nonpublic organization, for financial assistance for transportation planning, capital expenditures, or operations to any state or federal agency, shall first submit the application to the commissioner of transportation. The commissioner shall review the application to determine whether it contains matters that substantially affect the statewide transportation plan and

priorities. If the application does not contain such matters, the commissioner shall within 15 days after receipt return the application to the applicant political subdivision or nonpublic organization for forwarding to the appropriate agency. If the application contains such matters, the commissioner shall review and comment on the application as being consistent with the plan and priorities. The commissioner shall return the application together with comments within 45 days after receipt to the applicant political subdivision or nonpublic organization for forwarding with the commissioner's comments to the appropriate agency.

Sec. 16. Minnesota Statutes 2016, section 174.04, subdivision 2, is amended to read:

Subd. 2. **Designated agent.** A regional development commission, ~~metropolitan council~~, public transit commission, airport commission, port authority, or any other political subdivision of the state, or any nonpublic organization, may designate the commissioner as its agent to receive and disburse funds by entering into an agreement with the commissioner prescribing the terms and conditions of the receipt and expenditure of the funds in accordance with federal and state laws, rules, and regulations.

Sec. 17. Minnesota Statutes 2016, section 174.247, is amended to read:

174.247 ANNUAL TRANSIT REPORT.

(a) By February 15 annually, the commissioner shall submit a report to the legislature on transit services outside the metropolitan area. ~~The Metropolitan Council and Any public transit system receiving assistance under section 174.24 shall provide assistance in creating the report, as requested by the commissioner.~~

(b) The report must include, at a minimum, the following:

(1) a descriptive overview of public transit in Minnesota;

(2) a descriptive summary of funding sources and assistance programs;

(3) a summary of each public transit system receiving assistance under section 174.24;

(4) data that identifies use of volunteers in providing transit service;

(5) financial data that identifies for each public transit system and for each transit system classification under section 174.24, subdivision 3b:

(i) the operating and capital costs;

(ii) each of the funding sources used to provide financial assistance; and

116.1 (iii) for federal funds, the amount from each specific federal program under which
 116.2 funding is provided;

116.3 (6) a summary of the differences in program implementation requirements and aid
 116.4 recipient eligibility between federal aid and state sources of funds;

116.5 (7) in each odd-numbered year, an analysis of public transit system needs and operating
 116.6 expenditures on an annual basis, which must include a methodology for identifying monetary
 116.7 needs, and calculations of:

116.8 (i) the total monetary needs for all public transit systems, for the year of the report and
 116.9 the ensuing five years;

116.10 (ii) the total expenditures from local sources for each transit system classification;

116.11 (iii) the comprehensive transit assistance percentage for each transit system classification,
 116.12 which equals (A) the expenditures identified under item (ii), for a transit system classification,
 116.13 divided by (B) the amounts identified under subitem (A), plus the sum of state sources of
 116.14 funds plus federal funds provided to all transit systems in that classification; and

116.15 (iv) the amount of surplus or insufficient funds available for paying capital and operating
 116.16 costs to fully implement the greater Minnesota transit investment plan under section 174.24,
 116.17 subdivision 1a.

116.18 Sec. 18. Minnesota Statutes 2016, section 174.285, subdivision 4, is amended to read:

116.19 Subd. 4. **Membership.** (a) The council is composed of the following ~~13~~ 12 members:

116.20 (1) one representative from the Office of the Governor;

116.21 (2) one representative from the Council on Disability;

116.22 (3) one representative from the Minnesota Public Transit Association;

116.23 (4) the commissioner of transportation or a designee;

116.24 (5) the commissioner of human services or a designee;

116.25 (6) the commissioner of health or a designee;

116.26 ~~(7) the chair of the Metropolitan Council or a designee;~~

116.27 ~~(8)~~ (7) the commissioner of education or a designee;

116.28 ~~(9)~~ (8) the commissioner of veterans affairs or a designee;

116.29 ~~(10)~~ (9) one representative from the Board on Aging;

117.1 ~~(11)~~ (10) the commissioner of employment and economic development or a designee;
117.2 ~~(12)~~ (11) the commissioner of commerce or a designee; and
117.3 ~~(13)~~ (12) the commissioner of management and budget or a designee.

117.4 (b) All appointments required by paragraph (a) must be completed by August 1, 2010.

117.5 (c) The commissioner of transportation or a designee shall convene the first meeting of
117.6 the council within two weeks after the members have been appointed to the council. The
117.7 members shall elect a chair from their membership at the first meeting.

117.8 (d) The Department of Transportation and the Department of Human Services shall
117.9 provide necessary staff support for the council.

117.10 Sec. 19. Minnesota Statutes 2016, section 174.30, subdivision 4, is amended to read:

117.11 Subd. 4. **Vehicle and equipment inspection; rules; decal; complaint contact**

117.12 **information; restrictions on name of service.** (a) The commissioner shall inspect or
117.13 provide for the inspection of vehicles at least annually. In addition to scheduled annual
117.14 inspections and reinspections scheduled for the purpose of verifying that deficiencies have
117.15 been corrected, unannounced inspections of any vehicle may be conducted.

117.16 (b) On determining that a vehicle or vehicle equipment is in a condition that is likely to
117.17 cause an accident or breakdown, the commissioner shall require the vehicle to be taken out
117.18 of service immediately. The commissioner shall require that vehicles and equipment not
117.19 meeting standards be repaired and brought into conformance with the standards and shall
117.20 require written evidence of compliance from the operator before allowing the operator to
117.21 return the vehicle to service. The commissioner may prohibit a vehicle from being placed
117.22 in or returned to service under a certificate of compliance until the vehicle fully complies
117.23 with all of the requirements in Minnesota Rules, chapter 8840.

117.24 (c) The commissioner shall provide in the rules procedures for inspecting vehicles,
117.25 removing unsafe vehicles from service, determining and requiring compliance, and reviewing
117.26 driver qualifications.

117.27 (d) The commissioner shall design a distinctive decal to be issued to special transportation
117.28 service providers with a current certificate of compliance under this section. A decal is valid
117.29 for one year from the last day of the month in which it is issued. A person who is subject
117.30 to the operating standards adopted under this section may not provide special transportation
117.31 service in a vehicle that does not conspicuously display a decal issued by the commissioner.

(e) All special transportation service providers shall pay an annual fee of \$45 to obtain a decal. Providers of ambulance service, as defined in section 144E.001, subdivision 3, are exempt from the annual fee. Fees collected under this paragraph must be deposited in the trunk highway fund, and are appropriated to the commissioner to pay for costs related to administering the special transportation service program.

(f) Special transportation service providers shall prominently display in each vehicle all contact information for the commissioner of transportation for the submission of complaints regarding the transportation services provided to ~~that~~ an individual. ~~All vehicles providing service under section 473.386 shall display contact information for the Metropolitan Council. All other special transportation service vehicles shall display contact information for the commissioner of transportation.~~

(g) Nonemergency medical transportation providers must comply with Minnesota Rules, part 8840.5450, except that a provider may use the phrase "nonemergency medical transportation" in its name or in advertisements or information describing the service.

Sec. 20. Minnesota Statutes 2016, section 174.37, subdivision 2, is amended to read:

Subd. 2. **Members.** The advisory committee must consist of the following members:

(a) The commissioner of transportation shall appoint up to 18 public members, as follows: one member from each of the department's seven greater Minnesota districts; four members from the department's metropolitan district; and no more than seven members at large. Each of the members at large must represent nonmotorized interests or organizations.

(b) The commissioners of each of the following state agencies shall appoint an employee of the agency to serve as a member: administration, education, health, natural resources, public safety, transportation, and pollution control. ~~The chair of the Metropolitan Council shall appoint an employee of the council to serve as a member.~~ The director of Explore Minnesota Tourism shall appoint an employee of the agency to serve as a member. The division administrator of the Federal Highway Administration may appoint an employee of the agency to serve as a member.

(c) Members of the committee shall serve four-year terms.

Sec. 21. Minnesota Statutes 2016, section 174.90, is amended to read:

174.90 COMMUTER RAIL OPERATION.

The commissioner may contract for operation of commuter rail facilities with ~~the Metropolitan Council or other~~ public or private entities and shall commence revenue service

119.1 after an appropriate period of start-up to ensure satisfactory performance. The commissioner
119.2 shall coordinate with transit providers to ensure integration of the commuter rail system
119.3 with bus and light rail transit service to avoid duplication of service and to ensure the greatest
119.4 access to commuter rail lines in suburban and urban areas.

119.5 Sec. 22. Minnesota Statutes 2016, section 174.93, subdivision 1, is amended to read:

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

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

119.9 (2) "guideway" means a form of transportation service provided to the public on a regular
119.10 and ongoing basis, that operates on exclusive or controlled rights-of-way or rails in whole
119.11 or in part, and includes each line for intercity passenger rail, commuter rail, light rail transit,
119.12 streetcars, and bus rapid transit; and

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

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

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

119.23 Sec. 23. Minnesota Statutes 2016, section 174.93, subdivision 2, is amended to read:

119.24 Subd. 2. **Legislative report.** (a) By January 15, 2012, and by November 15 in every
119.25 odd-numbered year thereafter, the commissioner shall prepare, ~~in collaboration with the~~
119.26 ~~Metropolitan Council~~, and submit a report electronically to the chairs and ranking minority
119.27 members of the legislative committees with jurisdiction over transportation policy and
119.28 finance concerning the status of guideway projects (1) currently in study, planning,
119.29 development, or construction; (2) identified in the transportation policy plan under section
119.30 473.146; or (3) identified in the comprehensive statewide freight and passenger rail plan
119.31 under section 174.03, subdivision 1b.

119.32 (b) At a minimum, the report must include, for each guideway project:

- 120.1 (1) a brief description of the project, including projected ridership;
- 120.2 (2) a summary of the overall status and current phase of the project;
- 120.3 (3) a timeline that includes (i) project phases or milestones; (ii) expected and known
- 120.4 dates of commencement of each phase or milestone; and (iii) expected and known dates of
- 120.5 completion of each phase or milestone;
- 120.6 (4) a brief progress update on specific project phases or milestones completed since the
- 120.7 last previous submission of a report under this subdivision; and
- 120.8 (5) a summary financial plan that identifies, as reflected by the data and level of detail
- 120.9 available in the latest phase of project development and to the extent available:
- 120.10 (i) capital expenditures, including expenditures to date and total projected expenditures,
- 120.11 with a breakdown by committed and proposed sources of funds for the project;
- 120.12 (ii) estimated annual operations and maintenance expenditures reflecting the level of
- 120.13 detail available in the current phase of the project development, with a breakdown by
- 120.14 committed and proposed sources of funds for the project; and
- 120.15 (iii) if feasible, project expenditures by budget activity.
- 120.16 (c) The report must also include a systemwide capacity analysis for investment in
- 120.17 guideway expansion and maintenance that:
- 120.18 (1) provides a funding projection, annually over the ensuing ten years, and with a
- 120.19 breakdown by committed and proposed sources of funds, of:
- 120.20 (i) total capital expenditures for guideways;
- 120.21 (ii) total operations and maintenance expenditures for guideways;
- 120.22 (iii) total funding available for guideways, including from projected or estimated farebox
- 120.23 recovery; and
- 120.24 (iv) total funding available for transit service in the metropolitan area; and
- 120.25 (2) evaluates the availability of funds and distribution of sources of funds for guideway
- 120.26 investments.
- 120.27 (d) The projection under paragraph (c), clause (1), must be for all guideway lines for
- 120.28 which state funds are reasonably expected to be expended in planning, development,
- 120.29 construction, or revenue operation during the ensuing ten years.
- 120.30 (e) Local units of government shall provide assistance and information in a timely manner
- 120.31 as requested by the commissioner or council for completion of the report.

121.1 Sec. 24. Minnesota Statutes 2016, section 221.012, subdivision 38, is amended to read:

121.2 Subd. 38. **Small vehicle passenger service.** (a) "Small vehicle passenger service" means
121.3 a service provided by a person engaged in the for-hire transportation of passengers in a
121.4 vehicle designed to transport seven or fewer persons, including the driver.

121.5 (b) In the metropolitan area as defined in section 473.121, subdivision 2, "small vehicle
121.6 passenger service" also includes for-hire transportation of persons who are certified by the
121.7 ~~Metropolitan Council~~ commissioner to use special transportation service provided under
121.8 section 473.386, in a vehicle designed to transport not more than 15 persons including the
121.9 driver, that is equipped with a wheelchair lift and at least three wheelchair securement
121.10 positions.

121.11 (c) Small vehicle passenger service does not include a motor carrier of railroad employees.

121.12 Sec. 25. Minnesota Statutes 2016, section 221.022, is amended to read:

121.13 **221.022 EXCEPTION.**

121.14 The powers granted to the commissioner under sections 221.012 to 221.293 do not
121.15 include the power to ~~regulate any service or vehicles operated by the Metropolitan Council~~
121.16 ~~or to register passenger transportation service provided under contract to the department or~~
121.17 ~~the Metropolitan Council.~~ A provider of passenger transportation service under contract to
121.18 the department ~~or the Metropolitan Council~~ may not also provide service as a motor carrier
121.19 of passengers without first having registered under section 221.0252.

121.20 Sec. 26. Minnesota Statutes 2016, section 221.031, subdivision 3a, is amended to read:

121.21 Subd. 3a. **Contractor or recipient of transportation assistance.** (a) Notwithstanding
121.22 subdivision 3, providers of passenger transportation service under contract to and with
121.23 operating assistance from the department ~~or the Metropolitan Council~~ must comply with
121.24 rules for driver qualifications; driving of motor vehicles; parts and accessories necessary
121.25 for safe operation; hours of service of drivers; inspection, repair, and maintenance; and the
121.26 rules adopted in section 221.0314, subdivision 8, for accident reporting.

121.27 (b) This subdivision does not apply to (1) a local transit commission, (2) a transit authority
121.28 created by the legislature, (3) special transportation service certified by the commissioner
121.29 under section 174.30, or (4) special transportation service defined in section 174.29,
121.30 subdivision 1, when provided by a volunteer driver operating a private passenger vehicle
121.31 defined in section 169.011, subdivision 52.

122.1 Sec. 27. Minnesota Statutes 2016, section 275.066, is amended to read:

122.2 **275.066 SPECIAL TAXING DISTRICTS; DEFINITION.**

122.3 For the purposes of property taxation and property tax state aids, the term "special taxing
122.4 districts" includes the following entities:

122.5 (1) watershed districts under chapter 103D;

122.6 (2) sanitary districts under sections 442A.01 to 442A.29;

122.7 (3) regional sanitary sewer districts under sections 115.61 to 115.67;

122.8 (4) regional public library districts under section 134.201;

122.9 (5) park districts under chapter 398;

122.10 (6) regional railroad authorities under chapter 398A;

122.11 (7) hospital districts under sections 447.31 to 447.38;

122.12 (8) St. Cloud Metropolitan Transit Commission under sections 458A.01 to 458A.15;

122.13 (9) Duluth Transit Authority under sections 458A.21 to 458A.37;

122.14 (10) regional development commissions under sections 462.381 to 462.398;

122.15 (11) housing and redevelopment authorities under sections 469.001 to 469.047;

122.16 (12) port authorities under sections 469.048 to 469.068;

122.17 (13) economic development authorities under sections 469.090 to 469.1081;

122.18 (14) Metropolitan Council Area Transit Board under ~~sections 473.123 to 473.549~~ section
122.19 473.446;

122.20 (15) Metropolitan Airports Commission under sections 473.601 to 473.679;

122.21 (16) Metropolitan Mosquito Control Commission under sections 473.701 to 473.716;

122.22 (17) Morrison County Rural Development Financing Authority under Laws 1982, chapter
122.23 437, section 1;

122.24 (18) Croft Historical Park District under Laws 1984, chapter 502, article 13, section 6;

122.25 (19) East Lake County Medical Clinic District under Laws 1989, chapter 211, sections
122.26 1 to 6;

122.27 (20) Floodwood Area Ambulance District under Laws 1993, chapter 375, article 5,
122.28 section 39;

123.1 (21) Middle Mississippi River Watershed Management Organization under sections
123.2 103B.211 and 103B.241;

123.3 (22) emergency medical services special taxing districts under section 144F.01;

123.4 (23) a county levying under the authority of section 103B.241, 103B.245, or 103B.251;

123.5 (24) Southern St. Louis County Special Taxing District; Chris Jensen Nursing Home
123.6 under Laws 2003, First Special Session chapter 21, article 4, section 12;

123.7 (25) an airport authority created under section 360.0426; and

123.8 (26) any other political subdivision of the state of Minnesota, excluding counties, school
123.9 districts, cities, and towns, that has the power to adopt and certify a property tax levy to the
123.10 county auditor, as determined by the commissioner of revenue.

123.11 Sec. 28. Minnesota Statutes 2016, section 297A.992, subdivision 4, is amended to read:

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

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

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

123.25 Sec. 29. Minnesota Statutes 2016, section 297A.992, subdivision 5, is amended to read:

123.26 Subd. 5. **Grant application and awards; Grant Evaluation and Ranking System**
123.27 **(GEARS) Committee.** (a) The joint powers board shall establish a grant application process
123.28 and identify the amount of available funding for grant awards. Grant applications must be
123.29 submitted in a form prescribed by the joint powers board. An applicant must provide, in
123.30 addition to all other information required by the joint powers board, the estimated cost of
123.31 the project, the amount of the grant sought, possible sources of funding in addition to the

124.1 grant sought, and identification of any federal funds that will be utilized if the grant is
124.2 awarded. A grant application seeking transit capital funding must identify the source of
124.3 money necessary to operate the transit improvement.

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

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

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

124.13 (2) one elected city representative from each county that is in the metropolitan
124.14 transportation area; and

124.15 (3) one additional elected city representative from each county for every additional
124.16 400,000 in population, or fraction of 400,000, in the county that is above 400,000 in
124.17 population; and.

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

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

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

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

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

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

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

~~(g)~~ (f) Grants must be funded by the proceeds of the taxes imposed under this section, bonds, notes, or other obligations issued by the joint powers board under subdivision 7.

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

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

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

Sec. 30. Minnesota Statutes 2016, section 398A.04, subdivision 2, is amended to read:

Subd. 2. **Railroad acquisition and operation.** The authority may plan, establish, acquire, develop, construct, purchase, enlarge, extend, improve, maintain, equip, operate, regulate, and protect railroads and railroad facilities, including but not limited to terminal buildings, roadways, crossings, bridges, causeways, tunnels, equipment, and rolling stock. The authority may not expend state or federal funds to engage in planning for or development of light rail transit or commuter rail transit, unless this activity is consistent with a plan adopted by the department of transportation under section 174.84 and a plan adopted by the metropolitan council under section 473.399, and is carried out pursuant to a memorandum of understanding executed by the authority and the commissioner after appropriate consultation with the metropolitan council.

Sec. 31. Minnesota Statutes 2016, section 398A.04, subdivision 2a, is amended to read:

Subd. 2a. **Bus rapid transit development.** A regional rail authority may exercise the powers conferred under this section to: plan, establish, acquire, develop, purchase, enlarge, extend, improve, maintain, equip, regulate, and protect; and pay costs of construction and

126.1 operation of a bus rapid transit system located within its county on transitways ~~included in~~
126.2 ~~and approved by the Metropolitan Council's 2030 Transportation Policy Plan.~~ This
126.3 subdivision applies only to the counties of Anoka, Carver, Dakota, Hennepin, Ramsey,
126.4 Scott, and Washington.

126.5 Sec. 32. Minnesota Statutes 2016, section 398A.04, subdivision 9, is amended to read:

126.6 Subd. 9. **Agreements.** The authority may enter into joint powers agreements under
126.7 section 471.59 or other agreements with the municipality or municipalities named in the
126.8 organization agreement; with other municipalities situated in the counties named in the
126.9 resolution, respecting the matters referred to in section 398A.06; with another authority; or
126.10 ~~with a state agency; or with the Metropolitan Council~~ about any matter subject to this chapter.

126.11 Sec. 33. Minnesota Statutes 2016, section 473.146, subdivision 4, is amended to read:

126.12 Subd. 4. **Transportation planning.** (a) ~~The Metropolitan Council is the designated~~
126.13 commissioner and affected local governments shall cooperate to designate a planning agency
126.14 for any long-range comprehensive transportation planning required by section 134 of the
126.15 Federal Highway Act of 1962, Section 4 of Urban Mass Transportation Act of 1964 and
126.16 Section 112 of Federal Aid Highway Act of 1973 and other federal transportation laws. The
126.17 ~~council~~ designated planning agency shall assure administration and coordination of
126.18 transportation planning with appropriate state, regional and other agencies, counties, and
126.19 municipalities.

126.20 (b) ~~The council~~ designated planning agency shall establish an advisory body consisting
126.21 of citizens and representatives of municipalities, counties, and state agencies in fulfillment
126.22 of the planning responsibilities of the ~~council~~ designated planning agency. The membership
126.23 of the advisory body must consist of:

126.24 (1) the commissioner of transportation or the commissioner's designee;

126.25 (2) the commissioner of the Pollution Control Agency or the commissioner's designee;

126.26 (3) one member of the Metropolitan Airports Commission appointed by the commission;

126.27 (4) one person appointed by the ~~council~~ commissioner to represent nonmotorized
126.28 transportation;

126.29 (5) one person appointed by the commissioner ~~of transportation~~ to represent the freight
126.30 transportation industry;

126.31 (6) two persons appointed by the ~~council~~ commissioner to represent public transit;

127.1 (7) ten elected officials of cities within the metropolitan area, including one representative
127.2 from each first-class city, appointed by the Association of Metropolitan Municipalities;

127.3 (8) one member of the county board of each county in the seven-county metropolitan
127.4 area, appointed by the respective county boards;

127.5 (9) eight citizens appointed by the ~~council~~ commissioner, one from each ~~council precinct~~
127.6 Metropolitan Airports Commission district; and

127.7 (10) one elected official from a city participating in the replacement service program
127.8 under section 473.388, appointed by the Suburban Transit Association; ~~and.~~

127.9 ~~(11) one member of the council, appointed by the council.~~

127.10 (c) The ~~council~~ designated planning agency shall appoint a chair from among the members
127.11 of the advisory body.

127.12 Sec. 34. Minnesota Statutes 2016, section 473.1466, is amended to read:

127.13 **473.1466 TRANSPORTATION SYSTEM PERFORMANCE EVALUATION.**

127.14 (a) Prior to each major revision of the transportation policy plan, the ~~council~~
127.15 commissioner of administration must carry out a performance evaluation of the metropolitan
127.16 area's transportation system as a whole. The performance evaluation must:

127.17 (1) evaluate the area's ability to meet the need for effective and efficient transportation
127.18 of goods and people;

127.19 (2) evaluate trends and their impacts on the area's transportation system;

127.20 (3) assess the region's success in meeting the currently adopted regional transportation
127.21 benchmarks; and

127.22 (4) include an evaluation of the regional transit system, including a comparison with
127.23 peer metropolitan regions with regard to key operating and investment measurements.

127.24 (b) The ~~council must~~ commissioner shall update the evaluation of the regional transit
127.25 system every two years.

127.26 (c) The ~~council~~ commissioner shall use the results of the performance evaluation to
127.27 make recommendations for improving the system in each revision of the transportation
127.28 policy plan.

127.29 (d) The ~~council must~~ commissioner shall conduct a peer review of the performance
127.30 evaluation using at least two nationally recognized transportation and transit consultants.

(e) The ~~council must~~ commissioner shall submit the performance evaluation to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over transportation finance and policy.

Sec. 35. Minnesota Statutes 2016, section 473.166, is amended to read:

473.166 CONTROLLED ACCESS; APPROVAL.

Before acquiring land for or constructing a controlled access highway in the area, ~~the state Transportation Department or a~~ local government unit proposing the acquisition or construction shall submit to the ~~council~~ commissioner of transportation a statement describing the proposed project. The statement must be in the form and detail required by the ~~council~~ commissioner. The ~~council~~ commissioner of transportation, in cooperation with the commissioner of administration, shall review the statement to ascertain its consistency with ~~its~~ the policy plan and the development guide. No project may be undertaken unless the ~~council determines~~ commissioners of transportation and administration determine that it is consistent with the policy plan. This approval is in addition to the requirements of any other statute, ordinance or rule.

Sec. 36. Minnesota Statutes 2016, section 473.167, subdivision 2, is amended to read:

Subd. 2. **Loans for acquisition.** (a) The ~~council~~ commissioner of transportation may make loans to counties, towns, and statutory and home rule charter cities within the metropolitan area for the purchase of property within the right-of-way of a state trunk highway shown on an official map adopted pursuant to section 394.361 or 462.359 or for the purchase of property within the proposed right-of-way of a principal or intermediate arterial highway designated by the ~~council~~ commissioner of transportation as a part of the metropolitan highway system plan and approved by the ~~council~~ commissioner of administration pursuant to section 473.166. The loans shall be made by the ~~council~~ commissioner of transportation, from the fund established pursuant to this subdivision, for purchases approved by the ~~council~~ commissioner of transportation. The loans shall bear no interest.

(b) The ~~council~~ commissioner of transportation shall make loans only:

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

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

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

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

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

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

(e) The ~~proceeds of the tax authorized by subdivision 3, all~~ money paid to the ~~council~~ commissioner of transportation by recipients of loans, and all interest on the proceeds and

130.1 payments shall be maintained as a separate fund. For administration of the loan program,
130.2 the ~~council~~ commissioner of transportation may expend from the fund each year an amount
130.3 no greater than three percent of the amount of the proceeds for that year.

130.4 Sec. 37. Minnesota Statutes 2016, section 473.167, subdivision 2a, is amended to read:

130.5 Subd. 2a. **Loans for acquisition and relocation.** (a) The ~~council~~ commissioner of
130.6 transportation may make loans to acquiring authorities within the metropolitan area to
130.7 purchase homestead property located in a proposed state trunk highway right-of-way or
130.8 project, and to provide relocation assistance. Acquiring authorities are authorized to accept
130.9 the loans and to acquire the property. Except as provided in this subdivision, the loans shall
130.10 be made as provided in subdivision 2. Loans shall be in the amount of the fair market value
130.11 of the homestead property plus relocation costs and less salvage value. Before construction
130.12 of the highway begins, the acquiring authority shall convey the property to the commissioner
130.13 of transportation at the same price it paid, plus relocation costs and less its salvage value.
130.14 Acquisition and assistance under this subdivision must conform to sections 117.50 to 117.56.

130.15 (b) The ~~council~~ commissioner of transportation may make loans only when:

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

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

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

130.23 (4) the ~~council~~ commissioner of transportation agrees to and approves the fair market
130.24 value of the homestead property, which approval shall not be unreasonably withheld.

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

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

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

130.31 (3) "Salvage value" means the probable sale price of the dwelling and other property
130.32 that is severable from the land if offered for sale on the condition that it be removed from

131.1 the land at the buyer's expense, allowing a reasonable time to find a buyer with knowledge
131.2 of the possible uses of the property, including separate use of serviceable components and
131.3 scrap when there is no other reasonable prospect of sale.

131.4 Sec. 38. Minnesota Statutes 2016, section 473.168, subdivision 2, is amended to read:

131.5 Subd. 2. **Exclusive lanes; multipassenger transit.** The ~~Metropolitan Council~~
131.6 commissioner of transportation may require that any freeway constructed in the metropolitan
131.7 area on which actual construction has not been commenced by April 12, 1974 include
131.8 provisions for exclusive lanes for buses and, as the ~~council~~ commissioner of transportation
131.9 may determine, other forms of multipassenger transit. The ~~council~~ commissioner of
131.10 transportation, in making its determination, must demonstrate that the exclusive lanes are
131.11 necessary to implement the transportation policy plan of the development guide.

131.12 Sec. 39. Minnesota Statutes 2016, section 473.223, is amended to read:

131.13 **473.223 FEDERAL AID.**

131.14 For the purposes of this section the term "governmental subdivision" includes
131.15 municipalities, counties and other political subdivisions generally. If federal aid for
131.16 transportation programs and projects is otherwise unavailable to an existing agency or
131.17 governmental subdivision, the ~~Metropolitan Council~~ commissioner of transportation may
131.18 cooperate with the government of the United States and any agency or department thereof
131.19 and the affected agency or other governmental subdivision in establishing metropolitan area
131.20 eligibility to receive federal aid, and may comply with the provisions of the laws of the
131.21 United States and any rules and regulations made thereunder for the expenditure of federal
131.22 moneys upon such projects as are proposed for federal assistance. The ~~Metropolitan Council~~
131.23 commissioner of transportation may accept federal aid and other aid, either public or private,
131.24 for and in behalf of the metropolitan area or any governmental subdivision of the state, for
131.25 transportation programs and projects within the metropolitan area upon such terms and
131.26 conditions as are or may be prescribed by the laws of the United States and any rules or
131.27 regulations made thereunder, and is authorized to act as agent of any governmental
131.28 subdivision of the state with jurisdiction in the metropolitan area upon request of such
131.29 subdivision in accepting the aid in its behalf for such programs or projects financed either
131.30 in whole or in part by federal aid. The governing body of any such subdivision is authorized
131.31 to designate the ~~Metropolitan Council~~ commissioner of transportation as its agent for such
131.32 purposes and to enter into an agreement with the ~~council~~ commissioner of transportation
131.33 prescribing the terms and conditions of the agency relationship in accordance with state and

132.1 federal laws, rules and regulations. The ~~Metropolitan Council~~ commissioner of transportation
132.2 is authorized to designate an appropriate state agency as its agent for such purposes and to
132.3 enter into an agreement with such agency prescribing the terms and conditions of the agency
132.4 relationship in accordance with state and federal laws, rules and regulations.

132.5 Nothing contained herein shall limit any separate authority of agencies or governmental
132.6 subdivisions of the state to contract for and receive federal aid.

132.7 Sec. 40. **[473.37] DEFINITIONS.**

132.8 Subdivision 1. **Commissioner.** "Commissioner" means the commissioner of transportation
132.9 for the purposes of sections 473.371 to 473.449.

132.10 Subd. 2. **Department.** "Department" means the Department of Transportation for the
132.11 purposes of sections 473.371 to 473.449.

132.12 Sec. 41. Minnesota Statutes 2016, section 473.375, is amended to read:

132.13 **473.375 POWERS AND DUTIES OF ~~COUNCIL~~ COMMISSIONER; ADVISORY**
132.14 **COMMITTEE.**

132.15 Subd. 9a. **Transportation Accessibility Advisory Committee.** The ~~council~~ commissioner
132.16 shall establish a Transportation Accessibility Advisory Committee consisting of 15 members
132.17 and a chair to advise the ~~council~~ commissioner on the development and management of
132.18 policies regarding accessibility of all aspects of fixed regular route and special transportation
132.19 services for persons with disabilities. The Transportation Accessibility Advisory Committee
132.20 shall also advise the ~~council~~ commissioner on long-range plans to meet the accessible
132.21 transportation needs of the disability community. The Transportation Accessibility Advisory
132.22 Committee must include elderly persons, persons with disabilities, other users of special
132.23 transportation services, and representatives of appropriate agencies for elderly persons and
132.24 persons with disabilities. At least half the Transportation Accessibility Advisory Committee
132.25 members must be persons who are both ADA-certified and users of public transit in the
132.26 metropolitan area. Two of the appointments to the Transportation Accessibility Advisory
132.27 Committee must be made by the Council on Disability ~~in consultation with the chair of the~~
132.28 ~~Metropolitan Council.~~

132.29 Subd. 11. **Ride sharing.** The ~~council~~ commissioner shall administer a ride-sharing
132.30 program in the metropolitan area, ~~except for the~~ including a statewide vanpool leasing
132.31 program ~~conducted by the commissioner of transportation and shall cooperate with the~~
132.32 ~~commissioner in the conduct of ride-sharing activities in areas where the commissioner's~~

133.1 ~~programs and the council's program overlap.~~ The ~~council~~ council commissioner may contract for
133.2 services in operating the program.

133.3 Subd. 12. **Assistance.** The ~~council~~ council commissioner shall offer, use, and apply ~~its~~ the
133.4 department's services to assist and advise transit providers in the metropolitan transit area
133.5 in the planning, promotion, development, operation, and evaluation of programs and projects
133.6 which are undertaken or proposed to be undertaken ~~by contract with the council,~~ and shall
133.7 seek out and select recipients of this assistance and advice.

133.8 Subd. 13. **Financial assistance.** The ~~council~~ council commissioner may provide financial
133.9 assistance to public transit providers as provided in sections 473.371 to 473.449. ~~The council~~
133.10 ~~may not use the proceeds of bonds issued under section 473.39 to provide capital assistance~~
133.11 ~~to private, for-profit operators of public transit, unless the operators provide service under~~
133.12 ~~a contract with the council, the former regional transit board, or recipients of financial~~
133.13 ~~assistance under sections 473.371 to 473.449.~~

133.14 No political subdivision within the metropolitan area may apply for federal transit
133.15 assistance unless its application has been submitted to and approved by the ~~council~~
133.16 commissioner.

133.17 Subd. 14. **Coordination.** The ~~council~~ council commissioner shall coordinate transit operations
133.18 within the metropolitan area and shall establish a transit information program to provide
133.19 transit users with accurate information on transit schedules and service.

133.20 Subd. 15. **Performance standards.** The ~~council~~ council commissioner may establish performance
133.21 standards for recipients of financial assistance.

133.22 Sec. 42. Minnesota Statutes 2016, section 473.384, is amended to read:

133.23 **473.384 CONTRACTS.**

133.24 Subdivision 1. **Contracts required.** The ~~council~~ council commissioner shall make contracts
133.25 with eligible recipients for financial assistance to transit service within the metropolitan
133.26 area. The ~~council~~ council commissioner may not give financial assistance to another transit provider
133.27 without first having executed a contract. The provisions of this section do not apply to
133.28 contracts made under ~~sections~~ section 473.386 ~~and 473.388.~~

133.29 Subd. 2. **Eligibility.** To be eligible to receive financial assistance by contract under this
133.30 section a recipient must be:

(a) a county, statutory or home rule charter city or town or combination thereof, or public authority organized and existing pursuant to chapter 398A, providing financial assistance to or providing or operating public transit; ~~or~~

(b) a private provider of public transit; or

(c) a transit provider formerly under contract with one or more local government units to provide replacement service under the replacement service program established in Laws 1984, chapter 654, article 3, section 123.

Subd. 3. **Applications.** The ~~council~~ commissioner shall establish procedures and standards for review and approval of applications for financial assistance under this section. An applicant must provide the ~~council~~ commissioner with the financial and other information the ~~council~~ commissioner requires to carry out ~~its~~ the commissioner's duties. The ~~council~~ commissioner may specify procedures, including public hearing requirements, to be followed by applicants that are cities, towns, or counties or combinations thereof in conducting transit studies and formulating service plans under subdivisions 4 and 5.

Subd. 4. **Transit study.** The ~~council~~ commissioner shall require that prior to applying for financial assistance by contract under clause (a) of subdivision 2, the applicant must prepare and submit a transit study which includes the following elements:

(a) a determination of existing and future transit needs within the area to be served, and an assessment of the adequacy of existing service to meet the needs;

(b) an assessment of the level and type of service required to meet unmet needs;

(c) an assessment of existing and future resources available for the financing of transit service; and

(d) the type or types of any new government arrangements or agreements needed to provide adequate service.

The transit study for any applicant may be done by the ~~council~~ commissioner.

Subd. 5. **Service plan.** The ~~council~~ commissioner shall, before making a contract with an eligible recipient, require the submission of a service plan which includes the following elements:

(a) a description of the service proposed for financial assistance, including vehicles, routes, and schedules;

(b) an assessment of the extent to which the proposed service meets the needs as determined by the transit study;

(c) a description of the contract administration and review process if the operation of the proposed service is to be done by a private contractor;

(d) a description of the amount required to establish and operate the proposed service and the proposed sources of the required amount including operating revenue, other local sources, and assistance from the ~~council~~ commissioner and from federal sources;

(e) the fare structure of the proposed service; and

(f) projections of usage of the system.

The ~~council~~ commissioner may specify procedures, including public hearing requirements, to be followed by applicants that are cities, towns, or counties or combinations thereof in conducting transit studies and formulating service plans.

Subd. 6. **Financial assistance for certain providers.** The ~~council~~ commissioner shall provide financial assistance to recipients who were receiving assistance by contract with the commissioner of transportation under Minnesota Statutes 1982, section 174.24, subdivision 3, on July 1, 1984, so that the percentage of total operating cost, as defined by the ~~council~~ commissioner, paid by the recipient from all local sources of revenue, including operating revenue, does not exceed the percentage for the recipient's classification as determined by the commissioner of transportation under the commissioner's final contract with the recipient. The remainder of the total operating cost must be paid by the ~~council~~ commissioner less all assistance received by the recipient for that purpose from any federal source.

If a recipient informs the ~~council~~ commissioner in writing prior to the distribution of financial assistance for any year that paying its designated percentage of total operating cost from local sources will cause undue hardship, the ~~council~~ commissioner may adjust the percentage as it deems equitable. If for any year the funds available to the ~~council~~ commissioner are insufficient to allow the ~~council~~ commissioner to pay its share of total operating cost for those recipients, the ~~council~~ commissioner shall reduce its share in each classification to the extent necessary.

Subd. 7. **Transit operations impact assessment.** Prior to entering into a contract for operating assistance with a recipient, the ~~council~~ commissioner shall evaluate the effect, if any, of the contract on the ridership, routes, schedules, fares, and staffing levels of the existing and proposed service provided by the ~~council~~ commissioner. The ~~council~~ commissioner may enter into the contract only if it determines that the service to be assisted under the contract will not impose an undue hardship on the ridership or financial condition of the ~~council's~~ commissioner's transit operations. The requirements of this subdivision do

136.1 not apply to contracts for assistance to recipients who, as part of a negotiated cost-sharing
136.2 arrangement with the ~~council~~ commissioner, pay a substantial part of the cost of services
136.3 that directly benefit the recipient as an institution or organization.

136.4 Subd. 8. **Paratransit contracts.** In executing and administering contracts for paratransit
136.5 projects, the ~~council~~ commissioner has the powers and duties ~~given to the commissioner of~~
136.6 ~~transportation~~ specified in section 174.255, subdivisions 1 and 2, relating to disability
136.7 accessibility and insurance coverage. The provisions of section 174.255, subdivision 3,
136.8 apply to paratransit projects which receive assistance by contract with the ~~council~~
136.9 commissioner.

136.10 Sec. 43. Minnesota Statutes 2016, section 473.385, is amended to read:

136.11 **473.385 TRANSIT SERVICE AREAS.**

136.12 Subdivision 1. **Definitions.** (a) "Fully developed service area" means the fully developed
136.13 area, as defined in the ~~Metropolitan Council's~~ development guide prepared by the
136.14 commissioner of administration, plus the cities of Mendota Heights, Maplewood, North St.
136.15 Paul, and Little Canada.

136.16 (b) "Regular route transit" has the meaning given it in section 174.22, subdivision 8,
136.17 except that, for purposes of this section, the term does not include services on fixed routes
136.18 and schedules that are primarily intended to provide circulator service within a community
136.19 or adjacent communities rather than feeder service to the system of metropolitan regular
136.20 route transit operated by the ~~council~~ commissioner of transportation.

136.21 Subd. 2. **Service areas.** The ~~council~~ commissioner may provide financial assistance
136.22 (whether directly or through another entity) to private, for-profit operators of public transit
136.23 only for the following services:

136.24 (1) services that are not regular route services;

136.25 (2) regular route services provided on June 2, 1989, by a private, for-profit operator
136.26 under contract with the former regional transit board or under a certificate of convenience
136.27 and necessity issued by the commissioner of transportation;

136.28 (3) regular route services outside of the fully developed service area that are not operated
136.29 on June 2, 1989, by the former Metropolitan Transit Commission;

136.30 ~~(4) regular route services provided under section 473.388;~~

137.1 ~~(5)~~ (4) regular route services to recipients who, as part of a negotiated cost-sharing
137.2 arrangement with the ~~council~~ commissioner, pay at least 50 percent of the cost of the service
137.3 that directly benefits the recipient as an institution or organization; or

137.4 ~~(6)~~ (5) regular route services that will not be operated for a reasonable subsidy by the
137.5 ~~council~~ commissioner.

137.6 Sec. 44. Minnesota Statutes 2016, section 473.386, is amended to read:

137.7 **473.386 SPECIAL TRANSPORTATION SERVICE.**

137.8 Subdivision 1. **Service objectives.** The ~~council~~ commissioner shall implement a special
137.9 transportation service, as defined in section 174.29, in the metropolitan area. The service
137.10 has the following objectives:

137.11 (a) to provide greater access to transportation for the elderly, people with disabilities,
137.12 and others with special transportation needs in the metropolitan area;

137.13 (b) to develop an integrated system of special transportation service providing
137.14 transportation tailored to meet special individual needs in the most cost-efficient manner;
137.15 and

137.16 (c) to use existing public, private, and private nonprofit providers of service when feasible
137.17 and cost-efficient, to supplement rather than replace existing service, and to increase the
137.18 productivity of all special transportation vehicles available in the area.

137.19 Subd. 2. **Service contracts; management.** (a) The ~~council~~ commissioner may contract
137.20 for services necessary for the provision of special transportation. Transportation service
137.21 provided under a contract must specify the service to be provided, the standards that must
137.22 be met, and the rates for operating and providing special transportation services.

137.23 (b) The ~~council~~ commissioner shall establish management policies for the service and
137.24 may contract with a service administrator for day-to-day administration and management
137.25 of the service. Any contract must delegate to the service administrator clear authority to
137.26 administer and manage the delivery of the service pursuant to ~~council~~ department
137.27 management policies and must establish performance and compliance standards for the
137.28 service administrator. The ~~council~~ commissioner may provide directly day to day
137.29 administration and management of the service and may own or lease vehicles used to provide
137.30 the service.

137.31 (c) The ~~council~~ commissioner shall ensure that the service administrator establishes a
137.32 system for registering and expeditiously responding to complaints by users, informing users

138.1 of how to register complaints, and requiring providers to report on incidents that impair the
138.2 safety and well-being of users or the quality of the service.

138.3 (d) The ~~council~~ commissioner shall report on ~~its~~ the department's special transportation
138.4 services as part of the program evaluation provided for in section 473.13, subdivision 1a.

138.5 (e) The ~~council~~ commissioner shall provide, on an annual basis, an opportunity for users
138.6 and other interested persons to provide testimony to the ~~council~~ commissioner concerning
138.7 services provided under this section.

138.8 Subd. 2a. **Eligibility application and verification; penalty for fraudulent certification.**

138.9 (a) If the ~~council~~ commissioner requires a person to be certified as eligible for special
138.10 transportation services, an applicant for certification must submit an application form and
138.11 the applicant's eligibility must be verified by a type of professional specified by the ~~council~~
138.12 commissioner. The ~~council~~ commissioner shall:

138.13 (1) require the applicant to sign the application form and certify that the application
138.14 information is accurate; and

138.15 (2) require the person verifying the applicant's eligibility to sign the eligibility verification
138.16 form and certify that the verifying information is accurate.

138.17 (b) The penalty provided for in section 174.295, subdivision 4, applies to the certifications
138.18 by the applicant and the person verifying the applicant's eligibility. The ~~council~~ commissioner
138.19 must include a notice of the penalty for fraudulent certification in the application form and
138.20 the eligibility verification form.

138.21 Subd. 3. **Duties of ~~council~~ commissioner.** In implementing the special transportation
138.22 service, the ~~council~~ commissioner shall:

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

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

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

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

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

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

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

(h) provide for effective administration and enforcement of ~~council~~ department policies and standards; and

(i) ensure that, taken as a whole including contracts with public, private, and private nonprofit providers, the geographic coverage area of the special transportation service is continuous within the boundaries of the ~~transit taxing district, as defined as of March 1, 2006, in section 473.446, subdivision 2~~ metropolitan area.

Subd. 4. **Coordination required.** The ~~council~~ commissioner may not grant any financial assistance to any recipient that proposes to use any part of the grant to provide special transportation service in the metropolitan area unless the program is coordinated with the ~~council's~~ commissioner's special transportation service in the manner determined by the ~~council~~ commissioner. The ~~council~~ commissioner is not required to provide funding for transportation services from a residence to a service site and home again when the services are used by individuals in conjunction with their participation in human service developmental achievement center programs in which transportation to and from the program is a required and funded component of those programs.

Subd. 5. **Equitable allocation and annual reallocation.** The ~~council~~ commissioner shall distribute all available funding under this section in a manner designed to achieve an equitable allocation of special transportation services based on the proportion of the number of elderly, disabled, or economically disadvantaged individuals with special transportation needs who actually use the special transportation service.

Subd. 6. **Operating and service standards.** A person operating or assisting the operation of a vehicle may leave the vehicle to enter premises in order to help a passenger who does not require emergency ambulance service. Operators and assistants shall provide the help necessary for door-through-door service, including help in entering and leaving the vehicle and help through the exterior entrance and over any exterior steps at either departure or destination buildings, provided that both the steps and the wheelchair are in good repair. If

140.1 an operator or assistant refuses help because of the condition of the steps or the wheelchair,
140.2 the operator of the service shall send letters to the service administrator designated by the
140.3 ~~council~~ commissioner, who shall notify the person denied service describing the corrective
140.4 measures necessary to qualify for service.

140.5 Subd. 8. **Vehicle title transfer; conditions.** The ~~Metropolitan Council~~ commissioner
140.6 may transfer to a special transportation service provider or a provider of taxi services the
140.7 title to a vehicle formerly used to provide special transportation service under this section.
140.8 If the ~~council~~ commissioner transfers title to a provider of taxi services, it may do so only
140.9 to a provider of taxi services that is licensed by a city whose taxi licensing ordinance requires
140.10 (1) criminal background checks and annual driving record checks for drivers, and (2)
140.11 inspection of vehicles at least annually.

140.12 Sec. 45. Minnesota Statutes 2016, section 473.387, subdivision 2, is amended to read:

140.13 Subd. 2. **Administration.** The ~~council~~ commissioner shall design and administer the
140.14 programs under this section. The ~~council~~ commissioner may request proposals for projects
140.15 to demonstrate methods of achieving the purposes of programs administered under this
140.16 section. The ~~council~~ commissioner shall design or ensure the design of programs that will
140.17 provide better access for the targeted service groups to places of employment and activity
140.18 throughout the metropolitan area, using regular route transit, paratransit, taxis, car or van
140.19 pools, or other means of conveyance. The ~~council~~ commissioner may organize the services
140.20 by providing to individuals, directly or indirectly, reduced fares or passes on public transit
140.21 or vouchers to be used to purchase transportation; by contracting with public and private
140.22 providers; by arrangements with government agencies, civic and community organizations
140.23 or nonprofit groups providing assistance to the targeted service groups; by arrangements
140.24 with prospective employers, with employment, education, retail, medical, or other activity
140.25 centers, or with local governments; or by any other methods designed to improve service
140.26 and reduce costs to the targeted service groups.

140.27 Sec. 46. Minnesota Statutes 2016, section 473.387, subdivision 3, is amended to read:

140.28 Subd. 3. **Job seekers.** The ~~council~~ commissioner shall establish a program and policies
140.29 to increase the availability and utility of public transit services and reduce transportation
140.30 costs for persons who are seeking employment and who lack private means of transportation.

141.1 Sec. 47. Minnesota Statutes 2016, section 473.387, subdivision 4, is amended to read:

141.2 Subd. 4. **Transit disadvantaged.** The ~~council~~ commissioner shall establish a program
141.3 and policies to reduce transportation costs for persons who are, because of limited incomes,
141.4 age, disability, or other reasons, especially dependent on public transit for common mobility.

141.5 Sec. 48. Minnesota Statutes 2016, section 473.3875, is amended to read:

141.6 **473.3875 TRANSIT FOR LIVABLE COMMUNITIES.**

141.7 The ~~council~~ commissioner shall establish a transit for livable communities demonstration
141.8 program fund. The ~~council~~ commissioner shall adopt guidelines for selecting and evaluating
141.9 demonstration projects for funding. The selection guidelines must include provisions
141.10 evaluating projects:

141.11 (1) interrelating development or redevelopment and transit;

141.12 (2) interrelating affordable housing and employment growth areas;

141.13 (3) helping intensify land use that leads to more compact development or redevelopment;

141.14 (4) coordinating school transportation and public transit service; or

141.15 (5) implementing recommendations of the transit redesign plan; ~~or~~ or

141.16 ~~(6) otherwise promoting the goals of the Metropolitan Livable Communities Act.~~

141.17 Sec. 49. Minnesota Statutes 2016, section 473.39, subdivision 1, as amended by Laws
141.18 2017, chapter 40, article 1, section 117, is amended to read:

141.19 Subdivision 1. **General authority.** The ~~council~~ Metropolitan Area Transit Board
141.20 established in section 473.446, subdivision 1c, may issue general obligation bonds subject
141.21 to the volume limitations in this section to provide funds to implement the ~~council's~~ transit
141.22 capital improvement program for the metropolitan area and may issue general obligation
141.23 bonds not subject to the limitations for the refunding of outstanding bonds or certificates
141.24 of indebtedness of the former Metropolitan Council, the former regional transit board or
141.25 the former metropolitan transit commission, and judgments against the former regional
141.26 transit board or the former metropolitan transit commission or the former Metropolitan
141.27 Council. The ~~council~~ Metropolitan Area Transit Board may not issue obligations pursuant
141.28 to this subdivision, other than refunding bonds, in excess of the amount specifically
141.29 authorized by law. Except as otherwise provided in sections 473.371 to 473.449, the ~~council~~
141.30 board shall provide for the issuance, sale, and security of the bonds in the manner provided
141.31 in chapter 475, and has the same powers and duties as a municipality issuing bonds under

142.1 that law, except that no election is required and the net debt limitations in chapter 475 do
142.2 not apply to the bonds. The obligations are not a debt of the state or any municipality or
142.3 political subdivision within the meaning of any debt limitation or requirement pertaining
142.4 to those entities. Neither the state, nor any municipality or political subdivision except the
142.5 ~~council~~ Metropolitan Area Transit Board, nor any member or officer or employee of the
142.6 ~~council~~ board, is liable on the obligations. The obligations may be secured by taxes levied
142.7 without limitation of rate or amount upon all taxable property in the transit taxing district
142.8 and transit area as provided in section 473.446, subdivision 1, paragraph (a). As part of its
142.9 levy made under section 473.446, subdivision 1, paragraph (a), the ~~council~~ Metropolitan
142.10 Area Transit Board shall levy the amounts necessary to provide full and timely payment of
142.11 the obligations and transfer the proceeds to the appropriate council account for payment of
142.12 the obligations. The taxes must be levied, certified, and collected in accordance with the
142.13 terms and conditions of the indebtedness.

142.14 Sec. 50. Minnesota Statutes 2016, section 473.39, subdivision 2, is amended to read:

142.15 Subd. 2. **Legal investments.** Certificates of indebtedness, bonds, or other obligations
142.16 issued ~~by the council~~ under this section to which tax levies have been pledged pursuant to
142.17 section 473.446, are proper for investment of any funds by a bank, savings bank, savings
142.18 association, credit union, trust company, insurance company, or public or municipal
142.19 corporation, and may be pledged by any bank, savings bank, savings association, credit
142.20 union, or trust company as security for the deposit of public money.

142.21 Sec. 51. Minnesota Statutes 2016, section 473.39, subdivision 2a, is amended to read:

142.22 Subd. 2a. **Uses of investment income.** Interest or other investment earnings on the
142.23 proceeds of bonds issued under this section and on a debt service account for bonds issued
142.24 under this section must be used only to:

142.25 (1) pay capital expenditures and related expenses for which the obligations were
142.26 authorized by this section;

142.27 (2) to pay debt service on the obligations or to reduce the ~~council's~~ property tax levy
142.28 imposed to pay debt service on obligations issued under this section;

142.29 (3) pay rebate or yield reduction payments for the bonds to the United States;

142.30 (4) redeem or purchase the bonds; or

143.1 (5) make other payments with respect to the bonds that are necessary or desirable to
143.2 comply with federal tax rules applicable to the bonds or to comply with covenants made
143.3 with respect to the bonds.

143.4 Sec. 52. Minnesota Statutes 2016, section 473.39, subdivision 5, is amended to read:

143.5 Subd. 5. **Anticipation of grants.** In addition to other authority granted in this section,
143.6 the ~~council~~ Metropolitan Area Transit Board may exercise the authority granted to an issuing
143.7 political subdivision by section 475.522.

143.8 Sec. 53. Minnesota Statutes 2016, section 473.391, is amended to read:

143.9 **473.391 ROUTE PLANNING AND SCHEDULING.**

143.10 Subdivision 1. **Contracts.** The ~~council~~ commissioner may contract with other operators
143.11 or local governments for route planning and scheduling services in any configuration of
143.12 new or reconfiguration of existing transit services and routes.

143.13 Subd. 2. **Route elimination; service reduction.** The ~~council~~ commissioner shall, before
143.14 making a determination to eliminate or reduce service on existing transit routes, consider:

143.15 (1) the level of subsidy per passenger on each route;

143.16 (2) the availability and proximity of alternative transit routes; and

143.17 (3) the percentage of transit dependent riders, including youth, elderly, low-income, and
143.18 disabled riders currently using each route.

143.19 Sec. 54. Minnesota Statutes 2016, section 473.3925, is amended to read:

143.20 **473.3925 BUS PURCHASES.**

143.21 The ~~Metropolitan Council~~ commissioner, in preparing bid specifications for bus
143.22 purchases, shall ensure that the specifications conform, to the greatest extent practicable,
143.23 with products that are manufactured in this state.

143.24 Sec. 55. Minnesota Statutes 2016, section 473.399, is amended to read:

143.25 **473.399 TRANSIT WAYS; LIGHT RAIL TRANSIT AND COMMUTER RAIL**
143.26 **IN THE METROPOLITAN AREA.**

143.27 Subdivision 1. **General requirements.** (a) The ~~council~~ commissioner of administration
143.28 must identify in its transportation policy plan those heavily traveled corridors where
143.29 development of a transitway may be feasible and cost-effective. Modes of providing service

144.1 in a transitway may include bus rapid transit, light rail transit, commuter rail, or other
144.2 available systems or technologies that improve transit service.

144.3 (b) After the completion of environmental studies and receipt of input from the governing
144.4 body of each statutory and home rule charter city, county, and town in which a transitway
144.5 is proposed to be constructed, the ~~council~~ commissioner must designate the locally preferred
144.6 alternative transit mode with respect to the corridor.

144.7 (c) The ~~council~~ commissioner shall ensure that any light rail transit facilities that are
144.8 designated as the locally preferred alternative and that are to be constructed in the
144.9 metropolitan area will be acquired, developed, owned, and capable of operation in an
144.10 efficient, cost-effective, and coordinated manner in coordination with buses and other
144.11 transportation modes and facilities.

144.12 (d) Construction of light rail transit facilities in a particular transit corridor may not
144.13 commence unless and until that mode is designated as the locally preferred alternative for
144.14 that corridor by the ~~council~~ commissioner.

144.15 Subd. 1a. **Integrated transportation system.** The commissioner of transportation and
144.16 ~~the Metropolitan Council~~ shall ensure that light rail transit and commuter rail facilities are
144.17 planned, designed, and implemented: (1) to move commuters and transit users into and out
144.18 of, as well as within, the metropolitan area, and (2) to ensure that rail transit lines will
144.19 interface with each other and other transportation facilities and services so as to provide a
144.20 unified, integrated, and efficient multimodal transportation system.

144.21 Subd. 5. **Availability of light rail transit information.** The ~~Metropolitan Council~~
144.22 commissioner shall maintain in a centralized location on an Internet Web site, for each light
144.23 rail transit line operated by the ~~council~~ commissioner and for each year of operation of the
144.24 line:

144.25 (1) financial data, including revenue by source and operating and capital expenses; and

144.26 (2) ridership information, including ridership and passenger miles.

144.27 Sec. 56. Minnesota Statutes 2016, section 473.3994, is amended to read:

144.28 **473.3994 LIGHT RAIL TRANSIT; DESIGN PLANS.**

144.29 Subd. 1a. **Designation of Responsible authority.** For each proposed light rail transit
144.30 facility in the metropolitan area, the ~~governor must designate either the Metropolitan Council~~
144.31 ~~or the state of Minnesota acting through the commissioner of transportation as is~~ the entity
144.32 responsible for planning, designing, acquiring, constructing, and equipping the facility.

145.1 ~~Notwithstanding such designation, the commissioner and the council may enter into one or~~
145.2 ~~more cooperative agreements with respect to the planning, designing, acquiring, constructing,~~
145.3 ~~or equipping of a particular light rail transit facility that provide for the parties to exercise~~
145.4 ~~their respective authorities in support of the project in a manner that best serves the project~~
145.5 ~~and the public.~~

145.6 Subd. 2. **Preliminary design plans; public hearing.** Before final design plans are
145.7 prepared for a light rail transit facility in the metropolitan area, the ~~responsible authority~~
145.8 commissioner and the regional railroad authority or authorities in whose jurisdiction the
145.9 line or lines are located must hold a public hearing on the physical design component of
145.10 the preliminary design plans. The ~~responsible authority~~ commissioner and the regional
145.11 railroad authority or authorities in whose jurisdiction the line or lines are located must
145.12 provide appropriate public notice of the hearing and publicity to ensure that affected parties
145.13 have an opportunity to present their views at the hearing. The ~~responsible authority~~
145.14 commissioner shall summarize the proceedings and testimony and maintain the record of
145.15 a hearing held under this section, including any written statements submitted.

145.16 Subd. 3. **Preliminary design plans; local approval.** At least 30 days before the hearing
145.17 under subdivision 2, the ~~responsible authority~~ commissioner shall submit the physical design
145.18 component of the preliminary design plans to the governing body of each statutory and
145.19 home rule charter city, county, and town in which the route is proposed to be located. The
145.20 city, county, or town shall hold a public hearing. Within 45 days after the hearing under
145.21 subdivision 2, the city, county, or town shall review and approve or disapprove the plans
145.22 for the route to be located in the city, county, or town. A local unit of government that
145.23 disapproves the plans shall describe specific amendments to the plans that, if adopted, would
145.24 cause the local unit to withdraw its disapproval. Failure to approve or disapprove the plans
145.25 in writing within 45 days after the hearing is deemed to be approval, unless an extension
145.26 of time is agreed to by the city, county, or town and the ~~responsible authority~~ commissioner.

145.27 Subd. 4. **Preliminary design plans; ~~council~~ commissioner hearing.** If the governing
145.28 body of one or more cities, counties, or towns disapproves the preliminary design plans
145.29 within the period allowed under subdivision 3, the ~~council~~ commissioner shall hold a hearing
145.30 on the plans, giving ~~the commissioner of transportation, if the responsible authority,~~ any
145.31 disapproving local governmental units, and other persons an opportunity to present their
145.32 views on the plans. The ~~council~~ commissioner may conduct independent study as it deems
145.33 desirable and may mediate and attempt to resolve disagreements about the plans. Within
145.34 60 days after the hearing, the ~~council~~ commissioner shall review the plans and shall decide
145.35 what amendments to the plans, if any, must be made to accommodate the objections presented

146.1 by the disapproving local governmental units. Amendments to the plans as decided by the
146.2 ~~council~~ commissioner must be made before continuing the planning and designing process.

146.3 Subd. 5. **Final design plans.** (a) If the final design plans incorporate a substantial change
146.4 from the preliminary design plans with respect to location, length, or termini of routes;
146.5 general dimension, elevation, or alignment of routes and crossings; location of tracks above
146.6 ground, below ground, or at ground level; or station locations, before beginning construction,
146.7 the ~~responsible authority~~ commissioner shall submit the changed component of the final
146.8 design plans to the governing body of each statutory and home rule city, county, and town
146.9 in which the changed component is proposed to be located. Within 60 days after the
146.10 submission of the plans, the city, county, or town shall review and approve or disapprove
146.11 the changed component located in the city, county, or town. A local unit of government that
146.12 disapproves the change shall describe specific amendments to the plans that, if adopted,
146.13 would cause the local unit to withdraw its disapproval. Failure to approve or disapprove the
146.14 changed plans in writing within the time period is deemed to be approval, unless an extension
146.15 is agreed to by the city, county, or town and the ~~responsible authority~~ commissioner.

146.16 (b) If the governing body of one or more cities, counties, or towns disapproves the
146.17 changed plans within the period allowed under paragraph (a), the ~~council~~ commissioner
146.18 shall review the final design plans under the same procedure and with the same effect as
146.19 provided in subdivision 4 for preliminary design plans.

146.20 Subd. 7. **~~Council~~ Commissioner review.** ~~If the commissioner is the responsible authority,~~
146.21 Before proceeding with construction of a light rail transit facility, the commissioner of
146.22 transportation must submit preliminary and final design plans to the ~~Metropolitan Council~~
146.23 commissioner of administration. The ~~council~~ commissioner of administration must review
146.24 the plans for consistency with the ~~council's~~ commissioner of administration's development
146.25 guide and approve the plans.

146.26 Subd. 8. **Metropolitan significance.** This section does not diminish or replace the
146.27 authority of the ~~council~~ commissioner under section 473.173.

146.28 Subd. 9. **Light rail transit operating costs.** (a) Before submitting an application for
146.29 federal assistance for light rail transit facilities in the metropolitan area, the ~~Metropolitan~~
146.30 ~~Council~~ commissioner must prepare an estimate of the amount of operating subsidy which
146.31 will be required to operate light rail transit in the corridor to which the federal assistance
146.32 would be applied. The estimate must indicate the amount of operating subsidy estimated to
146.33 be required in each of the first ten years of operation of the light rail transit facility. ~~If the~~

147.1 ~~commissioner of transportation is the responsible authority, the commissioner must provide~~
147.2 ~~information requested by the council that is necessary to make the estimate.~~

147.3 (b) The ~~council~~ commissioner must review and evaluate the estimate developed under
147.4 paragraph (a) with regard to the effect of operating the light rail transit facility on the
147.5 currently available mechanisms for financing transit in the metropolitan area.

147.6 Subd. 10. **Corridor Management Committee.** (a) The ~~responsible authority~~
147.7 commissioner must establish a Corridor Management Committee to advise the ~~responsible~~
147.8 ~~authority~~ commissioner in the design and construction of light rail transit in each corridor
147.9 to be constructed. The Corridor Management Committee for each corridor shall consist of
147.10 the following members:

147.11 (1) one member appointed by each city and county in which the corridor is located;

147.12 (2) the commissioner of transportation or a designee of the commissioner who shall
147.13 serve as chair of the committee;

147.14 ~~(3) two members appointed by the Metropolitan Council, one of whom shall be designated~~
147.15 ~~as the chair of the committee;~~

147.16 ~~(4)~~ (3) one member appointed by the Metropolitan Airports Commission, if the designated
147.17 corridor provides direct service to the Minneapolis-St. Paul International Airport; and

147.18 ~~(5)~~ (4) one member appointed by the president of the University of Minnesota, if the
147.19 designated corridor provides direct service to the university.

147.20 (b) The Corridor Management Committee shall advise the ~~responsible authority~~
147.21 commissioner on issues relating to environmental review, preliminary design, preliminary
147.22 engineering, final design, implementation method, and construction of light rail transit in
147.23 the corridor.

147.24 Subd. 14. ~~Transfer of facility after construction.~~ If the commissioner of transportation
147.25 ~~is the responsible authority for a particular light rail transit facility, the commissioner must~~
147.26 ~~transfer to the Metropolitan Council all facilities constructed and all equipment and property~~
147.27 ~~acquired in developing the facility upon completion of construction.~~

147.28 Sec. 57. Minnesota Statutes 2016, section 473.3995, is amended to read:

147.29 **473.3995 LIGHT RAIL TRANSIT; DESIGN-BUILD METHOD.**

147.30 (a) ~~A responsible authority~~ The commissioner may use a design-build method of project
147.31 development and construction for light rail transit. Notwithstanding any law to the contrary,
147.32 ~~a responsible authority~~ the commissioner may award a design-build contract on the basis

of requests for proposals or requests for qualifications without bids. "Design-build method of project development and construction" means a project delivery system in which a single contractor is responsible for both the design and construction of the project and bids the design and construction together.

(b) If ~~a responsible authority~~ the commissioner utilizes a design-build method of project development and construction for light rail transit, the requirements and procedures in sections 161.3410 to 161.3426 apply to the procurement, subject to the following conditions and exceptions:

~~(1) if the Metropolitan Council is the responsible authority for a particular light rail transit project, when used in sections 161.3410 to 161.3426, (i) the terms "commissioner," "Minnesota Department of Transportation," "department," "state agencies," and "road authority" refer to the Metropolitan Council, and (ii) the term "state" refers to the Metropolitan Council except in references to state law or in references to the state as a geographical location;~~

~~(2)~~ (1) the provisions of section 161.3412, subdivisions 3 and 4, are not applicable to the procurement; and

~~(3)~~ (2) if any federal funds are used in developing or constructing the light rail transit project, any provisions in sections 161.3410 to 161.3426 that are inconsistent with, or prohibited by, any federal law, regulation, or other requirement are not applicable to the procurement.

Sec. 58. Minnesota Statutes 2016, section 473.3997, is amended to read:

473.3997 FEDERAL FUNDING; LIGHT RAIL TRANSIT.

(a) Upon completion of the alternatives analysis and draft environmental impact statement, and selection of the locally preferred alternative, for each light rail transit facility, the ~~responsible authority~~ commissioner may prepare an application for federal assistance for the light rail transit facility. ~~If the commissioner is the responsible authority, the application must be reviewed and approved by the Metropolitan Council before it is submitted by the commissioner. In reviewing the application the council must consider the operating cost estimate developed under section 473.3994, subdivision 9.~~

(b) ~~Except for the designated responsible authority for a particular light rail transit facility,~~ No political subdivision in the metropolitan area may on its own apply for federal assistance for light rail transit planning or construction.

Sec. 59. Minnesota Statutes 2016, section 473.405, is amended to read:

473.405 POWERS.

Subdivision 1. **General.** The ~~Metropolitan Council~~ council commissioner has the powers and duties prescribed by this section and sections 473.407 to 473.449 and all powers necessary or convenient to discharge its duties.

Subd. 3. **Condemnation.** The ~~council~~ council commissioner may for transit purposes acquire property, franchises, easements, or property rights or interests of any kind by condemnation proceedings pursuant to chapter 117. Except as provided in subdivision 9, the ~~council~~ commissioner may take possession of any property for which condemnation proceedings have been commenced at any time after the filing of the petition describing the property in the proceedings. The ~~council~~ commissioner may contract with an operator or other persons for the use by the operator or person of any property under the ~~council's~~ commissioner's control.

Subd. 4. **Transit systems.** The ~~council~~ council commissioner may engineer, construct, equip, and operate transit and paratransit systems, projects, or any parts thereof, including road lanes or rights-of-way, terminal facilities, maintenance and garage facilities, ramps, parking areas, and any other facilities useful for or related to any public transit or paratransit system or project. The ~~council~~ commissioner may sell or lease naming rights with regard to light rail transit stations and apply revenues from sales or leases to light rail transit operating costs.

Subd. 5. **Acquisition of transit systems.** The ~~council~~ council commissioner may acquire by purchase, lease, gift, or condemnation proceedings any existing public transit system or any part thereof, including all or any part of the plant, equipment, shares of stock, property, real, personal, or mixed, rights in property, reserve funds, special funds, franchises, licenses, patents, permits and papers, documents and records belonging to any operator of a public transit system within the metropolitan area, and may in connection therewith assume any or all liabilities of any operator of a public transit system. The ~~council~~ commissioner may take control of and operate a system immediately following the filing and approval of the initial petition for condemnation, if the ~~council~~ commissioner, in ~~its~~ the commissioner's discretion, determines this to be necessary, and may take possession of all right, title and other powers of ownership in all properties and facilities described in the petition. Control must be taken by resolution which is effective upon service of a copy on the condemnee and the filing of the resolution in the condemnation action. In the determination of the fair value of the existing public transit system, there must not be included any value attributable

150.1 to expenditures for improvements made by the former Metropolitan Transit Commission
150.2 or Council.

150.3 Subd. 9. **Condemnation of public or public service corporation property.** The fact
150.4 that property is owned by or is in charge of a public agency or a public service corporation
150.5 organized for a purpose specified in section 301B.01, or is already devoted to a public use
150.6 or to use by the corporation or was acquired therefor by condemnation may not prevent its
150.7 acquisition by the ~~council~~ commissioner by condemnation, but if the property is in actual
150.8 public use or in actual use by the corporation for any purpose of interest or benefit to the
150.9 public, the taking by the ~~council~~ commissioner by condemnation may not be authorized
150.10 unless the court finds and determines that there is greater public necessity for the proposed
150.11 use by the ~~council~~ commissioner than for the existing use.

150.12 Subd. 10. **Voluntary transfer of public property.** Any state department or other agency
150.13 of the state government or any county, municipality, or other public agency may sell, lease,
150.14 grant, transfer, or convey to the ~~council~~ department, with or without consideration, any
150.15 facilities or any part or parts thereof or any real or personal property or interest therein
150.16 which may be useful to the ~~council~~ department for any authorized purpose. In any case
150.17 where the construction of a facility has not been completed, the public agency concerned
150.18 may also transfer, sell, assign, and set over to the ~~council~~ department, with or without
150.19 consideration, any existing contract for the construction of the facilities.

150.20 Subd. 12. **Management contracts.** Notwithstanding any of the other provisions of this
150.21 section and sections 473.407 to 473.449, the ~~council~~ commissioner may, in lieu of directly
150.22 operating any public transit system or any part thereof, enter into contracts for management
150.23 services. The contracts may provide for compensation, incentive fees, the employment of
150.24 personnel, the services provided, and other terms and conditions that the ~~council~~
150.25 commissioner deems proper. The contracts must provide that the compensation of personnel
150.26 who work full time or substantially full time providing management or other services for
150.27 the ~~council~~ commissioner is public data under chapter 13.

150.28 The ~~council~~ commissioner may not permit a contract manager to supervise or manage
150.29 internal audit activities. Internal audit activity must be supervised and managed directly by
150.30 the ~~council~~ commissioner. The ~~council~~ commissioner shall advertise for bids and select
150.31 contracts for management services through competitive bidding. The term of the contract
150.32 may not be longer than two years. The contract must include clear operating objectives,
150.33 stating the service policies and goals of the ~~council~~ commissioner in terms of the movement
150.34 of various passenger groups, and performance criteria, by means of which success in
150.35 achieving the operating objectives can be measured. The ~~council~~ commissioner shall consider

151.1 and determine the feasibility and desirability of having all its transit management services
151.2 provided internally by employees of the ~~council~~ department.

151.3 The employees of any public transit system operated pursuant to the provisions of this
151.4 subdivision for the purpose of resolving any dispute arising under any existing or new
151.5 collective bargaining agreement relating to the terms or conditions of their employment,
151.6 may either engage in a concerted refusal to work or to invoke the processes of final and
151.7 binding arbitration as provided by chapter 572, subject to any applicable provisions of the
151.8 agreement not inconsistent with law.

151.9 Subd. 15. **Relocation of displaced persons.** The ~~council~~ commissioner may plan for
151.10 and assist in the relocation of individuals, families, business concerns, nonprofit
151.11 organizations, and others displaced by operations of the ~~council~~ department, and may make
151.12 relocation payments in accordance with federal regulations.

151.13 Sec. 60. Minnesota Statutes 2016, section 473.4051, subdivision 1, is amended to read:

151.14 Subdivision 1. **Operator.** The ~~council~~ commissioner shall operate all light rail transit
151.15 facilities and services located in the metropolitan area upon completion of construction of
151.16 the facilities and the commencement of revenue service using the facilities. The ~~council~~
151.17 commissioner may not allow the commencement of revenue service until after an appropriate
151.18 period of acceptance testing to ensure safe and satisfactory performance. In assuming the
151.19 operation of the system, the ~~council~~ commissioner must comply with section 473.415. The
151.20 ~~council~~ commissioner shall coordinate operation of the light rail transit system with bus
151.21 service to avoid duplication of service on a route served by light rail transit and to ensure
151.22 the widest possible access to light rail transit lines in both suburban and urban areas by
151.23 means of a feeder bus system.

151.24 Sec. 61. Minnesota Statutes 2016, section 473.4056, subdivision 1, is amended to read:

151.25 Subdivision 1. **Adoption of standards.** (a) ~~By January 1, 2015, the Metropolitan Council~~
151.26 ~~shall adopt and may thereafter~~ The commissioner of transportation may amend standards
151.27 for the design of light rail vehicles that are reasonably necessary to provide access for, and
151.28 to protect the health and safety of, persons who use the service. All light rail transit vehicles
151.29 procured on and after January 1, 2015, must conform to the standards then in effect.

151.30 (b) The Transportation Accessibility Advisory Committee must review the standards
151.31 and all subsequent amendments before the ~~Metropolitan Council adopts them~~ standards go
151.32 into effect.

152.1 (c) The ~~Metropolitan Council~~ commissioner shall post adopted standards, including
152.2 amendments, on its Web site.

152.3 Sec. 62. Minnesota Statutes 2016, section 473.4057, subdivision 1, is amended to read:

152.4 Subdivision 1. **General.** Notwithstanding the provisions of sections 174.82 and 174.90,
152.5 the ~~Metropolitan Council~~ commissioner must operate and maintain commuter rail facilities
152.6 and services in any corridor that is located in whole or in part in the metropolitan area. The
152.7 ~~council's operation and maintenance of the facilities and services must commence upon~~
152.8 ~~completion of the planning, development, and construction of the commuter rail facilities~~
152.9 ~~by the commissioner of transportation and the commencement of prerevenue service~~ this
152.10 state.

152.11 Sec. 63. Minnesota Statutes 2016, section 473.4057, subdivision 2, is amended to read:

152.12 Subd. 2. **Commuter rail equipment, supplies, and materials.** The ~~council~~ commissioner
152.13 is authorized to acquire equipment, supplies, and materials, including rolling stock, necessary
152.14 for any commuter rail service that is subject to this section. This authority may be exercised
152.15 either before or after the commencement of revenue service on a particular commuter rail
152.16 line.

152.17 Sec. 64. Minnesota Statutes 2016, section 473.4057, subdivision 3, is amended to read:

152.18 Subd. 3. **Commuter rail improvements.** After the commencement of revenue service
152.19 in a particular commuter rail corridor, the ~~council~~ commissioner is responsible for planning,
152.20 development, design, acquisition, construction, and equipping of any improvements to
152.21 commuter rail facilities or service in that corridor.

152.22 Sec. 65. Minnesota Statutes 2016, section 473.4057, subdivision 4, is amended to read:

152.23 Subd. 4. **Procurement for commuter rail; best value alternative.** (a) Notwithstanding
152.24 the provisions of section 471.345, for purchases related to the ~~council's~~ commissioner's
152.25 maintenance and operation of commuter rail lines, the ~~council~~ commissioner may award a
152.26 contract for the purchase of supplies, materials, equipment or the rental thereof, or the
152.27 construction, alteration, improvement, repair, or maintenance of real or personal property
152.28 to the vendor or contractor offering the best value under a request for proposals.

152.29 (b) For the purposes of this section, "best value" describes a result intended in the
152.30 acquisition of goods and services described in paragraph (a). Price must be one of the
152.31 evaluation criteria when acquiring such goods and services. Other evaluation criteria may

153.1 include, but are not limited to, environmental considerations, quality, and vendor
153.2 performance. A best value determination must be based on the evaluation criteria detailed
153.3 in the solicitation document. If criteria other than price are used, the solicitation document
153.4 must state the relative importance of price and other factors.

153.5 Sec. 66. Minnesota Statutes 2016, section 473.4057, subdivision 6, is amended to read:

153.6 Subd. 6. **Agreements with other parties.** The ~~council~~ commissioner may enter into
153.7 memoranda of understanding, joint powers agreements, or other agreements with public or
153.8 private entities including, without limitation, political subdivisions, regional railroad
153.9 authorities, metropolitan planning organizations, joint powers boards, ~~the commissioner of~~
153.10 ~~transportation~~, or railroads, to carry out its responsibilities under this section.

153.11 Sec. 67. Minnesota Statutes 2016, section 473.4057, subdivision 7, is amended to read:

153.12 Subd. 7. **Expenditure of funds and exercise of powers.** In carrying out its
153.13 responsibilities under this section and notwithstanding any other law to the contrary, the
153.14 ~~council~~ commissioner may expend funds and exercise, ~~both inside and outside the~~
153.15 ~~metropolitan area~~, those powers in this chapter that are necessary or convenient for those
153.16 purposes. The jurisdiction of the metropolitan transit police under section 473.405 extends
153.17 to offenses relating to the operation, property, facilities, equipment, employees, and
153.18 passengers of any commuter rail facilities and services that are subject to this section.

153.19 Sec. 68. Minnesota Statutes 2016, section 473.4057, subdivision 8, is amended to read:

153.20 Subd. 8. **Application of section 174.82.** ~~Except for those provisions that provide that~~
153.21 ~~the commissioner of transportation is responsible for operating and maintaining commuter~~
153.22 ~~rail, The provisions of section 174.82 apply to commuter rail facilities and services that are~~
153.23 ~~subject to this section. Without limitation as to its application, the provisions of section~~
153.24 ~~174.82 apply when the council is carrying out its responsibilities for commuter rail under~~
153.25 ~~this section to the same extent as those provisions would apply if the council were carrying~~
153.26 ~~out its responsibilities under contract to the commissioner.~~

153.27 Sec. 69. Minnesota Statutes 2016, section 473.407, subdivision 1, is amended to read:

153.28 Subdivision 1. **Authorization.** The ~~council~~ commissioner may appoint peace officers,
153.29 as defined in section 626.84, subdivision 1, paragraph (c), and establish a law enforcement
153.30 agency, as defined in section 626.84, subdivision 1, paragraph (f), known as the Metropolitan
153.31 Transit Police, to police its transit property and routes, to carry out investigations, and to

154.1 make arrests under sections 629.30 and 629.34. The jurisdiction of the law enforcement
154.2 agency is limited to offenses relating to ~~council~~ the department's transit property, equipment,
154.3 employees, and passengers. The jurisdiction of the Metropolitan Transit Police shall include
154.4 traffic lanes designed for bus or transit use, freeway or expressway shoulders in the
154.5 seven-county metropolitan area used by authorized transit buses and Metro Mobility buses
154.6 under section 169.306, and high-occupancy vehicle lanes used by transit buses. Upon request
154.7 from, or under an agreement with, any law enforcement agency and subject to the availability
154.8 of its personnel and other resources, the Metropolitan Transit Police may exercise general
154.9 law enforcement agency authority to assist any law enforcement agency in implementing
154.10 or carrying out law enforcement activities, programs, or initiatives. ~~If the commissioner of~~
154.11 ~~transportation contracts with the Metropolitan Council for operation of commuter rail~~
154.12 ~~facilities under section 174.90,~~ The jurisdiction of the Metropolitan Transit Police extends
154.13 to offenses relating to the operation, property, facilities, equipment, employees, and
154.14 passengers of the commuter rail facilities located in and outside of the metropolitan area.

154.15 Sec. 70. Minnesota Statutes 2016, section 473.407, subdivision 3, is amended to read:

154.16 Subd. 3. **Policy for notice of investigations.** The transit police must develop a policy
154.17 for notifying the law enforcement agency with primary jurisdiction when it has initiated
154.18 surveillance or investigation of any person within the jurisdiction of that agency. The ~~council~~
154.19 commissioner shall train all of its peace officers regarding the application of this policy.

154.20 Sec. 71. Minnesota Statutes 2016, section 473.407, subdivision 4, is amended to read:

154.21 Subd. 4. **Chief law enforcement officer.** The ~~regional administrator~~ commissioner shall
154.22 appoint a peace officer employed full time to be the chief law enforcement officer and to
154.23 be responsible for the management of the metropolitan transit police. The chief law
154.24 enforcement officer shall possess the necessary police and management experience to
154.25 manage a law enforcement agency. The chief law enforcement officer may appoint,
154.26 discipline, and discharge all transit police personnel. All police managerial and supervisory
154.27 personnel must be full-time employees of the Metropolitan Transit Police. Supervisory
154.28 personnel must be on duty and available any time transit police are on duty. The chief law
154.29 enforcement officer may not hire part-time peace officers as defined in section 626.84,
154.30 subdivision 1, paragraph (d), except that the chief may appoint peace officers to work on a
154.31 part-time basis not to exceed 30 full-time equivalents. A part-time officer must maintain an
154.32 active peace officer license with the officer's full-time law enforcement employer.

155.1 Sec. 72. Minnesota Statutes 2016, section 473.407, subdivision 5, is amended to read:

155.2 Subd. 5. **Emergencies.** (a) The ~~council~~ commissioner shall ensure that all emergency
155.3 vehicles used by transit police are equipped with radios capable of receiving and transmitting
155.4 on the same frequencies utilized by the law enforcement agencies that have primary
155.5 jurisdiction.

155.6 (b) When the transit police receive an emergency call they shall notify the public safety
155.7 agency with primary jurisdiction and coordinate the appropriate response.

155.8 (c) Transit police officers shall notify the primary jurisdictions of their response to any
155.9 emergency.

155.10 Sec. 73. Minnesota Statutes 2016, section 473.408, is amended to read:

155.11 **473.408 FARE POLICY.**

155.12 Subd. 2. **Fare policy.** (a) Fares and fare collection systems shall be established and
155.13 administered to accomplish the following purposes:

155.14 (1) to encourage and increase transit and paratransit ridership with an emphasis on regular
155.15 ridership;

155.16 (2) to restrain increases in the average operating subsidy per passenger;

155.17 (3) to ensure that no riders on any route pay more in fares than the average cost of
155.18 providing the service on that route;

155.19 (4) to ensure that operating revenues are proportioned to the cost of providing the service
155.20 so as to reduce any disparity in the subsidy per passenger on routes in the transit system;
155.21 and

155.22 (5) to implement the social fares as set forth in subdivision 2b.

155.23 (b) The plan must contain a statement of the policies that will govern the imposition of
155.24 user charges for various types of transit service and the policies that will govern decisions
155.25 by the ~~council~~ commissioner to change fare policy.

155.26 Subd. 2a. **Regular route fares.** The ~~council~~ commissioner shall establish and enforce
155.27 uniform fare policies for regular route transit in the metropolitan area. The policies must
155.28 be consistent with the requirements of this section and the ~~council's~~ transportation policy
155.29 plan. The ~~council~~ commissioner and other operators shall charge a base fare and any
155.30 surcharges for peak hours and distance of service in accordance with the ~~council's~~
155.31 commissioner's fares policies. The ~~council~~ commissioner shall approve all fare schedules.

156.1 Subd. 2b. **Social fares.** For the purposes of raising revenue for improving public safety
156.2 on transit vehicles and at transit hubs or stops, the ~~council~~ commissioner shall review and
156.3 may adjust its social fares as they relate to passengers under the age of 18 during high crime
156.4 times provided that the increased revenues are dedicated to improving the safety of all
156.5 passengers.

156.6 Subd. 4. **Circulation fares.** The ~~council~~ commissioner and other operators may charge
156.7 a reduced fare for service on any route providing circulation service in a downtown area or
156.8 community activity center. The ~~council~~ commissioner and other operators shall not contribute
156.9 more than 50 percent of the operating deficit of any such route that is confined to a downtown
156.10 area or community activity center. The boundaries of service districts eligible for reduced
156.11 fares under this subdivision must be approved by the ~~council~~ commissioner.

156.12 Subd. 6. **Monthly passes.** The ~~council~~ commissioner may offer monthly passes for
156.13 regular route bus service for sale to the general public.

156.14 Subd. 7. **Employee discount passes.** The ~~council~~ commissioner may offer passes for
156.15 regular route bus service for sale to employers at a special discount.

156.16 Subd. 8. **Charitable organization discount passes.** The ~~council~~ commissioner may
156.17 offer passes, including tokens, for regular route bus service for sale to charitable
156.18 organizations, described in section 501(c)(3) of the Internal Revenue Code, at a special
156.19 discount.

156.20 Subd. 9. **Youth discount passes.** (a) The ~~council~~ commissioner may offer passes,
156.21 including tokens, for regular route bus service to charitable organizations, described in
156.22 section 501(c)(3) of the Internal Revenue Code, free of charge. Any passes provided under
156.23 this subdivision must be:

156.24 (1) distributed to and used solely by a person who is under 16 years of age; and

156.25 (2) restricted to use on a bus that is not operating at full capacity at the time of use of
156.26 the bus pass.

156.27 (b) The ~~council~~ commissioner may establish additional requirements and terms of use
156.28 of the passes, including but not limited to charging a fee to the charitable organization for
156.29 any printing or production costs, restricting times of bus pass use to certain or nonpeak
156.30 hours of operation, and establishing oversight and auditing of the charitable organization
156.31 with regard to bus pass distribution and use.

156.32 Subd. 10. **Transit service for disabled veterans.** (a) On and after July 1, 2009, the
156.33 ~~council~~ commissioner shall provide regular route transit, as defined in section 473.385,

157.1 subdivision 1, free of charge for veterans, as defined in section 197.447, certified as disabled.
157.2 For purposes of this section, "certified as disabled" means certified in writing by the United
157.3 States Department of Veterans Affairs or the state commissioner of veterans affairs as having
157.4 a permanent service-connected disability.

157.5 (b) The requirements under this subdivision apply to operators of regular route transit
157.6 (1) receiving financial assistance under section 473.388, or (2) operating under section
157.7 473.405, subdivision 12.

157.8 Sec. 74. Minnesota Statutes 2016, section 473.409, is amended to read:

157.9 **473.409 AGREEMENTS WITH ~~COUNCIL~~ COMMISSIONER;**
157.10 **ENCOURAGEMENT OF TRANSIT USE.**

157.11 A state department or agency, including the legislative branch, any local governmental
157.12 unit, or a metropolitan agency may enter into an agreement with the ~~council~~ commissioner
157.13 and other operators for the purpose of encouraging the use of transit by its employees residing
157.14 in the metropolitan area. The agreement may provide for, among other things: (a) the advance
157.15 purchase of tokens, tickets or other devices from the ~~council~~ commissioner or other operator
157.16 for use in lieu of fares on vehicles operated by the ~~council~~ commissioner or other operator;
157.17 and (b) special transit service for employees to and from their place of employment, at fares
157.18 to be agreed upon by the contracting parties. The tokens, tickets, or other devices or services
157.19 may be made available to employees at reduced rates. Any such agreement and arrangement
157.20 by a state department or agency shall be submitted to the commissioner of administration
157.21 for approval before execution. Any operating deficits or subsidy resulting from such
157.22 agreements shall be assumed by the contracting department, agency, governmental unit, or
157.23 other commission, unless otherwise provided in an agreement approved by the ~~council~~
157.24 commissioner.

157.25 Sec. 75. Minnesota Statutes 2016, section 473.41, subdivision 1, is amended to read:

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

157.28 (b) "Transit authority" means:

157.29 (1) a statutory or home rule charter city, with respect to rights-of-way at bus stop and
157.30 train stop locations, transit shelters, and transit passenger seating facilities owned by the
157.31 city or established pursuant to a vendor contract with the city;

158.1 (2) the ~~Metropolitan Council~~ commissioner of transportation, with respect to transit
158.2 shelters and transit passenger seating facilities owned by the ~~council~~ Department of
158.3 Transportation or established pursuant to a vendor contract with the ~~council~~ department; or

158.4 (3) a replacement service provider under section 473.388, with respect to rights-of-way
158.5 at bus stop and train stop locations, transit shelters, and transit passenger seating facilities
158.6 owned by the provider or established pursuant to a vendor contract with the provider.

158.7 (c) "Transit shelter" means a wholly or partially enclosed structure provided for public
158.8 use as a waiting area in conjunction with light rail transit, bus rapid transit, or regular route
158.9 transit.

158.10 Sec. 76. Minnesota Statutes 2016, section 473.411, subdivision 5, is amended to read:

158.11 Subd. 5. **Use of public roadways and appurtenances.** The ~~council~~ commissioner may
158.12 use for the purposes of sections 473.405 to 473.449 upon the conditions stated in this
158.13 subdivision any state highway or other public roadway, parkway, or lane, or any bridge or
158.14 tunnel or other appurtenance of a roadway, without payment of any compensation, provided
158.15 the use does not interfere unreasonably with the public use or maintenance of the roadway
158.16 or appurtenance or entail any substantial additional costs for maintenance. The provisions
158.17 of this subdivision do not apply to the property of any common carrier railroad or common
158.18 carrier railroads. The consent of the public agency in charge of such state highway or other
158.19 public highway or roadway or appurtenance is not required; except that if the ~~council~~
158.20 commissioner seeks to use a designated parkway for regular route service in the city of
158.21 Minneapolis, it must obtain permission from and is subject to reasonable limitations imposed
158.22 by a joint board consisting of two representatives ~~from the council~~ of the department, two
158.23 members of the board of park commissioners, and a fifth member jointly selected by the
158.24 other members of the board. If the use is a designated Minneapolis parkway for regular
158.25 route service adjacent to the city of Minneapolis, it must obtain permission from and is
158.26 subject to reasonable limitations imposed by a joint board consisting of two representatives
158.27 ~~from the council~~ of the department, two members of the board of park commissioners, and
158.28 a fifth member jointly selected by other members of the board. The joint board must include
158.29 a nonvoting member appointed by the ~~council~~ of commissioner and residing in the city in
158.30 which the parkway is located.

158.31 The board of park commissioners and the ~~council~~ commissioner may designate persons
158.32 to sit on the joint board. In considering a request by the ~~council~~ commissioner to use
158.33 designated parkways for additional routes or trips, the joint board consisting of the ~~council~~
158.34 commissioner or ~~their~~ the commissioner's designees, the board of park commissioners or

159.1 ~~their~~ the commissioner's designees, and the fifth member, shall base its decision to grant or
159.2 deny the request based on the criteria to be established by the joint board. The decision to
159.3 grant or deny the request must be made within 45 days of the date of the request. The park
159.4 board must be notified immediately by the ~~council~~ commissioner of any temporary route
159.5 detours. If the park board objects to the temporary route detours within five days of being
159.6 notified, the joint board must convene and decide whether to grant the request, otherwise
159.7 the request is deemed granted. If the agency objects to the proposed use or claims
159.8 reimbursement from the ~~council~~ commissioner for additional cost of maintenance, it may
159.9 commence an action against the ~~council~~ department in the district court of the county wherein
159.10 the highway, roadway, or appurtenance, or major portion thereof, is located. The proceedings
159.11 in the action must conform to the Rules of Civil Procedure applicable to the district courts.
159.12 The court shall sit without jury. If the court determines that the use in question interferes
159.13 unreasonably with the public use or maintenance of the roadway or appurtenance, it shall
159.14 enjoin the use by the ~~council~~ commissioner. If the court determines that the use in question
159.15 does not interfere unreasonably with the public use or maintenance of the roadway or
159.16 appurtenance, but that it entails substantial additional maintenance costs, the court shall
159.17 award judgment to the agency for the amount of the additional costs. Otherwise the court
159.18 shall award judgment to the ~~council~~ department. An aggrieved party may appeal from the
159.19 judgment of the district court in the same manner as is provided for such appeals in other
159.20 civil actions. The ~~council~~ commissioner may also use land within the right-of-way of any
159.21 state highway or other public roadway for the erection of traffic-control devices, other signs,
159.22 and passenger shelters upon the conditions stated in this subdivision ~~and subject only to the~~
159.23 ~~approval of the commissioner of transportation where required by statute~~, and subject to
159.24 the express provisions of other applicable statutes and to federal requirements where
159.25 necessary to qualify for federal aid.

159.26 Sec. 77. Minnesota Statutes 2016, section 473.415, subdivision 1, is amended to read:

159.27 Subdivision 1. **Includes no worse off clause.** If the ~~council~~ commissioner acquires an
159.28 existing transit system, the ~~council~~ commissioner shall assume and observe all existing
159.29 labor contracts and pension obligations. All employees of such system except executive
159.30 and administrative officers who are necessary for the system operation ~~thereof by the council~~
159.31 shall be transferred to and appointed as employees of the ~~council~~ department for the purposes
159.32 of the transit system, subject to all the rights and benefits of sections 473.405 to 473.449.
159.33 ~~Such~~ The employees shall be given seniority credit and sick leave, vacation, insurance, and
159.34 pension credits in accordance with the records or labor agreements from the acquired transit
159.35 system. The ~~council~~ department shall assume the obligations of any transit system acquired

by it with regard to wages, salaries, hours, working conditions, sick leave, health and welfare and pension or retirement provisions for employees. The ~~council~~ department and the employees, through their representatives for collective bargaining purposes, shall take whatever action may be necessary to have pension trust funds presently under the joint control of the acquired system and the participating employees through their representatives transferred to the trust fund to be established, maintained and administered jointly by the ~~council~~ department and the participating employees through their representatives. No employee of any acquired system who is transferred to a position with the ~~council~~ department shall by reason of such transfer be placed in any worse position with respect to workers' compensation, pension, seniority, wages, sick leave, vacation, health and welfare insurance or any other benefits than the employee enjoyed as an employee of such acquired system.

Sec. 78. Minnesota Statutes 2016, section 473.416, is amended to read:

**473.416 RIGHTS OF SYSTEM WORKERS IN TAKEOVER OF TRANSIT
SYSTEM.**

Whenever the ~~council~~ commissioner directly operates any public transit system, or any part thereof, or enters into any management contract or other arrangement for the operation of a system, the ~~council~~ commissioner shall take the action necessary to extend to employees of the affected public transit systems, in accordance with seniority, the first opportunity for reasonably comparable employment in any available nonsupervisory jobs in respect to such operations for which they can qualify after a reasonable training period. The employment must not result in any worsening of the employee's position in the employee's former employment nor any loss of wages, hours, working conditions, seniority, fringe benefits, and rights and privileges pertaining thereto. The ~~council~~ commissioner may enter into an agreement specifying fair and equitable arrangements to protect the interests of employees who may be affected if the ~~council~~ commissioner should acquire any interest in or purchase any facilities or other property of a privately owned and operated transit system, or construct, improve, or reconstruct any facilities or other property acquired from any system, or provide by contract or otherwise for the operation of transportation facilities or equipment in competition with, or supplementary to, the service provided by an existing transit system. The agreement, specifying the terms and conditions of the protective arrangements, must comply with any applicable requirements of this chapter, and with the requirements of any federal law or regulation if federal aid is involved. The agreement may provide for final and binding arbitration of any dispute.

161.1 Sec. 79. Minnesota Statutes 2016, section 473.42, is amended to read:

161.2 **473.42 EMPLOYER CONTRIBUTIONS FOR CERTAIN EMPLOYEES.**

161.3 Notwithstanding any contrary provisions of section 352.029, the ~~council~~ state shall make
161.4 the employer contributions required pursuant to section 352.04, subdivision 3, for any
161.5 employee who was on authorized leave of absence from the transit operating division of
161.6 the former Metropolitan Transit Commission who is employed by the labor organization
161.7 which is the exclusive bargaining agent representing Metro Transit Division employees of
161.8 the council and who is covered by the Minnesota State Retirement System in addition to
161.9 all other employer contributions the ~~council~~ state is required to make.

161.10 Sec. 80. Minnesota Statutes 2016, section 473.436, subdivision 2, is amended to read:

161.11 Subd. 2. **Legal investments.** Certificates of indebtedness, bonds, or other obligations
161.12 issued by the ~~council~~ Metropolitan Area Transit Board to which tax levies have been pledged
161.13 pursuant to section 473.446, subdivision 1, shall be proper for investment of any funds by
161.14 any bank, savings bank, savings association, credit union, trust company, insurance company
161.15 or public or municipal corporation, and may be pledged by any bank, savings bank, savings
161.16 association, credit union, or trust company as security for the deposit of public moneys.

161.17 Sec. 81. Minnesota Statutes 2016, section 473.436, subdivision 3, is amended to read:

161.18 Subd. 3. **Tax exempt.** Certificates of indebtedness, bonds, or other obligations ~~of the~~
161.19 ~~council~~ issued under section 473.39 or this section shall be deemed and treated as
161.20 instrumentalities of a public government agency.

161.21 Sec. 82. Minnesota Statutes 2016, section 473.436, subdivision 6, is amended to read:

161.22 Subd. 6. **Temporary borrowing.** On or after the first day of any fiscal year, the ~~council~~
161.23 Metropolitan Area Transit Board may borrow money which may be used or expended by
161.24 the ~~council~~ commissioner of transportation for ~~any purpose, including but not limited to~~
161.25 current expenses, capital expenditures and the discharge of any obligation or indebtedness
161.26 ~~of the council~~ related to metropolitan area transit purposes. The indebtedness must be
161.27 represented by a note or notes which may be issued from time to time in any denomination
161.28 and sold at public or private sale pursuant to a resolution authorizing the issuance. The
161.29 resolution must set forth the form and manner of execution of the notes and shall contain
161.30 other terms and conditions the ~~council~~ board deems necessary or desirable to provide security
161.31 for the holders of the notes. The note or notes are payable from committed or appropriated
161.32 money from taxes, grants or loans of the state or federal government made to the ~~council~~.

162.1 board or the commissioner, or other revenues of the ~~council~~ commissioner for metropolitan
162.2 area transit purposes, and the money may be pledged to the payment of the notes. The
162.3 ~~council is~~ board and the commissioner are authorized to pledge to the payment of the note
162.4 or notes taxes levied by it under section 473.446, subdivision 1, clause (a), and if taxes are
162.5 so pledged the ~~council shall transfer~~ amounts received from the levy shall be transferred to
162.6 the ~~council~~ board for payment of the note or notes. To the extent the notes are not paid from
162.7 the grant or loan money pledged for the payment thereof, the principal and interest of the
162.8 notes must be paid from any taxes received by the ~~council~~ board and any income and revenue
162.9 received by or accrued to the ~~council~~ commissioner during the fiscal year in which the note
162.10 or notes were issued, or other money ~~of the council~~ lawfully available therefor.

162.11 Sec. 83. Minnesota Statutes 2016, section 473.446, subdivision 1, is amended to read:

162.12 Subdivision 1. **Metropolitan area transit tax.** (a) For the purposes of sections 473.405
162.13 to 473.449 and the metropolitan transit system, except as otherwise provided in this
162.14 subdivision, the ~~council~~ Metropolitan Area Transit Board established in subdivision 1c,
162.15 shall levy each year upon all taxable property within the metropolitan area, defined in section
162.16 473.121, subdivision 2, a transit tax consisting of:

162.17 (1) an amount necessary to provide full and timely payment of certificates of indebtedness,
162.18 bonds, including refunding bonds or other obligations issued or to be issued under section
162.19 473.39 ~~by the council~~ for purposes of acquisition and betterment of property and other
162.20 improvements of a capital nature and to which the former Metropolitan Council, or the
162.21 Metropolitan Area Transit Board, as applicable, has specifically pledged tax levies under
162.22 this clause; and

162.23 (2) an additional amount necessary to provide full and timely payment of certificates of
162.24 indebtedness issued by the former Metropolitan Council or the Metropolitan Area Transit
162.25 Board, after consultation with the commissioner of management and budget, if revenues to
162.26 the metropolitan area transit fund in the fiscal year in which the indebtedness is issued
162.27 increase over those revenues in the previous fiscal year by a percentage less than the
162.28 percentage increase for the same period in the revised Consumer Price Index for all urban
162.29 consumers for the St. Paul-Minneapolis metropolitan area prepared by the United States
162.30 Department of Labor.

162.31 (b) Indebtedness to which property taxes have been pledged under paragraph (a), clause
162.32 (2), that is incurred in any fiscal year may not exceed the amount necessary to make up the
162.33 difference between (1) the amount that the ~~council~~ commissioner of transportation received
162.34 or expects to receive in that fiscal year from the metropolitan area transit fund and (2) the

amount the former Metropolitan Council or the commissioner received from that fund in the previous fiscal year multiplied by the percentage increase for the same period in the revised Consumer Price Index for all urban consumers for the St. Paul-Minneapolis metropolitan area prepared by the United States Department of Labor.

Sec. 84. Minnesota Statutes 2016, section 473.446, is amended by adding a subdivision to read:

Subd. 1c. **Metropolitan Area Transit Board.** (a) A Metropolitan Area Transit Board is established, consisting of one commissioner of each county included in whole or in part within the transit taxing district designated in subdivision 2. Each of those county boards must appoint its initial member to the Metropolitan Area Transit Board by June 1, 2017.

(b) The board must annually set the levy as required under this section, and may issue obligations as provided in section 473.39, and borrow as provided in section 473.436. Each member's term on the board ends four years after the date of appointment or when the member ceases to be a county commissioner. The county board will appoint a successor member to represent the county on the transit board.

(c) The board may utilize no more than ... percent of the proceeds of the tax imposed under this section for ordinary administrative expenses incurred in carrying out the provisions of this section and sections 473.436 and 473.39. Any additional administrative expenses must be paid by the participating counties.

Sec. 85. Minnesota Statutes 2016, section 473.446, subdivision 2, is amended to read:

Subd. 2. Transit taxing district. The metropolitan transit taxing district is hereby designated as that portion of the metropolitan transit area lying within the following named cities, towns, or unorganized territory within the counties indicated:

(a) Anoka County. Anoka, Blaine, Centerville, Columbia Heights, Coon Rapids, Fridley, Circle Pines, Hilltop, Lexington, Lino Lakes, Spring Lake Park;

(b) Carver County. Chanhassen, the city of Chaska;

(c) Dakota County. Apple Valley, Burnsville, Eagan, Inver Grove Heights, Lilydale, Mendota, Mendota Heights, Rosemount, South St. Paul, Sunfish Lake, West St. Paul;

(d) Ramsey County. All of the territory within Ramsey County;

(e) Hennepin County. Bloomington, Brooklyn Center, Brooklyn Park, Champlin, Chanhassen, Crystal, Deephaven, Eden Prairie, Edina, Excelsior, Golden Valley, Greenwood,

164.1 Hopkins, Long Lake, Maple Grove, Medicine Lake, Minneapolis, Minnetonka, Minnetonka
164.2 Beach, Mound, New Hope, Orono, Osseo, Plymouth, Richfield, Robbinsdale, St. Anthony,
164.3 St. Louis Park, Shorewood, Spring Park, Tonka Bay, Wayzata, Woodland, the unorganized
164.4 territory of Hennepin County;

164.5 (f) Scott County. Prior Lake, Savage, Shakopee;

164.6 (g) Washington County. Baytown, the city of Stillwater, White Bear Lake, Bayport,
164.7 Birchwood, Cottage Grove, Dellwood, Lake Elmo, Landfall, Mahtomedi, Newport, Oakdale,
164.8 Oak Park Heights, Pine Springs, St. Paul Park, Willernie, Woodbury.

164.9 The ~~Metropolitan Council in its sole discretion~~ commissioner of transportation may
164.10 provide transit service by contract beyond the boundaries of the metropolitan transit taxing
164.11 district or to cities and towns within the taxing district ~~which are receiving financial assistance~~
164.12 ~~under section 473.388~~, upon petition therefor by an interested city, township or political
164.13 subdivision within the metropolitan transit area. The ~~Metropolitan Council~~ commissioner
164.14 of transportation may establish ~~such~~ the terms and conditions ~~as it deems~~ deemed necessary
164.15 and advisable for providing the transit service, including such combination of fares and
164.16 direct payments by the petitioner ~~as that~~ that will compensate ~~the council~~ for the full capital and
164.17 operating cost of the service and the related administrative activities ~~of the council~~. The
164.18 amount of the levy made by any municipality to pay for the service shall be disregarded
164.19 when calculation of levies subject to limitations is made, ~~provided that cities and towns~~
164.20 ~~receiving financial assistance under section 473.388 shall not make a special levy under~~
164.21 ~~this subdivision without having first exhausted the available local transit funds as defined~~
164.22 ~~in section 473.388. The council shall~~ commissioner is not be obligated to extend service
164.23 beyond the boundaries of the taxing district, ~~or to cities and towns within the taxing district~~
164.24 ~~which are receiving financial assistance under section 473.388~~, under any law or contract
164.25 unless or until payment therefor is received.

164.26 Sec. 86. Minnesota Statutes 2016, section 473.446, subdivision 3, is amended to read:

164.27 Subd. 3. **Certification and collection.** Each county treasurer shall collect and make
164.28 settlement of the taxes levied under subdivisions 1 and 1a with the ~~treasurer of the council~~
164.29 commissioner of transportation. The levy of transit taxes pursuant to this section shall not
164.30 affect the amount or rate of taxes which may be levied by any county or municipality ~~or by~~
164.31 ~~the council~~ for other purposes authorized by law and shall be in addition to any other property
164.32 tax authorized by law.

Sec. 87. Minnesota Statutes 2016, section 473.446, subdivision 8, is amended to read:

Subd. 8. **State review.** The commissioner of revenue shall certify the ~~council's~~ levy limitation under this section to the ~~council~~ Metropolitan Area Transit Board by August 1 of the levy year. The ~~council~~ board must certify its proposed property tax levy under this section to the commissioner of revenue by September 1 of the levy year. The commissioner of revenue shall annually determine whether the property tax for transit purposes certified ~~by the council~~ for levy ~~following the adoption of its proposed budget~~ by the board is within the levy limitation imposed by subdivisions 1 and 1b. The commissioner shall also annually determine whether the transit tax imposed on all taxable property within the metropolitan transit area but outside of the metropolitan transit taxing district is within the levy limitation imposed by subdivision 1a. The determination must be completed prior to September 10 of each year. If current information regarding market valuation in any county is not transmitted to the commissioner in a timely manner, the commissioner may estimate the current market valuation within that county for purposes of making the calculations.

Sec. 88. Minnesota Statutes 2016, section 473.448, is amended to read:

473.448 TRANSIT ASSETS EXEMPT FROM TAX BUT MUST PAY ASSESSMENTS.

(a) Notwithstanding any other provision of law to the contrary, the properties, moneys, and other assets of the ~~council~~ department used for transit operations in the metropolitan area or for special transportation services in the metropolitan area and all revenues or other income from the ~~council's~~ department's transit operations in the metropolitan area or special transportation services in the metropolitan area are exempt from all taxation, licenses, or fees imposed by the state or by any county, municipality, political subdivision, taxing district, or other public agency or body of the state, except to the extent that the property is subject to the sales and use tax under chapter 297A.

(b) Notwithstanding paragraph (a), the ~~council's~~ department's transit properties are subject to special assessments levied by a political subdivision for a local improvement in amounts proportionate to and not exceeding the special benefit received by the properties from the improvement.

Sec. 89. Minnesota Statutes 2016, section 473.449, is amended to read:

473.449 ACT EXCLUSIVE.

The exercise by the ~~council~~ commissioner of the powers provided in sections 473.405 to 473.449 shall not be subject to regulation by or the jurisdiction or control of any other public body or agency, either state, county, or municipal, except as specifically provided in this chapter.

Sec. 90. **TRANSFER PROVISIONS.**

Subdivision 1. **General.** The Metropolitan Council's powers and duties related to transit financing, coordination, and operation are transferred to the commissioner of transportation. Minnesota Statutes, section 15.039, applies to the transfer of the council's powers, duties, and assets to the commissioner to the extent practicable.

Subd. 2. **Legislative proposal.** (a) The commissioner of transportation shall prepare and submit to the legislature by February 1, 2018, proposed legislation to integrate the department's metropolitan area transit powers and duties with its other transportation powers and duties.

(b) The proposal must include the following elements:

(1) the Metropolitan Council transit operations shall become MnDOT Metropolitan Transit Division (MTD);

(2) a dedicated account adequate for MTD transit operations shall be established separate from road and bridge, greater Minnesota transit, and other transportation department funds and accounts;

(3) MTD must fully advertise publicly owned and operated transit for the metropolitan area;

(4) MTD shall continue to operate and maintain regional fleet buses, trains, and routes with a process set up to transfer ownership of the regional fleet buses, trains, and appurtenances to MTD;

(5) MCTO Union Local 1005 employees who were absorbed into Metropolitan Council headquarters shall be given an opportunity to transfer to the new MTD by a process in the legislative proposal;

(6) MCTO Union Local 1005 employees at the time of the transfer from the Metropolitan Council to MTD shall be transferred to MTD and that the collective bargaining agreement in effect for Transfer Union Local 1005 at the time of the transfer continue in effect unchanged; and

(7) replacement services, contract services, and similar transit services that use MTD fare boxes, radio system, transit supervision, police, security, maintenance, mechanical, and other services may continue to do so if a fee is paid to MTD for the reasonable value of the services.

Sec. 91. **APPROPRIATION.**

\$..... is appropriated in fiscal year 2018 from the general fund to the commissioner of transportation, for the purposes of this article.

Sec. 92. **REPEALER.**

Minnesota Statutes 2016, sections 174.22, subdivision 3; 473.167, subdivisions 3 and 4; 473.388, subdivisions 1, 2, 3, 4, 5, and 7; 473.39, subdivision 4; 473.3993, subdivision 4; 473.3999; 473.411, subdivisions 3 and 4; and 473.4461, are repealed.

Sec. 93. **EFFECTIVE DATE.**

Sections 28, 82, and 84 to 86, are effective for taxes levied in 2021, payable in 2022, and thereafter. Section 35 is effective the day following final enactment. The remainder of this article is effective July 1, 2021.

ARTICLE 9

WATER AND SOLID WASTE MANAGEMENT

Section 1. **[115.651] METROPOLITAN AREA SANITARY SEWER DISTRICT.**

Subdivision 1. **Definition.** For the purposes of this section, "Metropolitan Area Sanitary Sewer District" or "metropolitan district" means a sanitary sewer district as defined in the meaning of sections 115.61 to 115.67 that encompasses the metropolitan area, as defined in section 473.121, subdivision 2.

Subd. 2. **Powers.** In addition to the powers and duties enumerated in sections 115.61 to 115.67, the metropolitan district has the powers and duties stated in this section.

Subd. 3. **Ordinances; penalties.** The metropolitan district shall have the power to adopt ordinances relating to the operation of any interceptors or treatment works operated by it and may provide penalties for ordinance violations not exceeding the maximum that may be specified for a misdemeanor. Any rule prescribing a penalty for violation shall be published at least once in a newspaper having general circulation in the metropolitan area.

168.1 Subd. 4. **Gifts; grants; loans.** The metropolitan district may accept gifts, may apply for
168.2 and accept grants or loans of money or other property from the United States, the state, or
168.3 any person for any of its purposes, including any grant available under the federal Water
168.4 Pollution Control Act Amendments of 1972, whether for construction, research or pilot
168.5 project implementation; may enter into any agreement required by the grant or loan; and
168.6 may hold, use, and dispose of the money or property in accordance with the terms of the
168.7 gift, grant, loan, or agreement. The metropolitan district has all powers necessary to comply
168.8 with the federal Water Pollution Control Act Amendments of 1972 and any associated grant
168.9 offered to it including, but not limited to, the power to enter into contracts with, or to impose
168.10 charges upon, persons using the metropolitan disposal system as it shall determine to be
168.11 necessary for the recovery of treatment works and interceptor costs paid with federal grant
168.12 funds. These costs shall be recovered by local government units on behalf of the metropolitan
168.13 district to the greatest extent practicable.

168.14 Subd. 5. **Joint or cooperative action.** The metropolitan district may act under the
168.15 provisions of section 471.59, or any other appropriate law providing for joint or cooperative
168.16 action between government units.

168.17 Subd. 6. **May acquire property.** The metropolitan district may acquire, by purchase,
168.18 lease, condemnation, gift, or grant, any real or personal property including positive and
168.19 negative easements and water and air rights, and it may construct, enlarge, improve, replace,
168.20 repair, maintain, and operate any interceptor or treatment works determined to be necessary
168.21 or convenient for the collection and disposal of sewage in the metropolitan area. Any local
168.22 government unit and the commissioners of transportation and natural resources are authorized
168.23 to convey to the metropolitan district any facilities owned or controlled by it, or permit the
168.24 metropolitan district to use any facilities owned or controlled by it subject to the rights of
168.25 the holders of any bonds issued with respect thereto, with or without compensation, and
168.26 without an election or approval by any other government agency. All powers conferred by
168.27 this subdivision may be exercised within or without the metropolitan area as may be necessary
168.28 for the metropolitan district to exercise its powers or accomplish its purposes. The
168.29 metropolitan district may hold property for its purposes and may lease any property not
168.30 needed for its purposes, upon the terms and in the manner as it shall deem advisable. Unless
168.31 otherwise provided, the right to acquire lands and property rights by condemnation shall be
168.32 exercised in accordance with chapter 117 and shall apply to any interest in property owned
168.33 by any local government unit, provided that no property devoted to an actual public use at
168.34 the time, or held to be devoted to public use within a reasonable time, shall be acquired
168.35 unless a court of competent jurisdiction determines that the use proposed by the district is

paramount to that use. Except for property in actual public use, the metropolitan district may take possession of any property for which condemnation proceedings have been commenced at any time after the issuance of a court order appointing commissioners for its condemnation.

Subd. 7. **Nonfranchise required.** The metropolitan district may construct or maintain its systems or facilities in, along, on, under, over, or through public streets, bridges, viaducts, and other public rights-of-way without first obtaining a franchise from any local government unit having jurisdiction over them, but the facilities shall be constructed and maintained in accordance with the ordinances and resolutions of any government unit relating to construction, installation, and maintenance of similar facilities in public properties and shall not obstruct the public use of rights-of-way.

Subd. 8. **Surplus property.** The metropolitan district may sell or otherwise dispose of any real or personal property acquired by it that is no longer required for accomplishment of its purposes. The property may be sold in the manner provided by section 469.065, as far as practical. The metropolitan district may give the notice of sale as it shall deem appropriate. When the metropolitan district determines that any property or any interceptor or treatment works that have been acquired from a local government unit without compensation is no longer required, but is required as a local facility by the government unit from which it was acquired, the metropolitan district may by resolution transfer it to the government unit.

Subd. 9. **Pacts with other governments.** The metropolitan district may contract with the United States or its agency, any state or its agency, or any local government unit, agency, or subdivision, for the joint use of any facility owned by the metropolitan district or the entity, for the operation by the entity of any system or facility of the metropolitan district, or for the performance of any service on the metropolitan district's behalf, on terms agreed upon by the contracting parties.

Sec. 2. [115.652] TOTAL WATERSHED MANAGEMENT.

The metropolitan district may enter into agreements with other governmental bodies and agencies and spend funds to implement total watershed management. "Total watershed management" means identifying and quantifying at a watershed level the (1) sources of pollution, both point and nonpoint, (2) causes of conditions that may or may not be a result of pollution, and (3) means of reducing pollution or alleviating adverse conditions. The purpose of total watershed management is to achieve the best water quality for waters of

170.1 the state receiving the effluent of the metropolitan disposal system for the lowest total costs,
170.2 without regard to who will incur those costs.

170.3 Sec. 3. **[115.653] SEWER SERVICE FUNCTION.**

170.4 Subdivision 1. **Duty of metropolitan district; existing; new facilities.** The metropolitan
170.5 district shall assume ownership of all existing interceptors and treatment works that will be
170.6 needed for the collection, treatment, and disposal of sewage in the metropolitan area, in the
170.7 manner and subject to the conditions prescribed in subdivision 2, and shall thereafter acquire,
170.8 construct, equip, operate, and maintain all additional interceptors and treatment works that
170.9 will be needed for those purposes. The metropolitan district shall assume ownership of all
170.10 treatment works owned by a local government unit if any part of the treatment works will
170.11 be needed for the stated purposes.

170.12 Subd. 2. **Method of acquisition; existing debt.** The metropolitan district may require
170.13 any local government unit to transfer to the metropolitan district all of its rights, titles, and
170.14 interest in any interceptors or treatment works, and all necessary appurtenances owned by
170.15 the local government unit that will be needed for the purpose stated in subdivision 1.
170.16 Appropriate instruments of conveyance for the property shall be executed and delivered to
170.17 the metropolitan district by the proper officers of each local government unit concerned.
170.18 All persons regularly employed by a local government unit to operate and maintain any
170.19 treatment works so transferred to the metropolitan district, on the date on which the transfer
170.20 becomes effective, shall be employees of the metropolitan district, in the same manner and
170.21 with the same options and rights as are reserved to employees of sanitary districts and joint
170.22 boards under subdivision 3. The metropolitan district, upon assuming ownership of
170.23 interceptors or treatment works, shall become obligated to pay to the local government unit
170.24 amounts sufficient to pay when due all remaining principal of and interest on bonds issued
170.25 by the local government unit for the acquisition or betterment of the interceptors or treatment
170.26 works taken over. These amounts may be offset against any amount to be paid to the
170.27 metropolitan district by the local government unit as provided in section 115.656.

170.28 Subd. 3. **Existing sanitary districts; joint sewer boards.** The employees shall perform
170.29 duties prescribed by the metropolitan district. All subsequent collections of taxes, special
170.30 assessments, or service charges levied or imposed by or for the Metropolitan Council must
170.31 be transferred to the metropolitan district. Effective July 1, 2018, employees of the
170.32 Metropolitan Council wastewater division are employees of the metropolitan district. The
170.33 district shall make the employer's contributions to pension funds of its employees. The
170.34 metropolitan district shall succeed to and become vested by action of law with all right,

171.1 title, and interest in and to any property, real or personal, owned or operated by the
171.2 Metropolitan Council in conjunction with its powers and duties related to wastewater. Prior
171.3 to that date, the Metropolitan Council shall execute and deliver to the metropolitan district
171.4 all deeds, conveyances, bills of sale, and other documents or instruments required to vest
171.5 in the metropolitan district good and marketable title to all real or personal property, provided
171.6 that vesting of the title must occur by operation of law and failure to execute and deliver
171.7 the documents does not affect the vesting of title in the metropolitan district on the dates
171.8 indicated in this subdivision. The metropolitan district shall become obligated to pay or
171.9 assume all bonded or other debt and contract obligations incurred by the former Metropolitan
171.10 Council wastewater division for the acquisition or betterment of any interceptors or treatment
171.11 works.

171.12 Sec. 4. **[115.654] SEWAGE COLLECTION AND DISPOSAL; POWERS.**

171.13 Subdivision 1. **Identification of powers.** In addition to all other powers conferred upon
171.14 or delegated to the metropolitan district, the metropolitan district shall have the powers
171.15 specified in this section.

171.16 Subd. 2. **Right to discharge treated sewage.** The metropolitan district shall have the
171.17 right to discharge the effluent from any treatment works operated by it into any waters of
171.18 the state in accordance with any effluent or water quality standards lawfully adopted by the
171.19 Pollution Control Agency.

171.20 Subd. 3. **Connections with metropolitan system.** The metropolitan district may require
171.21 any person or local government unit in the metropolitan area to provide for the discharge
171.22 of its sewage, directly or indirectly, into the metropolitan disposal system, or to connect
171.23 part or all of any disposal system or part with the metropolitan disposal system wherever
171.24 reasonable opportunity is provided; may regulate the manner in which the connections are
171.25 made; may require any person or local government unit discharging sewage into the
171.26 metropolitan disposal system to provide preliminary treatment; may prohibit the discharge
171.27 into the metropolitan disposal system of any substance that it determines will or may be
171.28 harmful to the system or any persons operating it; and may require any local government
171.29 unit to discontinue the acquisition, betterment, or operation of any facility for its disposal
171.30 system wherever adequate service is or will be provided by the metropolitan disposal system.

Sec. 5. **[115.655] VIOLATION OF WASTEWATER LAW; REMEDIES; PENALTIES.**

Subdivision 1. Remedies available. (a) For purposes of this section, "violation" means any discharge or action by a person that violates sections or rules, standards, variances, ordinances, limitations, orders, stipulations, agreements, schedules of compliance, or permits that are issued or adopted by the metropolitan district under sections 115.651 to 115.665.

(b) Each violation may be enforced by any one or a combination of the following: criminal prosecution, civil action, or other appropriate action in accordance with sections 115.651 to 115.665.

Subd. 2. Criminal penalties; duties. (a) Any person who commits a violation under subdivision 1 may be sentenced to imprisonment for not more than 90 days or to payment of a fine of not more than \$1,000, or both.

(b) County attorneys, sheriffs and other peace officers, and other officers authorized to enforce criminal laws shall take all action necessary to prosecute and punish violations.

Subd. 3. Civil penalties. A violation is subject to a penalty payable to the state, in an amount to be determined by the court, of not more than \$1,000 per day of violation. The civil penalty may be recovered by a civil action brought by the metropolitan district in the name of the state.

Sec. 6. **[115.656] ALLOCATION OF COSTS.**

Subdivision 1. Allocation method. Except as provided in subdivision 2, the estimated costs of operation, maintenance, and debt service of the metropolitan disposal system to be paid by the metropolitan district in each fiscal year, and the costs of acquisition and betterment of the system that are to be paid during the year from funds other than bond proceeds, including all expenses incurred by the metropolitan district pursuant to sections 115.653 to 115.665, are referred to in this section as current costs and shall be allocated among and paid by all local government units that will discharge sewage, directly or indirectly, into the metropolitan disposal system during the budget year according to an allocation method determined by the metropolitan district. The allocated costs may include an amount for a reserve or contingency fund and an amount for cash flow management. The cash-flow management fund so established must not exceed five percent of the metropolitan district's total waste control operating budget.

Subd. 2. Allocation of treatment; interceptor costs; reserved capacity. (a) In preparing each budget, the metropolitan district shall estimate the current costs of acquisition,

173.1 betterment, and debt service of the treatment works in the metropolitan disposal system that
173.2 will not be used to total capacity during the budget year and the percentage of capacity that
173.3 will not be used, and shall deduct the same percentage of the treatment works costs from
173.4 the current costs allocated under subdivision 1. The metropolitan district shall also estimate
173.5 the current costs of acquisition, betterment, and debt service of the interceptors in the
173.6 metropolitan disposal system that will not be used to total capacity during the budget year,
173.7 shall estimate the percentage of the total capacity that will not be used, and shall deduct the
173.8 same percentage of interceptor costs from the current costs allocated under subdivision 1.
173.9 The total amount so deducted with respect to all treatment works and interceptors in the
173.10 system shall be allocated among and paid by the respective local government units in the
173.11 metropolitan area through a metropolitan sewer availability charge for each new connection
173.12 or increase in capacity demand to the metropolitan disposal system within each local
173.13 government unit. Amounts collected through the metropolitan sewer availability charge
173.14 (SAC) must be deposited in the metropolitan district's wastewater reserve capacity fund.
173.15 Each fiscal year, an amount from the wastewater reserve capacity fund shall be transferred
173.16 to the wastewater operating fund for the reserved capacity costs described in this paragraph.
173.17 For the purposes of this subdivision, the amount transferred from the wastewater reserve
173.18 capacity fund to the wastewater operating fund shall be referred to as the "SAC transfer
173.19 amount."

173.20 (b) If, after appropriate study and a public hearing, the metropolitan district determines
173.21 for the next fiscal year that a reduction of the SAC transfer amount is necessary or desirable
173.22 to ensure adequate funds remain in the wastewater reserve capacity fund, based on a goal
173.23 of maintaining at least the next year's estimated SAC transfer amount in the wastewater
173.24 reserve capacity fund, the metropolitan district may reduce the SAC transfer amount for
173.25 that fiscal year. If the metropolitan district reduces the SAC transfer amount for the next
173.26 fiscal year, the metropolitan district must then increase the metropolitan sewer availability
173.27 charge by an amount not less than the greater of six percent or the annual percentage change
173.28 in the Consumer Price Index for the metropolitan region for the previous year plus three
173.29 percentage points. For the purposes of this subdivision, any reduction in the SAC transfer
173.30 amount shall be referred to as the "SAC transfer deficit." This paragraph expires at the end
173.31 of calendar year 2017.

173.32 (c) The metropolitan district will record on a cumulative basis the total SAC transfer
173.33 deficit. In any year that the wastewater reserve capacity fund has a year-end balance of at
173.34 least two years' estimated SAC transfer amount, the metropolitan district shall increase the
173.35 subsequent annual SAC transfer amount in excess of the amount required by paragraph (a)

with the goal of eliminating the cumulative total SAC transfer deficit. The annual amount by which the metropolitan district increases the SAC transfer amount shall be determined by the metropolitan district after appropriate study and a public hearing.

Subd. 3. **Deferment of payments.** The metropolitan district may provide for the deferment of payment of all or part of the allocated costs that are allocated by the district to a local government unit in any year pursuant to subdivision 2, repayable at the time or times as the metropolitan district shall specify, with interest at the approximate average annual rate borne by metropolitan district bonds outstanding at the time of the deferment, as determined by the metropolitan district. The deferred costs shall be allocated to and paid by all local government units in the metropolitan area that will discharge sewage, directly or indirectly, into the metropolitan disposal system in the budget year for which the deferment is granted, in the same manner and proportions as costs are allocated under subdivision 1.

Subd. 4. **Direct charging of industrial users.** (a) For the purposes of this subdivision, the term "industrial discharger" means a recipient of wastewater treatment services that is required by metropolitan district rules or procedures to have a permit issued by the metropolitan district in order to discharge sewage to the metropolitan disposal system.

(b) The metropolitan district may directly impose on all or any category of industrial dischargers all or any portion of the costs that would otherwise be allocated among and paid by local government units under subdivision 1. Any amounts imposed directly on industrial dischargers by the metropolitan district under this subdivision must be deducted from the amounts to be allocated among and paid by local government units under subdivision 1, and any charges imposed by a local government unit for the same purpose are of no further force and effect from and after the effective date of the metropolitan district's direct charges. Charges imposed under this subdivision are in addition to any other charges imposed on industrial dischargers by a local government unit and must be paid by the industrial discharger at intervals as may be established by the metropolitan district. The metropolitan district may impose interest charges upon delinquent payments.

(c) Charges by the metropolitan district to industrial dischargers under this subdivision including any interest charges, as well as any other charges or related fees owed by the industrial discharger pursuant to a discharge permit issued by the metropolitan district for the subject property, are a charge jointly and severally against the owners, lessees, and occupants of the property served. The metropolitan district may certify the unpaid amounts to the appropriate county auditor as a tax for collection as other taxes are collected on the property served. The proceeds of any tax collected pursuant to the metropolitan district's certification must be paid by the county treasurer to the metropolitan district when collected.

175.1 Certification does not preclude the metropolitan district from recovery of delinquent amounts
175.2 and interest under any other available remedy.

175.3 Sec. 7. **[115.6565] 1972 WATER POLLUTION CONTROL ACT; USE CHARGE**
175.4 **SHARES.**

175.5 Each local government unit shall adopt a system of charges for the use and availability
175.6 of the metropolitan disposal system that will assure that each recipient of waste treatment
175.7 services within or served by the unit will pay its proportionate share of the costs allocated
175.8 to the unit by the metropolitan district under section 115.656, as required by the federal
175.9 Water Pollution Control Act Amendments of 1972, and any regulations issued pursuant to
175.10 it. Each system of charges shall be adopted as soon as possible and shall be submitted to
175.11 the metropolitan district. The metropolitan district shall review each system of charges to
175.12 determine whether it complies with the federal law and regulations. If it determines that a
175.13 system of charges does not comply, the adopting unit shall be notified and shall change its
175.14 system to comply, and shall submit the changes to the metropolitan district for review. All
175.15 subsequent changes in a system of charges proposed by a local government unit shall also
175.16 be submitted to the metropolitan district for review.

175.17 Sec. 8. **[115.657] PAYMENTS TO METROPOLITAN DISTRICT.**

175.18 Subdivision 1. **Amounts due metropolitan district, when payable.** Charges payable
175.19 to the metropolitan district by local government units may be made payable at the times
175.20 during each year as the metropolitan district determines, but dates shall be fixed with
175.21 reference to the dates on which tax, assessment, and revenue collections become available
175.22 to the government units required to pay the charges.

175.23 Subd. 2. **Component municipalities; obligations to metropolitan district.** Each
175.24 government unit shall pay to the metropolitan district all sums charged to it as provided in
175.25 section 115.656, at the times and in the manner determined by the metropolitan district. The
175.26 governing body of each government unit shall take all action that may be necessary to
175.27 provide the funds required for the payments and to make the same when due.

175.28 Subd. 3. **Powers of government units.** To accomplish any duty imposed on it by the
175.29 metropolitan district, the governing body of every government unit in the metropolitan area
175.30 may exercise the powers granted any municipality by chapters 117, 412, 429, 475, and
175.31 sections 115.46, 444.075, and 471.59.

175.32 Subd. 4. **Deficiency tax levies.** If the governing body of any local government unit fails
175.33 to meet any payment to the metropolitan district when due, the metropolitan district may

certify to the auditor of the county in which the government unit is located the amount required for payment with interest at six percent per annum. The auditor shall levy and extend the amount as a tax upon all taxable property in the government unit for the next calendar year, free from any existing limitations imposed by law or charter. The tax shall be collected in the same manner as the general taxes of the government unit, and the proceeds, when collected, shall be paid by the county treasurer to the treasurer of the metropolitan district and credited to the government unit for which the tax was levied.

Sec. 9. **[115.658] CONSTRUCTION CONTRACTS SUBJECT TO UNIFORM MUNICIPAL BID LAW.**

Subdivision 1. **Bids for contracts.** All contracts for construction work, or for the purchase of materials, supplies, or equipment relating to the metropolitan disposal system shall be made as provided in section 471.345, subdivisions 3 to 6. Contracts subject to section 471.345, subdivision 3, shall be made by the metropolitan district by publishing once in a legal newspaper or trade paper published in a city of the first class not less than two weeks before the last day for submission of bids, notice that bids or proposals will be received. The notice shall state the nature of the work or purchase, the terms and conditions upon which the contract is to be awarded, and a time and place where bids will be received, opened, and read publicly. After the bids have been duly received, opened, read publicly, and recorded, the metropolitan district shall award the contract to the lowest responsible bidder or it may reject all bids and readvertise. Each contract shall be duly executed in writing and the party to whom the contract is awarded shall give sufficient bond or security to the board for the faithful performance of the contract as required by law. The metropolitan district shall have the right to set qualifications and specifications and to require bids to meet all the qualifications and specifications before being accepted. If the metropolitan district by an affirmative vote of two-thirds of its members declares that an emergency exists requiring the immediate purchase of materials or supplies at a cost in excess of the amount specified in section 471.345, subdivision 3, or in making emergency repairs, it shall not be necessary to advertise for bids.

Subd. 2. **Contracts over \$50,000; best value alternative.** As an alternative to the procurement method described in subdivision 1, the metropolitan district may issue a request for proposals and award the contract to the vendor or contractor offering the best value under a request for proposals as described in section 16C.28, subdivision 1, paragraph (a), clause (2), and paragraph (c).

177.1 Subd. 3. **Manager's authority.** The manager of wastewater services may, without prior
177.2 approval of the metropolitan district and without advertising for bids, enter into any contract
177.3 of the type referred to in subdivision 1 that is not in excess of the amount specified in section
177.4 471.345, subdivision 3.

177.5 Sec. 10. **[115.659] DEBT OBLIGATIONS.**

177.6 Subdivision 1. **Certificates of indebtedness.** At any time or times after approval of an
177.7 annual budget, and in anticipation of the collection of tax and other revenues appropriated
177.8 in the budget, the metropolitan district may, by resolution, authorize the issuance, negotiation,
177.9 and sale, in the form and manner and upon the terms as it may determine, of general
177.10 obligation certificates of indebtedness in aggregate principal amounts not exceeding 50
177.11 percent of the total amount of the appropriations, and maturing not later than April 1
177.12 following the close of the budget year. All receipts of tax and other revenues included in
177.13 the budget, after the expenditure of appropriated funds, shall be irrevocably appropriated
177.14 to a special fund to pay the principal of and the interest on the certificates when due. If the
177.15 anticipated revenues are insufficient to pay the certificates and interest when due, the
177.16 metropolitan district shall levy a tax in the amount of the deficiency on all taxable property
177.17 in the metropolitan area, and shall appropriate this amount to the special fund, to be credited
177.18 thereto from the first tax and other revenues received in the following budget year.

177.19 Subd. 2. **Emergency certificates.** If, in any budget year, the receipts of tax and other
177.20 revenues should from some unforeseen cause become insufficient to pay the metropolitan
177.21 district's current wastewater control expenses, or if any calamity or other public emergency
177.22 should subject it to the necessity of making extraordinary wastewater control expenditures,
177.23 the metropolitan district may make an emergency appropriation of an amount sufficient to
177.24 meet the deficiency and may authorize the issuance, negotiation, and sale of certificates of
177.25 indebtedness in this amount in the same manner and upon the same conditions as provided
177.26 in subdivision 1, except that the metropolitan district shall forthwith levy on all taxable
177.27 property in the metropolitan area a tax sufficient to pay the certificates and interest and shall
177.28 appropriate all collections of the tax to a special fund created for that purpose. The certificates
177.29 may mature not later than April 1 in the year following the year in which the tax is collectible.

177.30 Subd. 3. **General obligation bonds.** The metropolitan district may, by resolution,
177.31 authorize the issuance of general obligation bonds for the acquisition or betterment of any
177.32 interceptors or treatment works determined to be necessary or desirable for the metropolitan
177.33 disposal system, or for the refunding of outstanding bonds, certificates of indebtedness, or
177.34 judgments. The metropolitan district shall provide for the issuance and sale and for the

178.1 security of the bonds in the manner provided in chapter 475 and shall have the same powers
178.2 and duties as a municipality issuing bonds under that law, except that no election shall be
178.3 required and the net debt limitations in chapter 475 shall not apply to the bonds. The
178.4 metropolitan district may also pledge for the payment of the bonds any revenues receivable
178.5 under section 115.656.

178.6 Subd. 4. **Revenue bonds.** (a) The metropolitan district may, by resolution, authorize the
178.7 issuance of revenue bonds for any purpose for which general obligation bonds may be issued
178.8 under subdivision 3. The bonds shall be sold, issued, and secured in the manner provided
178.9 in chapter 475 for bonds payable solely from revenues, except as otherwise provided in this
178.10 subdivision, and the metropolitan district shall have the same powers and duties as a
178.11 municipality and the governing body of a municipality in issuing bonds under that chapter.
178.12 The bonds shall be payable from and secured by a pledge of all or any part of revenues
178.13 receivable under section 115.656; and shall not, and shall state they do not, represent or
178.14 constitute a general obligation or debt of the metropolitan district; and shall not be included
178.15 in the net debt of any city, county, or other subdivision of the state for the purpose of any
178.16 net debt limitation. The proceeds of the bonds may be used to pay credit enhancement fees.

178.17 (b) The bonds may be secured by a bond resolution, or a trust indenture entered into by
178.18 the metropolitan district with a corporate trustee within or outside the state, which shall
178.19 define the revenues and bond proceeds pledged for the payment and security of the bonds.
178.20 The pledge shall be a valid charge on the revenues received under section 115.656. No
178.21 mortgage of or security interest in any tangible real or personal property shall be granted
178.22 to the bondholders or the trustee, but they shall have a valid security interest in the revenues
178.23 and bond proceeds received by the council and pledged to the payment of the bonds as
178.24 against the claims of all persons in tort, contract, or otherwise, irrespective of whether the
178.25 parties have notice and without possession or filing as provided in the Uniform Commercial
178.26 Code or any other law, subject, however, to the rights of the holders of any general obligation
178.27 bonds issued under subdivision 3. In the bond resolution or trust indenture, the metropolitan
178.28 district may make covenants as it determines to be reasonable for the protection of the
178.29 bondholders, including a covenant to issue general obligation bonds to refund the revenue
178.30 bonds if and to the extent required to pay principal and interest on the bonds and to certify
178.31 a deficiency tax levy as provided in section 115.657, subdivision 4.

178.32 (c) Neither the metropolitan district, nor any metropolitan district member, officer, or
178.33 employee, nor any agent of the metropolitan district, nor any person executing the bonds
178.34 shall be liable personally on the bonds by reason of their issuance. The bonds shall not be
178.35 payable from, nor a charge upon, any funds other than the revenues and bond proceeds

179.1 pledged to payment of the bonds, nor shall the metropolitan district be subject to liability
179.2 or have the power to obligate itself to pay, or to pay the bonds from funds other than the
179.3 revenues and bond proceeds pledged, and no holder or holders of bonds shall ever have the
179.4 right to compel any exercise of the taxing power of the metropolitan district (except any
179.5 deficiency tax levy the metropolitan district covenants to certify under section 115.657,
179.6 subdivision 4) or any other public body, to the payment of principal of or interest on the
179.7 bonds, nor to enforce payment against any property of the metropolitan district or other
179.8 public body other than that expressly pledged for payment.

179.9 Sec. 11. **[115.661] DEPOSITORIES.**

179.10 The metropolitan district shall, from time to time, designate one or more national or
179.11 state banks, or trust companies authorized to do a banking business, as official depositories
179.12 for money of the metropolitan district, and shall require the treasurer to deposit all or a part
179.13 of the money in the designated institutions. The designation shall be in writing and shall
179.14 set forth all the terms and conditions upon which the deposits are made. The designation
179.15 shall be signed by the chair and treasurer, and made a part of the minutes of the metropolitan
179.16 district. Any bank or trust company so designated shall qualify as a depository by furnishing
179.17 a corporate surety bond or collateral in the amounts required by section 118A.03. However,
179.18 no bond or collateral shall be required to secure any deposit insofar as it is insured under
179.19 federal law.

179.20 Sec. 12. **[115.662] MONEY, ACCOUNTS, AND INVESTMENTS.**

179.21 Subdivision 1. **Disposed of as budgeted; pledges.** All money from wastewater control
179.22 operations received by the metropolitan district shall be deposited or invested by the treasurer
179.23 and disposed of as the metropolitan district may direct in accordance with its waste control
179.24 budget, provided that any money that has been pledged or dedicated by the metropolitan
179.25 district to the payment of obligations or interest or associated expenses or for any other
179.26 specific purpose authorized by law shall be paid by the treasurer into the fund to which it
179.27 has been pledged.

179.28 Subd. 2. **Accounts.** The metropolitan district's treasurer shall establish funds and accounts
179.29 that may be necessary or convenient to handle the receipts and disbursements of the
179.30 metropolitan district in an orderly fashion.

179.31 Subd. 3. **Where to deposit; how to invest.** Money in the funds and accounts may be
179.32 deposited in the official depositories of the metropolitan district or invested as provided in
179.33 this subdivision. The amount not currently needed or required by law to be kept in cash on

deposit may be invested in obligations authorized for the investment of public funds by section 118A.04. Money may also be held under certificates of deposit issued by any official depository of the metropolitan district.

Subd. 4. **Bond proceeds.** The use of proceeds of all bonds issued by the metropolitan district for the acquisition and betterment of interceptors or treatment works, and the use, other than investment, of all money in any sinking fund or funds of the metropolitan district, shall be governed by the provisions of chapter 475 and the provisions of resolutions authorizing the issuance of bonds.

Sec. 13. [115.663] PROPERTY EXEMPT FROM TAXATION.

Any properties, real or personal, owned, leased, controlled, used, or occupied by the metropolitan district for any purpose referred to in Minnesota Statutes 1984, section 473.502, are declared to be acquired, owned, leased, controlled, used, and occupied for public, governmental, and municipal purposes, and shall be exempt from taxation by the state or any political subdivision of the state, except to the extent that the property is subject to the sales and use tax under chapter 297A, provided that the properties shall be subject to special assessments levied by a political subdivision for a local improvement in amounts proportionate to and not exceeding the special benefit received by the properties from the improvement. No possible use of the properties in any manner different from their use as part of the metropolitan disposal system at the time shall be considered in determining the special benefit received by the properties. All the assessments shall be subject to final confirmation by the metropolitan district, whose determination of the benefits shall be conclusive upon the political subdivision levying the assessment.

Sec. 14. [115.664] TAX LEVIES.

The metropolitan district shall have power to levy taxes for debt service of the metropolitan disposal system upon all taxable property within the metropolitan area, without limitation of rate or amount and without affecting the amount or rate of taxes that may be levied by the metropolitan district for other purposes or by any local government unit in the area. The metropolitan district shall also have power to levy taxes as provided in section 115.657. Each of the county auditors shall annually assess and extend upon the tax rolls in the auditor's county the portion of the taxes levied by the metropolitan district in each year that is certified to the auditor by the metropolitan district. Each county treasurer shall collect and make settlement of the taxes with the metropolitan district in the same manner as with other political subdivisions.

181.1 Sec. 15. **[115.665] RELATION TO EXISTING LAWS.**

181.2 The provisions of sections 115.653 to 115.67 shall be given full effect notwithstanding
181.3 any other law. The powers conferred on the metropolitan district under sections 115.653 to
181.4 115.67 shall in no way diminish or supersede the powers conferred on the Pollution Control
181.5 Agency by chapters 115 and 116.

181.6 Sec. 16. **[115.666] SEVERABILITY.**

181.7 If any provision of sections 115.61 to 115.67 or its application to any person or
181.8 circumstances is held to be invalid, the invalidity shall not affect other provisions or
181.9 applications of sections 115.61 to 115.67, which can be given effect without the invalid
181.10 provision or application, and to this end the provisions of sections 115.61 to 115.67 and
181.11 their various applications are declared to be severable.

181.12 Sec. 17. Minnesota Statutes 2016, section 115.741, subdivision 2, is amended to read:

181.13 Subd. 2. **Geographic representation.** At least one of the water supply system operators
181.14 and at least one of the wastewater treatment facility operators must be from outside the
181.15 seven-county metropolitan area and one wastewater operator must come from the
181.16 ~~Metropolitan Council~~ seven-county metropolitan area.

181.17 Sec. 18. Minnesota Statutes 2016, section 115A.151, is amended to read:

181.18 **115A.151 RECYCLING REQUIREMENTS; PUBLIC ENTITIES; COMMERCIAL**
181.19 **BUILDINGS; SPORTS FACILITIES.**

181.20 (a) A public entity, the owner of a sports facility, and an owner of a commercial building
181.21 shall:

181.22 (1) ensure that facilities under its control, from which mixed municipal solid waste is
181.23 collected, also collect at least three recyclable materials, such as, but not limited to, paper,
181.24 glass, plastic, and metal; and

181.25 (2) transfer all recyclable materials collected to a recycler.

181.26 (b) For the purposes of this section:

181.27 (1) "public entity" means the state, an office, agency, or institution of the state, ~~the~~
181.28 ~~Metropolitan Council~~, a metropolitan agency, the Metropolitan Mosquito Control
181.29 Commission, the legislature, the courts, a county, a statutory or home rule charter city, a
181.30 town, a school district, a special taxing district, or any entity that receives an appropriation
181.31 from the state for a capital improvement project after August 1, 2002;

182.1 (2) "metropolitan agency" and ~~"Metropolitan Council"~~ have has the ~~meanings~~ meaning
182.2 given ~~them~~ in section 473.121;

182.3 (3) "Metropolitan Mosquito Control Commission" means the commission created in
182.4 section 473.702;

182.5 (4) "commercial building" means a building that:

182.6 (i) is located in a metropolitan county, as defined in section 473.121;

182.7 (ii) contains a business classified in sectors 42 to 81 under the North American Industrial
182.8 Classification System; and

182.9 (iii) contracts for four cubic yards or more per week of solid waste collection; and

182.10 (5) "sports facility" means a professional or collegiate sports facility at which competitions
182.11 take place before a public audience.

182.12 Sec. 19. Minnesota Statutes 2016, section 115A.471, is amended to read:

182.13 **115A.471 PUBLIC ENTITIES; MANAGEMENT OF SOLID WASTE.**

182.14 (a) Prior to entering into or approving a contract for the management of mixed municipal
182.15 solid waste ~~which~~ that would manage the waste using a waste management practice that is
182.16 ranked lower on the list of preferred waste management practices in section 115A.02,
182.17 paragraph (b), than the waste management practice selected for such waste in the county
182.18 plan for the county in which the waste was generated, a public entity must:

182.19 (1) determine the potential liability to the public entity and its taxpayers for managing
182.20 the waste in this manner;

182.21 (2) develop and implement a plan for managing the potential liability; and

182.22 (3) submit the information from clauses (1) and (2) to the agency.

182.23 (b) For the purpose of this subdivision, "public entity" means the state; an office, agency,
182.24 or institution of the state; ~~the Metropolitan Council~~; a metropolitan agency; the Metropolitan
182.25 Mosquito Control District; the legislature; the courts; a county; a statutory or home rule
182.26 charter city; a town; a school district; another special taxing district; or any other general
182.27 or special purpose unit of government in the state.

182.28 Sec. 20. Minnesota Statutes 2016, section 115A.52, is amended to read:

182.29 **115A.52 TECHNICAL ASSISTANCE FOR PROJECTS.**

183.1 The commissioner shall ensure the delivery of technical assistance for projects eligible
183.2 under the program. The commissioner may contract or issue grants for the delivery of
183.3 technical assistance by any state or federal agency, a regional development commission,
183.4 ~~the Metropolitan Council~~, or private consultants and may use program funds to reimburse
183.5 the agency, commission, ~~council~~, or consultants. The commissioner shall prepare and publish
183.6 an inventory of sources of technical assistance, including studies, publications, agencies,
183.7 and persons available. The commissioner shall ensure statewide benefit from projects assisted
183.8 under the program by developing exchange and training programs for local officials and
183.9 employees and by using the experience gained in projects to provide technical assistance
183.10 and education for other solid waste management projects in the state.

183.11 Sec. 21. Minnesota Statutes 2016, section 116.16, subdivision 2, is amended to read:

183.12 Subd. 2. **Definitions.** In this section and sections 116.17 and 116.18:

183.13 (1) agency means the Minnesota Pollution Control Agency created by this chapter;

183.14 (2) municipality means any county, city, town, ~~the metropolitan council~~, or an Indian
183.15 tribe or an authorized Indian tribal organization, and any other governmental subdivision
183.16 of the state responsible by law for the prevention, control, and abatement of water pollution
183.17 in any area of the state;

183.18 (3) water pollution control program means the Minnesota state water pollution control
183.19 program created by subdivision 1;

183.20 (4) bond account means the Minnesota state water pollution control bond account created
183.21 in the state bond fund by section 116.17, subdivision 4;

183.22 (5) terms defined in section 115.01 have the meanings therein given them;

183.23 (6) the eligible cost of any municipal project, except as otherwise provided in clause

183.24 (7), includes (a) preliminary planning to determine the economic, engineering, and
183.25 environmental feasibility of the project; (b) engineering, architectural, legal, fiscal, economic,
183.26 sociological, project administrative costs of the agency and the municipality, and other
183.27 investigations and studies; (c) surveys, designs, plans, working drawings, specifications,
183.28 procedures, and other actions necessary to the planning, design, and construction of the
183.29 project; (d) erection, building, acquisition, alteration, remodeling, improvement, and
183.30 extension of disposal systems; (e) inspection and supervision of construction; and (f) all
183.31 other expenses of the kinds enumerated in section 475.65;

183.32 (7) for state grants under the state independent grants program, the eligible cost includes
183.33 the acquisition of land for stabilization ponds, the construction of collector sewers for totally

184.1 unsewered statutory and home rule charter cities and towns described under section 368.01,
184.2 subdivision 1 or 1a, that are in existence on January 1, 1985, and the provision of reserve
184.3 capacity sufficient to serve the reasonable needs of the municipality for 20 years in the case
184.4 of treatment works and 40 years in the case of sewer systems. For state grants under the
184.5 state independent grants program, the eligible cost does not include the provision of service
184.6 to seasonal homes, or cost increases from contingencies that exceed three percent of as-bid
184.7 costs or cost increases from unanticipated site conditions that exceed an additional two
184.8 percent of as-bid costs;

184.9 (8) authority means the Minnesota Public Facilities Authority established in section
184.10 446A.03.

184.11 Sec. 22. Minnesota Statutes 2016, section 116.182, subdivision 1, is amended to read:

184.12 Subdivision 1. **Definitions.** (a) For the purposes of this section, the terms defined in this
184.13 subdivision have the meanings given them.

184.14 (b) "Agency" means the Pollution Control Agency.

184.15 (c) "Authority" means the Public Facilities Authority established in section 446A.03.

184.16 (d) "Commissioner" means the commissioner of the Pollution Control Agency.

184.17 (e) "Essential project components" means those components of a wastewater disposal
184.18 system that are necessary to convey or treat a municipality's existing wastewater flows and
184.19 loadings.

184.20 (f) "Municipality" means a county, home rule charter or statutory city, town, ~~the~~
184.21 ~~Metropolitan Council~~, an Indian tribe or an authorized Indian tribal organization; or any
184.22 other governmental subdivision of the state responsible by law for the prevention, control,
184.23 and abatement of water pollution in any area of the state.

184.24 (g) "Outstanding international resource value waters" are the surface waters of the state
184.25 in the Lake Superior Basin, other than Class 7 waters and those waters designated as
184.26 outstanding resource value waters.

184.27 (h) "Outstanding resource value waters" are those that have high water quality, wilderness
184.28 characteristics, unique scientific or ecological significance, exceptional recreation value,
184.29 or other special qualities that warrant special protection.

Sec. 23. Minnesota Statutes 2016, section 116D.04, subdivision 1a, is amended to read:

Subd. 1a. **Definitions.** For the purposes of this chapter, the following terms have the meanings given to them in this subdivision.

(a) "Natural resources" has the meaning given it in section 116B.02, subdivision 4.

(b) "Pollution, impairment or destruction" has the meaning given it in section 116B.02, subdivision 5.

(c) "Environmental assessment worksheet" means a brief document ~~which~~ that is designed to set out the basic facts necessary to determine whether an environmental impact statement is required for a proposed action.

(d) "Governmental action" means activities, including projects wholly or partially conducted, permitted, assisted, financed, regulated, or approved by units of government including the federal government.

(e) "Governmental unit" means any state agency and any general or special purpose unit of government in the state including, but not limited to, watershed districts organized under chapter 103D, counties, towns, cities, port authorities, housing authorities, and economic development authorities established under sections 469.090 to 469.108, but not including courts, school districts, Iron Range resources and rehabilitation, and regional development commissions ~~other than the Metropolitan Council.~~

Sec. 24. Minnesota Statutes 2016, section 116G.03, subdivision 5, is amended to read:

Subd. 5. **Regional development commission.** "Regional development commission" means any regional development commission created pursuant to sections 462.381 to 462.396 ~~and the Metropolitan Council created by chapter 473.~~

Sec. 25. Minnesota Statutes 2016, section 116G.15, subdivision 2, is amended to read:

Subd. 2. **Administration; duties.** (a) The commissioner of natural resources, after consultation with affected local units of government within the Mississippi River corridor critical area, may adopt rules under chapter 14 as are necessary for the administration of the Mississippi River corridor critical area program. Duties of the Environmental Quality Council or the Environmental Quality Board referenced in this chapter, related rules, and the governor's Executive Order No. 79-19, published in the State Register on March 12, 1979, that are related to the Mississippi River corridor critical area shall be the duties of the commissioner. All rules adopted by the board pursuant to these duties remain in effect and shall be enforced until amended or repealed by the commissioner in accordance with law.

186.1 The commissioner shall work in consultation with the United States Army Corps of
186.2 Engineers, the National Park Service, ~~the Metropolitan Council~~, other agencies, and local
186.3 units of government to ensure that the Mississippi River corridor critical area is managed
186.4 as a multipurpose resource in a way that:

186.5 (1) conserves the scenic, environmental, recreational, mineral, economic, cultural, and
186.6 historic resources and functions of the river corridor;

186.7 (2) maintains the river channel for transportation by providing and maintaining barging
186.8 and fleeting areas in appropriate locations consistent with the character of the Mississippi
186.9 River and riverfront;

186.10 (3) provides for the continuation, development, and redevelopment of a variety of urban
186.11 uses, including industrial and commercial uses, and recreational and residential uses, where
186.12 appropriate, within the Mississippi River corridor;

186.13 (4) utilizes certain reaches of the river as a source of water supply and as a receiving
186.14 water for properly treated sewage, storm water, and industrial waste effluents; and

186.15 (5) protects and preserves the biological and ecological functions of the corridor.

186.16 ~~(b) The Metropolitan Council shall incorporate the standards developed under this section~~
186.17 ~~into its planning and shall work with local units of government and the commissioner to~~
186.18 ~~ensure the standards are being adopted and implemented appropriately.~~

186.19 ~~(e)~~ (b) The rules must be consistent with residential nonconformity provisions under
186.20 sections 394.36 and 462.357.

186.21 Sec. 26. Minnesota Statutes 2016, section 116G.15, subdivision 5, is amended to read:

186.22 Subd. 5. **Application.** The standards established under this section shall be used:

186.23 (1) by local units of government when preparing or updating plans or modifying
186.24 regulations;

186.25 (2) by state and regional agencies for permit regulation and in developing plans within
186.26 their jurisdiction; and

186.27 ~~(3) by the Metropolitan Council for reviewing plans and regulations; and~~

186.28 ~~(4)~~ (3) by the commissioner when approving plans and regulations, and reviewing
186.29 development permit applications.

187.1 Sec. 27. Minnesota Statutes 2016, section 116J.401, subdivision 2, is amended to read:

187.2 Subd. 2. **Duties; authorizations; limitations.** (a) The commissioner of employment
187.3 and economic development shall:

187.4 (1) provide regional development commissions, ~~the Metropolitan Council~~, and units of
187.5 local government with information, technical assistance, training, and advice on using
187.6 federal and state programs;

187.7 (2) receive and administer the Small Cities Community Development Block Grant
187.8 Program authorized by Congress under the Housing and Community Development Act of
187.9 1974, as amended;

187.10 (3) receive and administer the section 107 technical assistance program grants authorized
187.11 by Congress under the Housing and Community Development Act of 1974, as amended;

187.12 (4) receive, administer, and supervise other state and federal grants and grant programs
187.13 for planning, community affairs, community development purposes, employment and
187.14 training services, and other state and federal programs assigned to the department by law
187.15 or by the governor in accordance with section 4.07;

187.16 (5) receive applications for state and federal grants and grant programs for planning,
187.17 community affairs, and community development purposes, and other state and federal
187.18 programs assigned to the department by law or by the governor in accordance with section
187.19 4.07;

187.20 (6) act as the agent of, and cooperate with, the federal government in matters of mutual
187.21 concern, including the administration of any federal funds granted to the state to aid in the
187.22 performance of functions of the commissioner;

187.23 (7) provide consistent, integrated employment and training services across the state;

187.24 (8) administer the Wagner-Peyser Act, the Workforce Investment Act, and other federal
187.25 employment and training programs;

187.26 (9) establish the standards for all employment and training services administered under
187.27 this chapter and chapters 116L, 248, 268, and 268A;

187.28 (10) administer the aspects of the Minnesota family investment program, general
187.29 assistance, and food stamps that relate to employment and training services, subject to the
187.30 contract under section 116L.86, subdivision 1;

187.31 (11) obtain reports from local service units and service providers for the purpose of
187.32 evaluating the performance of employment and training services;

188.1 (12) as requested, certify employment and training services, and decertify services that
188.2 fail to comply with performance criteria according to standards established by the
188.3 commissioner;

188.4 (13) develop standards for the contents and structure of the local service unit plans and
188.5 plans for Indian tribe employment and training services, review and comment on those
188.6 plans, and approve or disapprove the plans;

188.7 (14) supervise the county boards of commissioners, local service units, and any other
188.8 units of government designated in federal or state law as responsible for employment and
188.9 training programs;

188.10 (15) establish administrative standards and payment conditions for providers of
188.11 employment and training services;

188.12 (16) enter into agreements with Indian tribes as necessary to provide employment and
188.13 training services as appropriate funds become available;

188.14 (17) cooperate with the federal government and its employment and training agencies
188.15 in any reasonable manner as necessary to qualify for federal aid for employment and training
188.16 services and money;

188.17 (18) administer and supervise all forms of unemployment insurance provided for under
188.18 federal and state laws;

188.19 (19) provide current state and substate labor market information and forecasts, in
188.20 cooperation with other agencies;

188.21 (20) require all general employment and training programs that receive state funds to
188.22 make available information about opportunities for women in nontraditional careers in the
188.23 trades and technical occupations;

188.24 (21) consult with the Rehabilitation Council for the Blind on matters pertaining to
188.25 programs and services for the blind and visually impaired;

188.26 (22) enter into agreements with other departments of the state and local units of
188.27 government as necessary;

188.28 (23) establish and maintain administrative units necessary to perform administrative
188.29 functions common to all divisions of the department;

188.30 (24) investigate, study, and undertake ways and means of promoting and encouraging
188.31 the prosperous development and protection of the legitimate interest and welfare of Minnesota
188.32 business, industry, and commerce, within and outside the state;

189.1 (25) locate markets for manufacturers and processors and aid merchants in locating and
189.2 contacting markets;

189.3 (26) as necessary or useful for the proper execution of the powers and duties of the
189.4 commissioner in promoting and developing Minnesota business, industry, and commerce,
189.5 both within and outside the state, investigate and study conditions affecting Minnesota
189.6 business, industry, and commerce; collect and disseminate information; and engage in
189.7 technical studies, scientific investigations, statistical research, and educational activities;

189.8 (27) plan and develop an effective business information service both for the direct
189.9 assistance of business and industry of the state and for the encouragement of business and
189.10 industry outside the state to use economic facilities within the state;

189.11 (28) compile, collect, and develop periodically, or otherwise make available, information
189.12 relating to current business conditions;

189.13 (29) conduct or encourage research designed to further new and more extensive uses of
189.14 the natural and other resources of the state and designed to develop new products and
189.15 industrial processes;

189.16 (30) study trends and developments in the industries of the state and analyze the reasons
189.17 underlying the trends;

189.18 (31) study costs and other factors affecting successful operation of businesses within
189.19 the state;

189.20 (32) make recommendations regarding circumstances promoting or hampering business
189.21 and industrial development;

189.22 (33) serve as a clearing house for business and industrial problems of the state;

189.23 (34) advise small business enterprises regarding improved methods of accounting and
189.24 bookkeeping;

189.25 (35) cooperate with interstate commissions engaged in formulating and promoting the
189.26 adoption of interstate compacts and agreements helpful to business, industry, and commerce;

189.27 (36) cooperate with other state departments and with boards, commissions, and other
189.28 state agencies in the preparation and coordination of plans and policies for the development
189.29 of the state and for the use and conservation of its resources insofar as the use, conservation,
189.30 and development may be appropriately directed or influenced by a state agency;

189.31 (37) in connection with state, county, and municipal public works projects, assemble
189.32 and coordinate information relative to the status, scope, cost, and employment possibilities

190.1 and availability of materials, equipment, and labor, and recommend limitations on the public
190.2 works;

190.3 (38) gather current progress information with reference to public and private works
190.4 projects of the state and its political subdivisions with reference to conditions of employment;

190.5 (39) inquire into and report to the governor, when requested by the governor, with respect
190.6 to any program of public state improvements and its financing; and request and obtain
190.7 information from other state departments or agencies as may be needed for the report;

190.8 (40) study changes in population and current trends and prepare plans and suggest policies
190.9 for the development and conservation of the resources of the state;

190.10 (41) confer and cooperate with the executive, legislative, or planning authorities of the
190.11 United States, neighboring states and provinces, and the counties and municipalities of
190.12 neighboring states, for the purpose of bringing about a coordination between the development
190.13 of neighboring provinces, states, counties, and municipalities and the development of this
190.14 state;

190.15 (42) generally gather, compile, and make available statistical information relating to
190.16 business, trade, commerce, industry, transportation, communication, natural resources, and
190.17 other like subjects in this state, with authority to call upon other state departments for
190.18 statistical data and results obtained by them and to arrange and compile that statistical
190.19 information in a reasonable manner;

190.20 (43) publish documents and annually convene regional meetings to inform businesses,
190.21 local government units, assistance providers, and other interested persons of changes in
190.22 state and federal law related to economic development;

190.23 (44) annually convene conferences of providers of economic development-related
190.24 financial and technical assistance for the purposes of exchanging information on economic
190.25 development assistance, coordinating economic development activities, and formulating
190.26 economic development strategies;

190.27 (45) provide business with information on the economic benefits of energy conservation
190.28 and on the availability of energy conservation assistance;

190.29 (46) as part of the biennial budget process, prepare performance measures for each
190.30 business loan or grant program within the jurisdiction of the commissioner. Measures include
190.31 source of funds for each program, number of jobs proposed or promised at the time of
190.32 application and the number of jobs created, estimated number of jobs retained, the average

191.1 salary and benefits for the jobs resulting from the program, and the number of projects
191.2 approved;

191.3 (47) provide a continuous program of education for business people;

191.4 (48) publish, disseminate, and distribute information and statistics;

191.5 (49) promote and encourage the expansion and development of markets for Minnesota
191.6 products;

191.7 (50) promote and encourage the location and development of new businesses in the state
191.8 as well as the maintenance and expansion of existing businesses and for that purpose
191.9 cooperate with state and local agencies and individuals, both within and outside the state;

191.10 (51) advertise and disseminate information as to natural resources, desirable locations,
191.11 and other advantages for the purpose of attracting businesses to locate in this state;

191.12 (52) aid the various communities in this state in attracting business to their communities;

191.13 (53) advise and cooperate with municipal, county, regional, and other planning agencies
191.14 and planning groups within the state for the purpose of promoting coordination between
191.15 the state and localities as to plans and development in order to maintain a high level of
191.16 gainful employment in private profitable production and achieve commensurate advancement
191.17 in social and cultural welfare;

191.18 (54) coordinate the activities of statewide and local planning agencies, correlate
191.19 information secured from them and from state departments and disseminate information
191.20 and suggestions to the planning agencies;

191.21 (55) encourage and assist in the organization and functioning of local planning agencies
191.22 where none exist; and

191.23 (56) adopt measures calculated to promote public interest in and understanding of the
191.24 problems of planning and, to that end, may publish and distribute copies of any plan or any
191.25 report and may employ other means of publicity and education that will give full effect to
191.26 the provisions of sections 116J.60 to 116J.63.

191.27 (b) At the request of any governmental subdivision in paragraph (a), clause (53), the
191.28 commissioner may provide planning assistance, which includes but is not limited to surveys,
191.29 land use studies, urban renewal plans, technical services and other planning work to any
191.30 city or other municipality in the state or perform similar planning work in any county or
191.31 metropolitan or regional area in the state. The commissioner must not perform the planning
191.32 work with respect to a metropolitan or regional area which is under the jurisdiction for

192.1 planning purposes of a county, metropolitan, regional, or joint planning body, except at the
192.2 request or with the consent of the respective county, metropolitan, regional, or joint planning
192.3 body.

192.4 (c) The commissioner is authorized to:

192.5 (1) receive and expend money from municipal, county, regional, and other planning
192.6 agencies;

192.7 (2) accept and disburse grants and other aids for planning purposes from the federal
192.8 government and from other public or private sources;

192.9 (3) utilize money received under clause (2) for the employment of consultants and other
192.10 temporary personnel to assist in the supervision or performance of planning work supported
192.11 by money other than state-appropriated money;

192.12 (4) enter into contracts with agencies of the federal government, units of local government
192.13 or combinations thereof, and with private persons that are necessary in the performance of
192.14 the planning assistance function of the commissioner; and

192.15 (5) assist any local government unit in filling out application forms for the federal
192.16 grants-in-aid.

192.17 (d) In furtherance of its planning functions, any city or town, however organized, may
192.18 expend money and contract with agencies of the federal government, appropriate departments
192.19 of state government, other local units of government, and with private persons.

192.20 Sec. 28. Minnesota Statutes 2016, section 473.121, subdivision 24, is amended to read:

192.21 Subd. 24. **Metropolitan disposal system.** "Metropolitan disposal system" means any
192.22 or all of the interceptors or treatment works owned or operated by the metropolitan ~~Council~~
192.23 district.

192.24 Sec. 29. Minnesota Statutes 2016, section 473.149, subdivision 3, is amended to read:

192.25 Subd. 3. **Preparation; adoption; and revision.** (a) The solid waste policy plan shall be
192.26 prepared, adopted, and revised as necessary in accordance with paragraphs (c) to (e), after
192.27 consultation with the metropolitan counties.

192.28 (b) Revisions to the policy plan are exempt from the rulemaking provisions of chapter
192.29 14.

192.30 (c) Before beginning preparation of revisions to the policy plan, the commissioner shall
192.31 publish a predrafting notice in the State Register that includes a statement of the subjects

193.1 expected to be covered by the revisions, including a summary of the important problems
193.2 and issues. The notice must solicit comments from the public and state that the comments
193.3 must be received by the commissioner within 45 days of publication of the notice. The
193.4 commissioner shall consider the comments in preparing the revisions.

193.5 (d) After publication of the predrafting notice and before adopting revisions to the policy
193.6 plan, the commissioner shall publish a notice in the State Register that:

193.7 (1) contains a summary of the proposed revisions;

193.8 (2) invites public comment;

193.9 (3) lists locations where the proposed revised policy plan can be reviewed and states
193.10 that copies of the proposed revised policy plan can also be obtained from the Pollution
193.11 Control Agency;

193.12 (4) states a location for a public meeting on the revisions at a time no earlier than 30
193.13 days from the date of publication; and

193.14 (5) advises the public that they have 30 days from the date of the public meeting in
193.15 clause (4) to submit comments on the revisions to the commissioner.

193.16 (e) At the meeting described in paragraph (d), clause (4), the public shall be given an
193.17 opportunity to present their views on the policy plan revisions. The commissioner shall
193.18 incorporate any amendments to the proposed revisions that, in the commissioner's view,
193.19 will help to carry out the requirements of subdivisions 1, 2d, and 2e. At or before the time
193.20 that policy plan revisions are finally adopted, the commissioner shall issue a report that
193.21 addresses issues raised in the public comments. The report shall be made available to the
193.22 public and mailed to interested persons who have submitted their names and addresses to
193.23 the commissioner.

193.24 (f) The criteria and standards adopted in the policy plan for review of solid waste facility
193.25 permits pursuant to section 473.823, subdivision 3; for issuance of certificates of need
193.26 pursuant to section 473.823, subdivision 6; and for review of solid waste contracts pursuant
193.27 to section 473.813 may be appealed to the Court of Appeals within 30 days after final
193.28 adoption of the policy plan. The court may declare the challenged portion of the policy plan
193.29 invalid if it violates constitutional provisions, is in excess of statutory authority of the
193.30 commissioner, or was adopted without compliance with the procedures in this subdivision.
193.31 The review shall be on the record created during the adoption of the policy plan, except that
193.32 additional evidence may be included in the record if the court finds that the additional

194.1 evidence is material and there were good reasons for failure to present it in the proceedings
194.2 described in paragraphs (c) to (e).

194.3 (g) ~~The Metropolitan Council or~~ A metropolitan county, local government unit,
194.4 commission, or person shall not acquire, construct, improve or operate any solid waste
194.5 facility in the metropolitan area except in accordance with the plan and section 473.823,
194.6 provided that no solid waste facility in use when a plan is adopted shall be discontinued
194.7 solely because it is not located in an area designated in the plan as acceptable for the location
194.8 of such facilities.

194.9 Sec. 30. **REPEALER.**

194.10 Minnesota Statutes 2016, sections 115.66; 115A.03, subdivision 19; 473.1565; 473.501,
194.11 subdivisions 1 and 3; 473.504, subdivisions 4, 5, 6, 9, 10, 11, and 12; 473.505; 473.511,
194.12 subdivisions 1, 2, 3, and 4; 473.5111; 473.512; 473.513; 473.515; 473.5155; 473.516,
194.13 subdivisions 1, 2, 3, and 4; 473.517, subdivisions 1, 3, 6, and 10; 473.519; 473.521; 473.523,
194.14 subdivisions 1 and 1a; 473.524; 473.541; 473.542; 473.543, subdivisions 1, 2, 3, and 4;
194.15 473.545; 473.547; 473.549; and 473.834, subdivisions 1 and 2, are repealed.

194.16 Sec. 31. **EFFECTIVE DATE.**

194.17 This article is effective July 1, 2018.

194.18 **ARTICLE 10**

194.19 **METROPOLITAN SPORTS FACILITIES AUTHORITY**

194.20 Section 1. Minnesota Statutes 2016, section 473J.25, is amended by adding a subdivision
194.21 to read:

194.22 Subd. 6. **Conforming changes.** By January 1, 2018, the authority must submit a bill to
194.23 the chairs and ranking minority members of the committees in the house of representatives
194.24 and the senate with primary jurisdiction over state and local government issues. The bill
194.25 must:

194.26 (1) provide for the transition of duties and obligations of the former commission to the
194.27 authority;

194.28 (2) specify unnecessary, outdated, and redundant statutes to be repealed; and

194.29 (3) provide for any changes necessary relating to the abolition of the Metropolitan
194.30 Council.

195.1

Sec. 2. **REPEALER.**

195.2

Minnesota Statutes 2016, section 473J.25, subdivision 5, is repealed.

195.3

ARTICLE 11

195.4

CONFORMING AMENDMENTS

195.5

Section 1. **REVISOR'S INSTRUCTION.**

195.6

The revisor of statutes shall prepare, in an appropriate bill for the 2018 session,

195.7

conforming statutory amendments necessitated by this act.

195.8

ARTICLE 12

195.9

APPLICATION

195.10

Section 1. **METROPOLITAN COUNTIES.**

195.11

Unless the context indicates otherwise, this act applies in the counties of Anoka, Carver,

195.12

Dakota, Hennepin, Ramsey, Scott, and Washington.

APPENDIX
Article locations in 17-4683

ARTICLE 1	METROPOLITAN COUNCIL ABOLISHED	Page.Ln 2.44
ARTICLE 2	PUBLIC SAFETY RADIO COMMUNICATION	Page.Ln 84.6
ARTICLE 3	FISCAL DISPARITIES	Page.Ln 86.22
ARTICLE 4	METROPOLITAN LAND USE PLANNING	Page.Ln 89.8
ARTICLE 5	METROPOLITAN AIRPORTS COMMISSION	Page.Ln 89.17
ARTICLE 6	METROPOLITAN AGRICULTURAL PRESERVES	Page.Ln 96.7
ARTICLE 7	PARKS AND OPEN SPACE	Page.Ln 97.15
ARTICLE 8	TRANSPORTATION	Page.Ln 107.3
ARTICLE 9	WATER AND SOLID WASTE MANAGEMENT	Page.Ln 167.16
ARTICLE 10	METROPOLITAN SPORTS FACILITIES AUTHORITY	Page.Ln 194.18
ARTICLE 11	CONFORMING AMENDMENTS	Page.Ln 195.3
ARTICLE 12	APPLICATION	Page.Ln 195.8

3.8841 LEGISLATIVE COMMISSION ON METROPOLITAN GOVERNMENT.

Subdivision 1. **Established.** The Legislative Commission on Metropolitan Government is established to oversee the Metropolitan Council's operating and capital budgets, work program, and capital improvement program.

Subd. 2. **Membership.** The commission consists of four senators appointed by the senate Subcommittee on Committees of the Committee on Rules and Administration, three senators appointed by the senate minority leader, four state representatives appointed by the speaker of the house, and three state representatives appointed by the house minority leader. All members must reside in or represent a portion of the seven-county metropolitan area. The appointing authorities must ensure balanced geographic representation. Each appointing authority must make appointments as soon as possible after the opening of the next regular session of the legislature in each odd-numbered year.

Subd. 3. **Terms; vacancies.** Members of the commission serve for a two-year term beginning upon appointment and expiring upon appointment of a successor after the opening of the next regular session of the legislature in the odd-numbered year. A vacancy in the membership of the commission must be filled for the unexpired term in a manner that will preserve the representation established by this section.

Subd. 4. **Chair.** The commission must meet as soon as practicable after members are appointed in each odd-numbered year to elect its chair and other officers as it may determine necessary. A chair serves a two-year term, expiring in the odd-numbered year after a successor is elected. The chair must alternate biennially between the senate and the house of representatives.

Subd. 5. **Compensation.** Members serve without compensation but may be reimbursed for their reasonable expenses as members of the legislature.

Subd. 6. **Staff.** Legislative staff must provide administrative and research assistance to the commission.

Subd. 7. **Meetings; procedures.** The commission meets at the call of the chair. If there is a quorum, the commission may take action by a simple majority vote of commission members present.

Subd. 8. **Powers; duties; Metropolitan Council levy, budget oversight.** The commission must monitor, review, and make recommendations to the Metropolitan Council and to the legislature for the following calendar year on:

- (1) the tax rate and dollar amount of the Metropolitan Council's property tax levies and any proposed increases in the rate or dollar amount of tax;
- (2) any request for an increase in the debt of the Metropolitan Council;
- (3) the overall work and role of the Metropolitan Council;
- (4) the Metropolitan Council's proposed operating and capital budgets, work program, and capital improvement program; and
- (5) the Metropolitan Council's implementation of the operating and capital budgets, work program, and capital improvement program.

Subd. 9. **Powers; duties; Metropolitan Council appointments oversight.** The commission must monitor appointments to the Metropolitan Council and may make recommendations on appointments to the nominating committee under section 473.123, subdivision 3, or to the governor before the governor makes the appointments. The commission may also make recommendations to the senate before appointments are presented to the senate for its advice and consent.

103B.235 LOCAL WATER MANAGEMENT PLANS.

Subd. 3a. **Review by Metropolitan Council.** Concurrently with its submission of its local water management plan to the watershed management organization as provided in subdivision 3, each local unit of government shall submit its water management plan to the Metropolitan Council for review and comment by the council. The council shall have 45 days to review and comment upon the local plan or parts of the plan with respect to consistency with the council's comprehensive development guide for the metropolitan area. The council's 45-day review period shall run concurrently with the 60-day review period by the watershed management organization provided in subdivision 3. The Metropolitan Council shall submit its comments to the watershed management organization and shall send a copy of its comments to the local government unit. If the Metropolitan Council fails to complete its review and make comments to the watershed

APPENDIX

Repealed Minnesota Statutes: 17-4683

management organization within the 45-day period, the watershed management organization shall complete its review as provided in subdivision 3.

115.66 SEVERABILITY.

If any provision of sections 115.61 to 115.67 or the application thereof to any person or circumstances is held to be invalid, such invalidity shall not affect other provisions or applications of sections 115.61 to 115.67 which can be given effect without the invalid provision or application, and to this end the provisions of sections 115.61 to 115.67 and the various applications thereof are declared to be severable.

115A.03 DEFINITIONS.

Subd. 19. **Metropolitan Council.** "Metropolitan Council" means the council established in chapter 473.

174.22 DEFINITIONS.

Subd. 3. **Metropolitan Council.** "Metropolitan Council" means the council established by section 473.123.

238.43 REGIONAL CHANNEL.

Subd. 5. **Regional channel entity.** The Cable Communications Board may designate a regional channel entity prior to July 1, 1985. If the Cable Communications Board does not designate an entity by June 30, 1985, the Metropolitan Council shall appoint the governing body of the regional channel entity which must consist of 15 members appointed to three-year terms. In making the initial appointments the Metropolitan Council shall designate one-third of the appointees to serve one-year terms, one-third to serve two-year terms, and one-third to serve three-year terms. In the case of a vacancy the council shall appoint a person to fill the vacancy for the remainder of the unexpired term. The Metropolitan Council shall name three appointees from the recommendations received from the Association of Metropolitan Municipalities and three from the recommendations received from the cable communications companies operating in the metropolitan area.

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.

403.27 REVENUE BONDS; OBLIGATIONS.

Subdivision 1. **Authorization.** After consulting with the commissioner of management and budget, the council, if requested by a vote of at least two-thirds of all of the members of the Metropolitan Radio Board, may, by resolution, authorize the issuance of its revenue bonds for any of the following purposes to:

- (1) provide funds for regionwide mutual aid and emergency medical services communications;
- (2) provide funds for the elements of the first phase of the regionwide public safety radio communication system that the board determines are of regionwide benefit and support mutual aid and emergency medical services communication including, but not limited to, costs of master controllers of the backbone;
- (3) provide money for the second phase of the public safety radio communication system;
- (4) to the extent money is available after meeting the needs described in clauses (1) to (3), provide money to reimburse local units of government for amounts expended for capital improvements to the first phase system previously paid for by the local government units; or
- (5) refund bonds issued under this section.

Subd. 2. **Procedure.** The bonds shall be sold, issued, and secured in the manner provided in chapter 475 for bonds payable solely from revenues, except as otherwise provided in sections 403.21 to 403.34 and the council shall have the same powers and duties as a municipality and its governing body in issuing bonds under chapter 475. The bonds may be sold at any price and at public or private sale as determined by the council.

APPENDIX

Repealed Minnesota Statutes: 17-4683

The bonds shall be payable from and secured by a pledge of the emergency telephone service fee provided in chapter 403 and shall not represent or constitute a general obligation or debt of the council and shall not be included in the net debt of any city, county, or other subdivision of the state for the purpose of any debt limitation.

Subd. 3. **Limitations.** (a) The principal amount of the bonds issued pursuant to subdivision 1, exclusive of any original issue discount, shall not exceed the amount of \$10,000,000 plus the amount the council determines necessary to pay the costs of issuance, fund reserves, debt service, and pay for any bond insurance or other credit enhancement.

(b) In addition to the amount authorized under paragraph (a), the council may issue bonds under subdivision 1 in a principal amount of \$3,306,300, plus the amount the council determines necessary to pay the cost of issuance, fund reserves, debt service, and any bond insurance or other credit enhancement. The proceeds of bonds issued under this paragraph may not be used to finance portable or subscriber radio sets.

Subd. 4. **Security.** The bonds may be secured by a bond resolution or a trust indenture entered into by the council with a corporate trustee within or outside the state which shall define the fee pledged for the payment and security of the bonds and for payment of all necessary and reasonable debt service expenses until all the bonds referred to in subdivision 1 are fully paid or discharged in accordance with law. The pledge shall be a valid charge on the emergency telephone service fee provided in chapter 403. No mortgage of or security interest in any tangible real or personal property shall be granted to the bondholders or the trustee, but they shall have a valid security interest in the revenues and bond proceeds received by the council and pledged to the payment of the bonds as against the claims of all persons in tort, contract, or otherwise, irrespective of whether the parties have notice and without possession or filing as provided in the Uniform Commercial Code, or any other law, subject however to the rights of the holders of any general obligation bonds issued under section 403.32. In the bond resolution or trust indenture, the council may make covenants as it determines to be reasonable for the protection of the bondholders.

Neither the council, nor any council member, officer, employee, or agent of the council, nor any person executing the bonds shall be liable personally on the bonds by reason of their issuance. The bonds are not payable from, and are not a charge upon, any funds other than the revenues and bond proceeds pledged to their payment. The council is not subject to any liability on the bonds and has no power to obligate itself to pay or to pay the bonds from funds other than the revenues and bond proceeds pledged. No holder of bonds has the right to compel any exercise of the taxing power of the council, except any deficiency tax levy the council covenants to certify under section 403.31, or any other public body, to the payment of principal of or interest on the bonds. No holder of bonds has the right to enforce payment of principal or interest against any property of the council or other public body other than that expressly pledged for the payment of the bonds.

403.29 USE OF BOND PROCEEDS.

Subd. 4. **Use of bond proceeds.** The use of proceeds of all bonds issued by the Metropolitan Council for the purposes enumerated in section 403.27, subdivision 1, other than investment of all money on hand in any sinking fund or funds of the council, shall be governed by the provisions of chapter 475, the provisions of resolutions authorizing the issuance of the bonds, and by the trust indenture.

403.32 SALE OF GENERAL OBLIGATION BONDS.

Subdivision 1. **Amount; purposes.** The Metropolitan Council may by resolution authorize the issuance of general obligation bonds of the council, in an amount outstanding and undischarged at any time not more than \$3,000,000, for which its full faith and credit and taxing powers shall be pledged for the council's share of the first phase. The Metropolitan Council may also issue general obligation bonds to refund outstanding obligations issued under this section. The amount of refunding bonds that may be issued from time to time shall not be subject to the dollar limitation contained in this subdivision nor the refunding bonds be included in computing the amount of bonds that may be issued within that dollar limitation.

Subd. 2. **Sale, terms, security.** The Metropolitan Council shall sell and issue the bonds in the manner provided in chapter 475 and shall have the same powers and duties as a municipality issuing bonds under that law, except that the approval of a majority of the electors shall not be required and the net debt limitations shall not apply. The bonds shall be secured in accordance with section 475.61, subdivision 1, and any taxes required for their payment shall be levied by the council, shall not affect the amount or rate of taxes which may be levied by the council for other

APPENDIX

Repealed Minnesota Statutes: 17-4683

purposes, and shall be levied without limitation of rate or amount upon all taxable property in the transit taxing district and transit area as provided in section 473.446, subdivision 1.

Subd. 3. **Temporary loans.** The Metropolitan Council may, after the authorization of bonds under this section, provide funds immediately required for the purposes of subdivision 1 by effecting temporary loans upon terms as it shall by resolution determine, evidenced by notes due in not exceeding 24 months from their date, payable to the order of the lender or to the bearer, to be repaid with interest from the proceeds of the bonds when issued and delivered to the purchaser. The temporary loans may be made without public advertisement.

462.382 APPLICATION.

The provisions of sections 462.381 to 462.398 have no application to the Metropolitan Council created by or the region defined by Laws 1967, chapter 896.

462C.071 SINGLE-FAMILY MORTGAGE BONDS; LIMITATIONS.

Subd. 4. **Redevelopment area.** A city located within the metropolitan area must submit to the Metropolitan Council the resolution adopted by the governing body of the city finding an area to be a redevelopment area and a map of the redevelopment area.

473.121 DEFINITIONS.

Subd. 3. **Metropolitan Council or council.** "Metropolitan Council" or "council" means the Metropolitan Council established by section 473.123.

Subd. 8. **Metropolitan significance.** "Metropolitan significance" means a status determined by the Metropolitan Council pursuant to the rules and procedures established by section 473.173.

Subd. 12. **Metropolitan Parks and Open Space Commission.** "Metropolitan Parks and Open Space Commission" means the commission established in sections 473.302 to 473.341.

473.123 METROPOLITAN COUNCIL.

Subdivision 1. **Creation.** A Metropolitan Council with jurisdiction in the metropolitan area is established as a public corporation and political subdivision of the state. It shall be under the supervision and control of 17 members, all of whom shall be residents of the metropolitan area.

Subd. 2a. **Terms.** Following each apportionment of council districts, as provided under subdivision 3a, council members must be appointed from newly drawn districts as provided in subdivision 3a. Each council member, other than the chair, must reside in the council district represented. Each council district must be represented by one member of the council. The terms of members end with the term of the governor, except that all terms expire on the effective date of the next apportionment. A member serves at the pleasure of the governor. A member shall continue to serve the member's district until a successor is appointed and qualified; except that, following each apportionment, the member shall continue to serve at large until the governor appoints 16 council members, one from each of the newly drawn council districts as provided under subdivision 3a, to serve terms as provided under this section. The appointment to the council must be made by the first Monday in March of the year in which the term ends.

Subd. 3. **Membership; appointment; qualifications.** (a) Sixteen members must be appointed by the governor from districts defined by this section. Each council member must reside in the council district represented. Each council district must be represented by one member of the council.

(b) In addition to the notice required by section 15.0597, subdivision 4, notice of vacancies and expiration of terms must be published in newspapers of general circulation in the metropolitan area and the appropriate districts. The governing bodies of the statutory and home rule charter cities, counties, and towns having territory in the district for which a member is to be appointed must be notified in writing. The notices must describe the appointments process and invite participation and recommendations on the appointment.

(c) The governor shall create a nominating committee, composed of seven metropolitan citizens appointed by the governor, to nominate persons for appointment to the council from districts. Three of the committee members must be local elected officials. Following the submission of applications as provided under section 15.0597, subdivision 5, the nominating committee shall conduct public meetings, after appropriate notice, to accept statements from or on behalf of persons who have applied or been nominated for appointment and to allow consultation with and secure the advice of the public and local elected officials. The committee shall hold the meeting on each appointment in the district or in a reasonably convenient and accessible

APPENDIX

Repealed Minnesota Statutes: 17-4683

location in the part of the metropolitan area in which the district is located. The committee may consolidate meetings. Following the meetings, the committee shall submit to the governor a list of nominees for each appointment. The governor is not required to appoint from the list.

(d) Before making an appointment, the governor shall consult with all members of the legislature from the council district for which the member is to be appointed.

(e) Appointments to the council are subject to the advice and consent of the senate as provided in section 15.066.

(f) Members of the council must be appointed to reflect fairly the various demographic, political, and other interests in the metropolitan area and the districts.

(g) Members of the council must be persons knowledgeable about urban and metropolitan affairs.

(h) Any vacancy in the office of a council member shall immediately be filled for the unexpired term. In filling a vacancy, the governor may forgo the requirements of paragraph (c) if the governor has made appointments in full compliance with the requirements of this subdivision within the preceding 12 months.

Subd. 3a. **Redistricting.** The legislature shall redraw the boundaries of the council districts after each decennial federal census so that each district has substantially equal population. Redistricting is effective in the year ending in the numeral "3." Within 60 days after a redistricting plan takes effect, the governor shall appoint members from the newly drawn districts to serve terms as provided under subdivision 2a.

Subd. 3e. **District boundaries.** Metropolitan Council plan MC2013-1A, on file with the Geographical Information Systems Office of the Legislative Coordinating Commission and published on its Web site on April 9, 2013, is adopted and constitutes the redistricting plan required by subdivision 3a. The boundaries of each Metropolitan Council district are as described in that plan.

Subd. 4. **Chair; appointment, officers, selection; duties and compensation.** (a) The chair of the Metropolitan Council shall be appointed by the governor as the 17th voting member thereof by and with the advice and consent of the senate to serve at the pleasure of the governor to represent the metropolitan area at large. Senate confirmation shall be as provided by section 15.066.

The chair of the Metropolitan Council shall, if present, preside at meetings of the council, have the primary responsibility for meeting with local elected officials, serve as the principal legislative liaison, present to the governor and the legislature, after council approval, the council's plans for regional governance and operations, serve as the principal spokesperson of the council, and perform other duties assigned by the council or by law.

(b) The Metropolitan Council shall elect other officers as it deems necessary for the conduct of its affairs for a one-year term. A secretary and treasurer need not be members of the Metropolitan Council. Meeting times and places shall be fixed by the Metropolitan Council and special meetings may be called by a majority of the members of the Metropolitan Council or by the chair. The chair and each Metropolitan Council member shall be reimbursed for actual and necessary expenses.

(c) Each member of the council shall attend and participate in council meetings and meet regularly with local elected officials and legislative members from the council member's district. Each council member shall serve on at least one division committee for transportation, environment, or community development.

(d) In the performance of its duties the Metropolitan Council may adopt policies and procedures governing its operation, establish committees, and, when specifically authorized by law, make appointments to other governmental agencies and districts.

Subd. 8. **General counsel.** The council may appoint a general counsel to serve at the pleasure of the council.

473.125 REGIONAL ADMINISTRATOR.

The Metropolitan Council shall appoint a regional administrator to serve at the council's pleasure as the principal administrative officer for the Metropolitan Council. The regional administrator shall organize the work of the council staff. The regional administrator shall appoint on the basis of merit and fitness, and discipline and discharge all employees in accordance with the council's personnel policy, except the general counsel, as provided in section 473.123, subdivision 8. The regional administrator must ensure that all policy decisions of the council are carried out. The regional administrator shall attend meetings of the council and may take part in discussions but may not vote. The regional administrator shall recommend to the council for adoption measures deemed necessary for efficient administration of the council, keep the council

APPENDIX

Repealed Minnesota Statutes: 17-4683

fully apprised of the financial condition of the council, and prepare and submit an annual budget to the council for approval. The regional administrator shall prepare and submit for approval by the council an administrative code organizing and codifying the policies of the council, and perform other duties as prescribed by the council. The regional administrator may be chosen from among the citizens of the nation at large, and shall be selected on the basis of training and experience in public administration.

473.127 ADVISORY COMMITTEES.

The Metropolitan Council may establish and appoint persons to advisory committees to assist the Metropolitan Council in the performance of its duties. Members of the advisory committees shall serve without compensation but shall be reimbursed for their reasonable expenses as determined by the Metropolitan Council.

473.129 POWERS OF METROPOLITAN COUNCIL.

Subdivision 1. **General powers.** The Metropolitan Council shall have and exercise all powers which may be necessary or convenient to enable it to perform and carry out the duties and responsibilities now existing or which may hereafter be imposed upon it by law. Such powers include the specific powers enumerated in this section.

Subd. 2. **Employees.** The Metropolitan Council shall prescribe all terms and conditions for the employment of its employees including, but not limited to, adopting a compensation and classification plan for its employees. Employees of the Metropolitan Council are public employees and are members of the Minnesota State Retirement System. Those employed by a predecessor of the Metropolitan Council and transferred to it may at their option become members of the Minnesota State Retirement System or may continue as members of the public retirement association to which they belonged as employees of the predecessor of the Metropolitan Council. The Metropolitan Council shall make the employer's contributions to pension funds of its employees.

Subd. 3. **Consulting contracts.** The Metropolitan Council may contract for the services of consultants who perform engineering, legal, or services of a professional nature. Such contracts shall not be subject to the requirements of any law relating to public bidding.

Subd. 4. **Gifts and appropriations.** The Metropolitan Council may accept gifts, apply for and use grants or loans of money or other property from the United States, the state, or any person for any Metropolitan Council purpose and may enter into agreements required in connection therewith and may hold, use, and dispose of such moneys or property in accordance with the terms of the gift, grant, loan, or agreement relating thereto.

Subd. 5. **Local governmental participation.** The Metropolitan Council may (1) participate as a party in any proceedings originating under chapter 414, if the proceedings involve the change in a boundary of a governmental unit in the metropolitan area, and (2) conduct studies of the feasibility of annexing, enlarging, or consolidating units in the metropolitan area.

Subd. 6. **On metro agencies.** The Metropolitan Council shall appoint from its membership a member to serve with each metropolitan agency. Each member of the Metropolitan Council so appointed on each of such agencies shall serve without a vote.

Subd. 7. **Property.** The council may acquire, own, hold, use, improve, operate, maintain, lease, exchange, transfer, sell, or otherwise dispose of personal or real property, franchises, easements, or property rights or interests of any kind.

Subd. 8. **Insurance.** The council may provide for self-insurance or otherwise provide for insurance relating to any of its property, rights, or revenue, workers' compensation, public liability, or any other risk or hazard arising from its activities, and may provide for insuring any of its officers or employees against the risk or hazard at the expense of the council. If the council provides for self-insurance, against its liability and the liability of its officers, employees, and agents for damages resulting from its torts and those of its officers, employees, and agents, including its obligation to pay basic economic loss benefits under sections 65B.41 to 65B.71, it shall be entitled to deduct from damages and basic economic loss benefits all money paid or payable to the persons seeking damages and benefits from all governmental entities providing medical, hospital, and disability benefits except for payments made under the Minnesota family investment program or medical assistance program.

Subd. 9. **Investigations.** When necessary and proper to the performance of its duties, the council may enter in a reasonable manner upon any premises for the purpose of making any reasonably necessary or proper investigations and examinations. The entry is not a trespass. The council is liable for any actual and consequential loss, injury, or damage from the entry.

APPENDIX

Repealed Minnesota Statutes: 17-4683

When necessary and proper to the performance of its duties, the council or its authorized agents may require the production of accounts, books, records, memoranda, correspondence, and other documents and papers of a person receiving financial assistance from the council, may inspect and copy them, and may have access to and may inspect the lands, buildings, facilities, or equipment of the person.

Subd. 10. **Employee health and wellness.** The council may provide a program for health and wellness services for council employees and provide necessary staff, funds, equipment, and facilities.

Subd. 11. **External use of existing service capacity.** For purposes of this subdivision, "service capacity" means an existing service or operation carried out by the council as authorized by law, or existing council real or personal property, for which the council on a temporary basis has capacity available for use outside the council. Notwithstanding other law, the council may enter into arrangements to provide service capacity to other governmental entities or the private sector on the terms and conditions it considers appropriate. In providing service capacity, the council:

(1) may not commit to providing the service capacity for a period in excess of five years; and

(2) must receive compensation for providing the service capacity in at least an amount sufficient to recover the actual costs of providing the service capacity including, but not limited to, the costs of materials and supplies, employee salaries and benefits, and administrative overhead.

Subd. 12. **Best value procurement alternative.** (a) Notwithstanding the provisions of section 471.345, the council may award a contract for the purchase of transit vehicles to the vendor or contractor offering the best value under a request for proposals. For the purposes of this subdivision, "transit vehicles" means buses and coaches, commuter rail locomotives and coach cars, light rail vehicles, and paratransit vehicles that are used to provide transit and special transportation service pursuant to sections 473.371 to 473.449.

(b) For the purposes of this subdivision, "best value" describes a result intended in the acquisition of goods and services described in paragraph (a). Price must be one of the evaluation criteria. Other evaluation criteria may include, but are not limited to, environmental considerations, quality, and vendor or contractor performance. The evaluation criteria must be included in the solicitation document as well as the relative importance of price and other factors.

473.1293 ENERGY FORWARD PRICING MECHANISMS.

Subdivision 1. **Definitions.** The following definitions apply in this section.

(a) "Energy" means natural gas, heating oil, diesel fuel, or any other energy source, except electric, used in Metropolitan Council operations.

(b) "Forward pricing mechanism" means either:

(1) a contract or financial instrument that obligates an entity to buy or sell a specified amount of an energy commodity at a future date and at a set price; or

(2) an option to buy or sell the contract or financial instrument.

Subd. 2. **Authority provided.** Notwithstanding any other law to the contrary, the council may use forward pricing mechanisms for budget risk reduction.

Subd. 3. **Conditions.** (a) Forward pricing transactions made under this section must be made only under the conditions in paragraphs (b), (c), and (d).

(b) The amount of energy forward priced must not exceed the estimated energy usage for council operations for the period of time covered by the forward pricing mechanism.

(c) The holding period and expiration date for any forward pricing mechanism must not exceed 24 months from the trade date of the transaction.

(d) Separate accounts must be established for each operational energy for which forward pricing mechanisms are used under this section.

Subd. 4. **Written policies and procedures.** Before exercising authority under subdivision 2, the council must have written policies and procedures governing the use of forward pricing mechanisms.

Subd. 5. **Oversight process.** (a) Before exercising authority under subdivision 2, the governing body of the council must establish an oversight process that provides for review of the council's use of forward pricing mechanisms.

(b) The process must include:

(1) internal or external audit reviews;

(2) quarterly reports to, and review by, an internal investment committee; and

(3) internal management control.

473.132 SHORT-TERM INDEBTEDNESS.

The council may issue certificates of indebtedness or capital notes to purchase equipment to be owned and used by the council and having an expected useful life of at least as long as the terms of the certificates or notes. The certificates or notes shall be payable in not more than five years and shall be issued on such terms and in such manner as the council may determine, and for this purpose the council may secure payment of the certificates or notes by resolution or by trust indenture entered into by the council with a corporate trustee within or outside the state, and by a mortgage in the equipment financed. The total principal amount of the notes or certificates issued in a fiscal year should not exceed one-half of one percent of the tax capacity of the metropolitan area for that year. The full faith and credit of the council shall be pledged to the payment of the certificates or notes, and a tax levy shall be made for the payment of the principal and interest on the certificates or notes, in accordance with section 475.61, as in the case of bonds issued by a municipality. The tax levy authorized by this section must be deducted from the amount of taxes the council is otherwise authorized to levy under section 473.249.

473.1565 METROPOLITAN AREA WATER SUPPLY PLANNING ACTIVITIES; ADVISORY COMMITTEES.

Subdivision 1. **Planning activities.** (a) The Metropolitan Council must carry out planning activities addressing the water supply needs of the metropolitan area as defined in section 473.121, subdivision 2. The planning activities must include, at a minimum:

(1) development and maintenance of a base of technical information needed for sound water supply decisions including surface and groundwater availability analyses, water demand projections, water withdrawal and use impact analyses, modeling, and similar studies;

(2) development and periodic update of a metropolitan area master water supply plan, prepared in cooperation with and subject to the approval of the policy advisory committee established in this section, that:

(i) provides guidance for local water supply systems and future regional investments;

(ii) emphasizes conservation, interjurisdictional cooperation, and long-term sustainability; and

(iii) addresses the reliability, security, and cost-effectiveness of the metropolitan area water supply system and its local and subregional components;

(3) recommendations for clarifying the appropriate roles and responsibilities of local, regional, and state government in metropolitan area water supply;

(4) recommendations for streamlining and consolidating metropolitan area water supply decision-making and approval processes; and

(5) recommendations for the ongoing and long-term funding of metropolitan area water supply planning activities and capital investments.

(b) The council must carry out the planning activities in this subdivision in consultation with the Metropolitan Area Water Supply Policy and Technical Advisory Committees established in this section.

Subd. 2. **Policy advisory committee.** (a) A Metropolitan Area Water Supply Policy Advisory Committee is established to assist the council in its planning activities in subdivision 1. The policy advisory committee has the following membership:

(1) the commissioner of agriculture or the commissioner's designee;

(2) the commissioner of health or the commissioner's designee;

(3) the commissioner of natural resources or the commissioner's designee;

(4) the commissioner of the Pollution Control Agency or the commissioner's designee;

(5) two officials of counties that are located in the metropolitan area, appointed by the governor, in consultation with the Association of Minnesota Counties;

(6) five officials of noncounty local governmental units that are located in the metropolitan area, appointed by the governor, in consultation with the Association of Metropolitan Municipalities;

(7) the chair of the Metropolitan Council or the chair's designee, who is chair of the advisory committee;

(8) one official each from the counties of Chisago, Isanti, Sherburne, and Wright, appointed by the governor, in consultation with the Association of Minnesota Counties and the League of Minnesota Cities; and

APPENDIX

Repealed Minnesota Statutes: 17-4683

(9) a representative of the Saint Paul Regional Water Services, appointed by and serving at the pleasure of the Saint Paul Regional Water Services, and a representative of the Minneapolis Water Department, appointed by and serving at the pleasure of the mayor of the city of Minneapolis.

A local government unit in each of the seven counties in the metropolitan area and Chisago, Isanti, Sherburne, and Wright Counties must be represented in the 11 appointments made under clauses (5), (6), and (8).

(b) Members of the advisory committee appointed by the governor serve at the pleasure of the governor. Members of the advisory committee serve without compensation but may be reimbursed for their reasonable expenses as determined by the Metropolitan Council.

(c) The council must consider the work and recommendations of the policy advisory committee when the council is preparing its regional development framework.

Subd. 2a. Technical advisory committee. A Metropolitan Area Water Supply Technical Advisory Committee is established to inform the policy advisory committee's work by providing scientific and engineering expertise necessary to provide the region an adequate and sustainable water supply. The technical advisory committee consists of 15 members appointed by the policy advisory committee, with the majority of members representing single-city and multicity public water supply systems in the metropolitan area and including experts in:

(1) water resources analysis and modeling;

(2) hydrology; and

(3) the engineering, planning, design, and construction of water systems or water systems finance.

Members of the technical advisory committee serve at the pleasure of the policy advisory committee, without compensation, but may be reimbursed for their reasonable expenses as determined by the council.

Subd. 3. Reports to legislature. (a) The council must submit reports to the legislature regarding its findings, recommendations, and continuing planning activities under subdivision 1. These reports shall be included in the "Minnesota Water Plan" required in section 103B.151, and five-year interim reports may be provided as necessary.

(b) By February 15, 2017, and at least every five years thereafter, the policy advisory committee shall report to the council, the Legislative Water Commission, and the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over environment and natural resources with the information required under this section. The policy advisory committee's report and recommendations must include information provided by the technical advisory committee.

473.165 COUNCIL REVIEW; INDEPENDENT COMMISSION, BOARD, AGENCY.

(1) The Metropolitan Council shall review all long-term comprehensive plans of each independent commission, board, or agency prepared for its operation and development within the metropolitan area but only if such plan is determined by the council to have an areawide effect, a multicomunity effect, or to have a substantial effect on metropolitan development. Each plan shall be submitted to the council before any action is taken to place the plan or any part thereof, into effect.

(2) No action shall be taken to place any plan or any part thereof, into effect until 60 days have lapsed after the date of its submission to the council, or until the council finds and notifies the submitting commission, board, or agency that the plan is consistent with its comprehensive guide for the metropolitan area and the orderly and economic development of the metropolitan area, whichever first occurs. If, within 60 days after the date of submission, the council finds that a plan, or any part thereof, is inconsistent with its comprehensive guide for the metropolitan area or detrimental to the orderly and economic development of the metropolitan area, or any part thereof, it may direct that the operation of the plan, or such part thereof, be indefinitely suspended; provided that the council shall not direct the suspension of any plan or part thereof of any sanitary sewer district operating within the metropolitan area which pertains to the location and construction of a regional sewer plant or plants or the expansion or improvement of the present Minneapolis-St. Paul sanitary district treatment plant. An affected commission, board, or agency may appeal the decision of the Metropolitan Council suspending a plan, or part thereof, to the entire membership of the Metropolitan Council for public hearing. If the Metropolitan Council and the affected commission, board, or agency are unable to agree as to an adjustment of the plan, so that it may receive the council's approval, then a record of the disagreeing positions of the Metropolitan Council and the affected commission, board, or agency shall be made and the

APPENDIX

Repealed Minnesota Statutes: 17-4683

Metropolitan Council shall prepare a recommendation in connection therewith for consideration and disposition by the next regular session of the legislature.

473.167 HIGHWAY PROJECTS.

Subd. 3. **Tax.** The council may levy a tax on all taxable property in the metropolitan area, as defined in section 473.121, to provide funds for loans made pursuant to subdivisions 2 and 2a. This tax for the right-of-way acquisition loan fund shall be certified by the council, levied, and collected in the manner provided by section 473.13. The tax shall be in addition to that authorized by section 473.249 and any other law and shall not affect the amount or rate of taxes which may be levied by the council or any metropolitan agency or local governmental unit. The amount of the levy shall be as determined and certified by the council, provided that the tax levied by the Metropolitan Council for the right-of-way acquisition loan fund shall not exceed \$2,828,379 for taxes payable in 2004 and \$2,828,379 for taxes payable in 2005. The amount of the levy for taxes payable in 2006 and subsequent years shall not exceed the product of (1) the Metropolitan Council's property tax levy limitation under this subdivision for the previous year, multiplied by (2) one plus a percentage equal to the growth in the implicit price deflator as defined in section 275.70, subdivision 2.

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

473.175 REVIEW OF COMPREHENSIVE PLANS.

Subdivision 1. **For compatibility, conformity.** The council shall review the comprehensive plans of local governmental units, prepared and submitted pursuant to sections 473.851 to 473.871, to determine their compatibility with each other and conformity with metropolitan system plans. The council shall review and comment on the apparent consistency of the comprehensive plans with adopted plans of the council. The council may require a local governmental unit to modify any comprehensive plan or part thereof if, upon the adoption of findings and a resolution, the council concludes that the plan is more likely than not to have a substantial impact on or contain a substantial departure from metropolitan system plans. A local unit of government may challenge a council action under this subdivision by following the procedures set forth in section 473.866.

Subd. 2. **120-day limit.** Within 120 days following receipt of a comprehensive plan of a local governmental unit, unless a time extension is mutually agreed to, the council shall return to the local governmental unit a statement containing its comments and, by resolution, its decision, if any, to require modifications to assure conformance with the metropolitan system plans.

No action shall be taken by any local governmental unit to place any such comprehensive plan or part thereof into effect until the council has returned the statement to the unit and until the local governmental unit has incorporated any modifications in the plan required by a final decision, order, or judgment made pursuant to section 473.866. If within 120 days, unless a time extension is mutually agreed to, the council fails to complete its written statement the plans shall be deemed approved and may be placed into effect. Any amendment to a plan subsequent to the council's review shall be submitted to and acted upon by the council in the same manner as the original plan. The written statement of the council shall be filed with the plan of the local government unit at all places where the plan is required by law to be kept on file.

Subd. 3. **Enforcement to get conforming plan.** If a local governmental unit fails to adopt a comprehensive plan in accordance with sections 473.851 to 473.871 or if the council after a public hearing by resolution finds that a plan substantially departs from metropolitan system plans and that the local governmental unit has not adopted a plan with modifications required pursuant to section 473.866 within nine months following a final decision, order, or judgment made pursuant to section 473.866, the council may commence civil proceedings to enforce the

APPENDIX

Repealed Minnesota Statutes: 17-4683

provisions of sections 473.851 to 473.871 by appropriate legal action in the district court where the local governmental unit is located.

473.181 ADDITIONAL COUNCIL REVIEW.

Subd. 2. **Parks.** The council shall review local government park master plans pursuant to section 473.313.

Subd. 5. **Airports.** The council shall review Metropolitan Airports Commission capital projects pursuant to section 473.621, subdivision 6. The plans of the Metropolitan Airports Commission and the development of the metropolitan airports system by the commission shall, as provided in sections 473.611, subdivision 5, and 473.655, be consistent with the development guide of the council.

473.191 LOCAL PLANNING ASSISTANCE.

Subdivision 1. **Comprehensive community planning.** The Metropolitan Council may, at the request of local governmental units, enter into contracts or make other arrangements with local governmental units and others for the provision of services for and assistance with comprehensive community planning. This may include:

(a) Assistance in the preparation, as a guide for long-range development, of general physical plans with respect to the pattern and intensity of land use and the provision of public facilities together with long-range fiscal plans for such development;

(b) Programming of capital improvements based on a determination of relative urgency, together with definitive financing plans for the improvements to be constructed in the earlier years of the program;

(c) Coordination of all related plans of the departments or subdivision of the government concerned;

(d) Intergovernmental coordination of all related planned activities among the state and local governmental agencies concerned; and

(e) Preparation of regulatory and administrative measures in support of the foregoing.

Subd. 2. **Water resources.** The Metropolitan Council may provide technical assistance to cities, counties, and towns to expedite adoption and enforcement of local ordinances under sections 103F.121, 103F.201 to 103F.221, and 473.206 to 473.208.

473.206 LOCAL ORDINANCES.

Each county, city or town in the metropolitan area shall be provided with standards, criteria and suggested model ordinances and may, after review and comment by the Metropolitan Council, adopt ordinances which provide for the protection of the resources that are the subject of the standards, criteria, and model ordinances.

473.208 COOPERATION.

In adopting and enforcing the ordinances for which standards and criteria are provided by section 473.206, counties, cities and towns shall consult and cooperate with affected soil and water conservation districts, watershed districts, and lake conservation districts on matters of common concern.

473.24 POPULATION ESTIMATES.

(a) The Metropolitan Council shall annually prepare an estimate of population for each county, city, and town in the metropolitan area and an estimate of the number of households and average household size for each city in the metropolitan area with a population of 2,500 or more, and an estimate of population over age 65 for each county in the metropolitan area, and convey the estimates to the governing body of each county, city, or town by June 1 each year. In the case of a city or town that is located partly within and partly without the metropolitan area, the Metropolitan Council shall estimate the proportion of the total population and the average size of households that reside within the area. The Metropolitan Council may prepare an estimate of the population and of the average household size for any other political subdivision located in the metropolitan area.

(b) A governing body may challenge an estimate made under this section by filing its specific objections in writing with the Metropolitan Council by June 24. If the challenge does not result in an acceptable estimate, the governing body may have a special census conducted by

APPENDIX

Repealed Minnesota Statutes: 17-4683

the United States Bureau of the Census. The political subdivision must notify the Metropolitan Council on or before July 1 of its intent to have the special census conducted. The political subdivision must bear all costs of the special census. Results of the special census must be received by the Metropolitan Council by the next April 15 to be used in that year's June 1 estimate under this section. The Metropolitan Council shall certify the estimates of population and the average household size to the state demographer and to the commissioner of revenue by July 15 each year, including any estimates still under objection.

473.242 URBAN RESEARCH.

Where studies have not been otherwise authorized by law the Metropolitan Council may study the feasibility of programs relating but not limited to water supply, refuse disposal, surface water drainage, communication, transportation, and other subjects of concern to the peoples of the metropolitan area, may institute demonstration projects in connection therewith, and may accept gifts for such purposes as otherwise authorized in this section.

473.245 REPORTS.

On or before January 15 of each year, the Metropolitan Council shall report to the legislature. The report shall include:

- (1) A statement of the Metropolitan Council's receipts and expenditures by category since the preceding report;
- (2) A detailed budget for the year in which the report is filed and the following year including an outline of its program for such period;
- (3) An explanation of any policy plan and other comprehensive plan adopted in whole or in part for the metropolitan area and the review comments of the affected metropolitan agency;
- (4) Summaries of any studies and the recommendations resulting therefrom made by the Metropolitan Council, and a listing of all applications for federal money made by governmental units within the metropolitan area submitted to the Metropolitan Council;
- (5) A listing of plans of local governmental units and proposed matters of metropolitan significance submitted to the Metropolitan Council;
- (6) A detailed report on the progress of any project undertaken by the council pursuant to sections 473.194 to 473.201; and
- (7) Recommendations of the Metropolitan Council for metropolitan area legislation, including the organization and functions of the Metropolitan Council and the metropolitan agencies.

473.246 COUNCIL'S SUBMISSIONS TO LEGISLATIVE COMMISSION.

The Metropolitan Council shall submit to the Legislative Commission on Metropolitan Government information on the council's tax rates and dollar amounts levied for the current year, proposed property tax rates and levies, operating and capital budgets, work program, capital improvement program, and any other information requested by the commission, for review by the legislative commission, as provided in section 3.8841.

473.249 TAX LEVY.

Subdivision 1. **Indexed limit.** (a) The Metropolitan Council may levy a tax on all taxable property in the metropolitan area defined in section 473.121 to provide funds for the purposes of sections 473.121 to 473.249 and for the purpose of carrying out other responsibilities of the council as provided by law. This tax for general purposes shall be levied and collected in the manner provided by section 473.13.

(b) The property tax levied by the Metropolitan Council for general purposes shall not exceed \$10,522,329 for taxes payable in 2004 and \$10,522,329 for taxes payable in 2005.

(c) The property tax levy limitation for general purposes for taxes payable in 2006 and subsequent years shall not exceed the product of: (1) the Metropolitan Council's property tax levy limitation for general purposes for the previous year determined under this subdivision multiplied by (2) one plus a percentage equal to the growth in the implicit price deflator as defined in section 275.70, subdivision 2.

Subd. 2. **Deadlines; estimates.** The commissioner of revenue shall certify the council's levy limitation under this section to the council by August 1 of the levy year. The council must certify its proposed property tax levy to the commissioner of revenue by September 1 of the levy year. The commissioner of revenue shall annually determine whether the ad valorem property tax

APPENDIX

Repealed Minnesota Statutes: 17-4683

certified by the Metropolitan Council for levy following the adoption of its proposed budget is within the levy limitation imposed by this section. The determination shall be completed prior to September 10 of each year. If current information regarding gross tax capacity in any county is not transmitted to the commissioner in a timely manner, the commissioner may estimate the current gross tax capacity within that county for purposes of making the calculation.

473.25 LIVABLE COMMUNITIES CRITERIA AND GUIDELINES.

(a) The council shall establish criteria for uses of the fund provided in section 473.251 that are consistent with and promote the purposes of this article and the policies of the Metropolitan Development Guide adopted by the council including, but not limited to:

(1) helping to change long-term market incentives that adversely impact creation and preservation of living-wage jobs in the fully developed area;

(2) creating incentives for developing communities to include a full range of housing opportunities;

(3) creating incentives to preserve and rehabilitate affordable housing in the fully developed area; and

(4) creating incentives for all communities to implement compact and efficient development.

(b) The council shall establish guidelines for the livable community demonstration account for projects that the council would consider funding with either grants or loans. The guidelines must provide that the projects will:

(1) interrelate development or redevelopment and transit;

(2) interrelate affordable housing and employment growth areas;

(3) intensify land use that leads to more compact development or redevelopment;

(4) involve development or redevelopment that mixes incomes of residents in housing, including introducing or reintroducing higher value housing in lower income areas to achieve a mix of housing opportunities; or

(5) encourage public infrastructure investments which connect urban neighborhoods and suburban communities, attract private sector redevelopment investment in commercial and residential properties adjacent to the public improvement, and provide project area residents with expanded opportunities for private sector employment.

(c) The council shall establish guidelines governing who may apply for a grant or loan from the fund, providing priority for proposals using innovative partnerships between government, private for-profit, and nonprofit sectors.

(d) The council shall prepare an annual plan for distribution of the fund based on the criteria for project and applicant selection.

(e) The council shall prepare and submit to the legislature, as provided in section 3.195, an annual report on the metropolitan livable communities fund. The report must include information on the amount of money in the fund, the amount distributed, to whom the funds were distributed and for what purposes, and an evaluation of the effectiveness of the projects funded in meeting the policies and goals of the council. The report may make recommendations to the legislature on changes to Laws 1995, chapter 255.

473.251 METROPOLITAN LIVABLE COMMUNITIES FUND.

The metropolitan livable communities fund is created and consists of the following accounts:

(1) the tax base revitalization account;

(2) the livable communities demonstration account;

(3) the local housing incentives account; and

(4) the inclusionary housing account.

473.253 LIVABLE COMMUNITIES DEMONSTRATION ACCOUNT.

Subdivision 1. **Sources of funds.** The council shall credit to the livable communities demonstration account the revenues provided in this subdivision. This tax shall be levied and collected in the manner provided by section 473.13. The levy shall not exceed the following amount for the years specified:

(1) for taxes payable in 2004 and 2005, \$8,259,070; and

(2) for taxes payable in 2006 and subsequent years, the product of (i) the property tax levy limit under this subdivision for the previous year multiplied by (ii) one plus a percentage equal to the growth in the implicit price deflator as defined in section 275.70, subdivision 2.

APPENDIX

Repealed Minnesota Statutes: 17-4683

Subd. 2. **Distribution of funds.** The council shall use the funds in the livable communities demonstration account to make grants or loans to municipalities participating in the local housing incentives program under section 473.254 or to metropolitan area counties or development authorities to fund the initiatives specified in section 473.25, paragraph (b), in participating municipalities. A grant to a metropolitan county or a development authority must be used for a project in a participating municipality. For the purpose of this section, "development authority" means a statutory or home rule charter city, housing and redevelopment authority, economic development authority, or port authority.

473.254 LOCAL HOUSING INCENTIVES ACCOUNT.

Subdivision 1. **Participation.** (a) A municipality may elect to participate in the local housing incentive account program. If the election to participate occurs by November 15 of any year, it is effective commencing the next calendar year; otherwise it is effective commencing the next succeeding calendar year. An election to participate in the program is effective until revoked according to paragraph (b). A municipality is subject to this section only in those calendar years for which its election to participate in the program is effective. For purposes of this section, municipality means a municipality electing to participate in the local housing incentive account program for the calendar year in question, unless the context indicates otherwise.

(b) A municipality may revoke its election to participate in the local housing incentive account program. If the revocation occurs by November 15 of any year, it is effective commencing the next calendar year; otherwise it is effective commencing the next succeeding calendar year. After revoking its election to participate in the program, a municipality may again elect to participate in the program according to paragraph (a).

(c) A municipality that elects to participate may receive grants or loans from the tax base revitalization account, livable communities demonstration account, or the local housing incentive account. A municipality that does not participate is not eligible to receive a grant under sections 116J.551 to 116J.557. The council, when making discretionary funding decisions, shall give consideration to a municipality's participation in the local housing incentives program.

Subd. 2. **Affordable, life-cycle goals.** The council shall negotiate with each municipality to establish affordable and life-cycle housing goals for that municipality that are consistent with and promote the policies of the Metropolitan Council as provided in the adopted Metropolitan Development Guide. The council shall adopt, by resolution after a public hearing, the negotiated affordable and life-cycle housing goals for each municipality by January 15, 1996, and by January 15 in each succeeding year for each municipality newly electing to participate in the program or for each municipality with which new housing goals have been negotiated. By June 30, 1996, and by June 30 in each succeeding year for each municipality newly electing to participate in the program or for each municipality with which new housing goals have been negotiated, each municipality shall identify to the council the actions it plans to take to meet the established housing goals.

Subd. 3a. **Affordable, life-cycle housing opportunities amount.** (a) Each municipality's "affordable and life-cycle housing opportunities amount" for that year must be determined annually by the council using the method in this subdivision. The affordable and life-cycle housing opportunities amount must be determined for each calendar year for all municipalities in the metropolitan area.

(b) The council must allocate to each municipality its portion of the \$1,000,000 of the revenue generated by the levy authorized in section 473.249 which is credited to the local housing incentives account pursuant to subdivision 5, paragraph (b). The allocation must be made by determining the amount levied for and payable in each municipality in the previous calendar year pursuant to the council levy in section 473.249 divided by the total amount levied for and payable in the metropolitan area in the previous calendar year pursuant to such levy and multiplying that result by \$1,000,000.

(c) The council must also determine the amount levied for and payable in each municipality in the previous calendar year pursuant to the council levy in section 473.253, subdivision 1.

(d) A municipality's affordable and life-cycle housing opportunities amount for the calendar year is the sum of the amounts determined under paragraphs (b) and (c).

(e) By August 1 of each year, the council must notify each municipality of its affordable and life-cycle housing opportunities amount for the following calendar year determined by the method in this subdivision.

Subd. 4. **Affordable and life-cycle housing requirement.** (a) A municipality that does not spend 85 percent of its affordable and life-cycle housing opportunities amount to create affordable and life-cycle housing opportunities in the previous calendar year must do one of the

APPENDIX

Repealed Minnesota Statutes: 17-4683

following with the affordable and life-cycle housing opportunities amount for the previous year as determined under subdivision 3a:

- (1) distribute it to the local housing incentives account; or
- (2) distribute it to the housing and redevelopment authority of the city or county in which the municipality is located to create affordable and life-cycle housing opportunities in the municipality.

(b) A municipality may enter into agreements with adjacent municipalities to cooperatively provide affordable and life-cycle housing. The housing may be provided in any of the cooperating municipalities, but must meet the combined housing goals of each participating municipality.

Subd. 5. **Sources of funds.** (a) The council shall credit to the local housing incentives account any revenues derived from municipalities under subdivision 4, paragraph (a), clause (1).

(b) The council shall annually credit \$1,000,000 of the revenues generated by the levy authorized in section 473.249 to the local housing incentives account.

(c) The council shall annually transfer \$500,000 from the livable communities demonstration account to the local housing incentives account.

Subd. 6. **Distribution of funds.** The funds in the account must be distributed annually by the council to municipalities that:

- (1) have not met their affordable and life-cycle housing goals as determined by the council; and
- (2) are actively funding projects designed to help meet the goals.

Funds may also be distributed to a development authority for a project in an eligible municipality. The funds distributed by the council must be matched on a dollar-for-dollar basis by the municipality or development authority receiving the funds. When distributing funds in the account, the council must give priority to projects that (1) are in municipalities that have contribution net tax capacities that exceed their distribution net tax capacities by more than \$200 per household, (2) demonstrate the proposed project will link employment opportunities with affordable and life-cycle housing, and (3) provide matching funds from a source other than the required affordable and life-cycle housing opportunities amount under subdivision 3 or 3a, as applicable. For the purposes of this subdivision, "municipality" means a statutory or home rule charter city or town in the metropolitan area and "development authority" means a housing and redevelopment authority, economic development authority, or port authority.

Subd. 7. **Report to council.** By July 1, 2004, and by July 1 in each succeeding year, each municipality must certify to the council whether or not it has spent 85 percent of its affordable and life-cycle housing opportunities amount, as determined under subdivision 3a, in the previous calendar year to create affordable and life-cycle housing opportunities. The council may verify each municipality's certification.

Subd. 8. **Later election to participate.** If a municipality did not participate for one or more years and elects later to participate, the municipality must, with respect to its affordable and life-cycle housing opportunities amount for the calendar year preceding the participating calendar year:

- (1) establish that it spent such amount on affordable and life-cycle housing during that preceding calendar year; or
- (2) agree to spend such amount from the preceding calendar year on affordable and life-cycle housing in the participating calendar year, in addition to its affordable and life-cycle housing opportunities amount for the participating calendar year; or
- (3) distribute such amount to the local housing incentives account.

The council will determine which investments count toward the required affordable and life-cycle housing opportunities amount by comparing the municipality to participating municipalities similar in terms of stage of development and demographics. If it determines it to be in the best interests of the region, the council may waive a reasonable portion of the amount.

Subd. 9. **Report to legislature.** By February 1 of each year, the council must report to the legislature the municipalities that have elected to participate and not to participate under subdivision 1. This report must be filed as provided in section 3.195.

Subd. 10. **Metro report card.** The Metropolitan Council shall present to the legislature and release to the public by November 15, 1996, and each year thereafter a comprehensive report card on affordable and life-cycle housing in each municipality in the metropolitan area. The report card must include information on government, nonprofit, and marketplace efforts.

473.255 INCLUSIONARY HOUSING ACCOUNT.

Subdivision 1. **Definitions.** (a) "Inclusionary housing development" means a new construction development, including owner-occupied or rental housing, or a combination of

APPENDIX

Repealed Minnesota Statutes: 17-4683

both, with a variety of prices and designs which serve families with a range of incomes and housing needs.

(b) "Municipality" means a statutory or home rule charter city or town participating in the local housing incentives program under section 473.254.

(c) "Development authority" means a housing and redevelopment authority, economic development authority, or port authority.

Subd. 2. **Application criteria.** The Metropolitan Council must give preference to economically viable proposals to the degree that they: (1) use innovative building techniques or materials to lower construction costs while maintaining high quality construction and livability; (2) are located in communities that have demonstrated a willingness to waive local restrictions which otherwise would increase costs of construction; and (3) include units affordable to households with incomes at or below 80 percent of area median income.

Priority shall be given to proposals where at least 15 percent of the owner-occupied units are affordable to households at or below 60 percent of the area annual median income and at least ten percent of the rental units are affordable to households at or below 30 percent of area annual median income.

An inclusionary housing development may include resale limitations on its affordable units. The limitations may include a minimum ownership period before a purchaser may profit on the sale of an affordable unit.

Cost savings from regulatory incentives must be reflected in the sale of all residences in an inclusionary development.

Subd. 3. **Inclusionary housing incentives.** The Metropolitan Council may work with municipalities and developers to provide incentives to inclusionary housing developments such as waiver of service availability charges and other regulatory incentives that would result in identifiable cost avoidance or reductions for an inclusionary housing development.

Subd. 4. **Inclusionary housing grants.** The council shall use funds in the inclusionary housing account to make grants or loans to municipalities or development authorities to fund the production of inclusionary housing developments that are located in municipalities that offer incentives to assist in the production of inclusionary housing. Such incentives include but are not limited to: density bonuses, reduced setbacks and parking requirements, decreased road widths, flexibility in site development standards and zoning code requirements, waiver of permit or impact fees, fast-track permitting and approvals, or any other regulatory incentives that would result in identifiable cost avoidance or reductions that contribute to the economic feasibility of inclusionary housing.

Subd. 5. **Grant application.** A grant application must at a minimum include the location of the inclusionary development, the type of housing to be produced, the number of affordable units to be produced, the monthly rent, or purchase price of the affordable units, and the incentives provided by the municipality to achieve development of the affordable units.

473.3875 TRANSIT FOR LIVABLE COMMUNITIES.

The council shall establish a transit for livable communities demonstration program fund. The council shall adopt guidelines for selecting and evaluating demonstration projects for funding. The selection guidelines must include provisions evaluating projects:

- (1) interrelating development or redevelopment and transit;
- (2) interrelating affordable housing and employment growth areas;
- (3) helping intensify land use that leads to more compact development or redevelopment;
- (4) coordinating school transportation and public transit service;
- (5) implementing recommendations of the transit redesign plan; or
- (6) otherwise promoting the goals of the Metropolitan Livable Communities Act.

473.388 REPLACEMENT SERVICE PROGRAM.

Subdivision 1. **Program established.** A replacement service program is established to continue the metropolitan transit service demonstration program established in Minnesota Statutes 1982, section 174.265, as provided in this section.

Subd. 2. **Replacement service; eligibility.** The council may provide assistance under the program to a statutory or home rule charter city or town or combination thereof, that:

- (a) is located in the metropolitan transit taxing district;
- (b) is not served by the council bus service or is served only with council bus routes which begin or end within the applying city or town or combination thereof; and

APPENDIX

Repealed Minnesota Statutes: 17-4683

(c) has fewer than four scheduled runs of council bus service during off-peak hours as defined by the Metropolitan Council.

Eligible cities or towns or combinations thereof may apply on behalf of a transit operator with whom they propose to contract for service.

The council may not provide assistance under this section to a statutory or home rule charter city or town unless the city or town,

(i) was receiving assistance under Minnesota Statutes 1982, section 174.265, by July 1, 1984,

(ii) had submitted an application for assistance under that section by July 1, 1984, or

(iii) had submitted a letter of intent to apply for assistance under that section by July 1, 1984, and submits an application for assistance under this section by July 1, 1988. A statutory or home rule charter city or town has an additional 12-month extension if it notified the former regional transit board before July 1, 1988, that the city or town is in the process of completing a transportation evaluation study that includes an assessment of the local transit needs of the city or town.

Subd. 3. Application for assistance. An application for assistance under this section must:

(a) describe the existing service provided to the applicant by the council, including the estimated number of passengers carried and the routes, schedules, and fares;

(b) describe the transit service proposed for funding under the demonstration program, including the anticipated number of passengers and the routes, schedules, and fares; and

(c) indicate the total amount of available local transit funds, the portion of the available local transit funds proposed to be used to subsidize replacement services, and the amount of assistance requested for the replacement services.

Subd. 4. Financial assistance. (a) The council must grant the requested financial assistance if it determines that the proposed service is intended to replace the service to the applying city or town or combination thereof by the council and that the proposed service will meet the needs of the applicant at least as efficiently and effectively as the existing service.

(b) The amount of assistance which the council must provide to a system under this section may not be less than the sum of the amounts determined for each municipality comprising the system as follows:

(1) the transit operating assistance grants received under this subdivision by the municipality in calendar year 2001 or the tax revenues for transit services levied by the municipality for taxes payable in 2001, including that portion of the levy derived from the areawide pool under section 473F.08, subdivision 3, clause (a), plus the portion of the municipality's aid under Minnesota Statutes 2002, section 273.1398, subdivision 2, attributable to the transit levy; times

(2) the ratio of (i) an amount equal to 3.74 percent of the state revenues generated from the taxes imposed under chapter 297B for the current fiscal year to (ii) the total transit operating assistance grants received under this subdivision in calendar year 2001 or the tax revenues for transit services levied by all replacement service municipalities under this section for taxes payable in 2001, including that portion of the levy derived from the areawide pool under section 473F.08, subdivision 3, clause (a), plus the portion of homestead and agricultural credit aid under Minnesota Statutes 2002, section 273.1398, subdivision 2, attributable to nondebt transit levies; times

(3) the ratio of (i) the municipality's total taxable market value for taxes payable in 2006 divided by the municipality's total taxable market value for taxes payable in 2001, to (ii) the total taxable market value of all property located in replacement service municipalities for taxes payable in 2006 divided by the total taxable market value of all property located in replacement service municipalities for taxes payable in 2001.

(c) The council shall pay the amount to be provided to the recipient from the funds the council receives in the metropolitan area transit account under section 16A.88.

Subd. 5. Other assistance. A city or town receiving assistance or levying a transit tax under this section may also receive assistance from the council under section 473.384. In applying for assistance under that section an applicant must describe the portion of its available local transit funds or local transit taxes which are not obligated to subsidize its replacement transit service and which the applicant proposes to use to subsidize additional service. An applicant which has exhausted its available local transit funds or local transit taxes may use any other local subsidy funds to complete the required local share.

Subd. 7. Local levy option. (a) A statutory or home rule charter city or town that is eligible for assistance under this section may levy a tax for payment of obligations issued by the municipality for capital expenditures for transit and other related activities, provided that property taxes were pledged to satisfy the obligations, and provided that legislative appropriations are insufficient to satisfy the obligations.

APPENDIX

Repealed Minnesota Statutes: 17-4683

(b) This subdivision is consistent with the transit redesign plan. Eligible municipalities opting to operate under this subdivision shall continue to meet the regional performance standards established by the council.

(c) Within the designated Americans with Disabilities Act area, Metro Mobility remains the obligation of the state.

473.39 BORROWING MONEY.

Subd. 4. **Transit capital improvement program.** The council may not issue obligations pursuant to this section until the council adopts a three-year transit capital improvement program. The program must include a capital investment component that sets forth a capital investment strategy and estimates the fiscal and other effects of the strategy. The component must specify, to the extent practicable, the capital improvements to be undertaken. For each improvement specified, the program must describe: (1) need, function, objective, and relative priority; (2) alternatives, including alternatives not involving capital expenditures; (3) ownership and operating entity; (4) location and schedule of development; (5) environmental, social, and economic effects; (6) cost; (7) manner of finance and revenue sources, including federal and state funds, private funds, taxes, and user charges; and (8) fiscal effects, including an estimate of annual operating costs and sources of revenue to pay the costs.

473.3993 LIGHT RAIL TRANSIT FACILITY PLANS; DEFINITIONS.

Subd. 4. **Responsible authority.** "Responsible authority" means either the Metropolitan Council or the state of Minnesota acting through the commissioner of transportation, as designated by the governor under section 473.3994, subdivision 1a, for a particular light rail transit facility.

473.3999 LIGHT RAIL TRANSIT CONSTRUCTION; COUNCIL AUTHORITY.

The Metropolitan Council may exercise the powers granted in this chapter and in other applicable law, as necessary, to plan, design, acquire, construct, and equip light rail transit facilities in the metropolitan area as defined in section 473.121, subdivision 2.

473.411 TRANSIT AND HIGHWAY SYSTEMS.

Subd. 3. **Services of Department of Transportation.** The council may make use of engineering and other technical and professional services, including regular staff and qualified consultants, which the commissioner of transportation can furnish, upon fair and reasonable reimbursement for the cost thereof; provided, that the council has final authority over the employment of any services from other sources which it may deem necessary for such purposes. The commissioner of transportation may furnish all engineering, legal, and other services, if so requested by the council and upon fair and reasonable reimbursement for the cost thereof by the council, for the purposes stated in this subdivision, including the acquisition by purchase, condemnation, or otherwise in the name of the council of all lands, waters, easements, or other rights or interests in lands or waters required by the council. No purchase of service agreements may be made under this subdivision which are not included in the budget of the council.

Subd. 4. **State highways; joint use for transit and highway purposes.** Wherever the joint construction or use of a state highway is feasible in fulfilling the purposes of sections 473.405 to 473.449, the council shall enter into an agreement with the commissioner of transportation therefor, evidenced by a memorandum setting forth the terms of the agreement. Either the council or the commissioner of transportation may acquire any additional lands, waters, easements or other rights or interests required for joint use in accordance with the agreement, or joint acquisition may be made by condemnation as provided by section 117.016 and the provisions of sections 473.405 to 473.449. Under the agreement each party shall pay to the other party reasonable compensation for the costs of any services performed at the request of the other party which may include any costs of engineering, design, acquisition of property, construction of the facilities, and for the use thereof so far as attributable to and necessary for the purposes. The council may not agree to acquisitions or expenditures under this subdivision which are not included in its budget.

473.4461 ADDITIONS TO TRANSIT TAXING DISTRICT.

Notwithstanding any provision of section 473.446 or any other law, the Metropolitan Council may not levy a tax under section 473.446, subdivision 1, in any city or town not included

APPENDIX

Repealed Minnesota Statutes: 17-4683

in the transit taxing district as it existed on January 1, 2001, unless the council and the governing body of that city or town have agreed on a service expansion plan.

473.501 DEFINITIONS.

Subdivision 1. **Terms.** The terms defined in this section shall have the meanings given them for the purposes of sections 473.501 to 473.549 unless otherwise provided or indicated by the context.

Subd. 3. **Local government unit or government unit.** "Local government unit" or "government unit" means any municipal or public corporation or governmental subdivision or agency located in whole or in part in the metropolitan area, authorized by law to provide for the collection and disposal of sewage.

473.504 WASTEWATER SERVICES, POWERS.

Subd. 4. **Rules, penalties.** The council shall have the power to adopt rules relating to the operation of any interceptors or treatment works operated by it, and may provide penalties for the violation thereof not exceeding the maximum which may be specified for a misdemeanor. Any rule prescribing a penalty for violation shall be published at least once in a newspaper having general circulation in the metropolitan area.

Subd. 5. **Gifts, grants, loans.** The council may accept gifts, may apply for and accept grants or loans of money or other property from the United States, the state, or any person for any of its purposes whether for construction, research, or pilot project implementation, may enter into any agreement required in connection therewith, and may hold, use, and dispose of such money or property in accordance with the terms of the gift, grant, loan, or agreement relating thereto.

Subd. 6. **Joint or cooperative action.** The council may act under the provisions of section 471.59, or any other appropriate law providing for joint or cooperative action between government units.

Subd. 9. **May get property.** The council may acquire by purchase, lease, condemnation, gift, or grant, any real or personal property including positive and negative easements and water and air rights, and it may construct, enlarge, improve, replace, repair, maintain, and operate any interceptor or treatment works determined to be necessary or convenient for the collection and disposal of sewage in the metropolitan area. Any local government unit and the commissioners of transportation and natural resources are authorized to convey to or permit the use of any such facilities owned or controlled by it by the council, subject to the rights of the holders of any bonds issued with respect thereto, with or without compensation, without an election or approval by any other government agency. All powers conferred by this subdivision may be exercised both within or without the metropolitan area as may be necessary for the exercise by the council of its powers or the accomplishment of its purposes. The council may hold such property for its purposes, and may lease any such property so far as not needed for its purposes, upon such terms and in such manner as it shall deem advisable. Unless otherwise provided, the right to acquire lands and property rights by condemnation shall be exercised in accordance with chapter 117, and shall apply to any property or interest therein owned by any local government unit; provided, that no such property devoted to an actual public use at the time, or held to be devoted to such use within a reasonable time, shall be so acquired unless a court of competent jurisdiction shall determine that the use proposed by the board is paramount to such use. Except in case of property in actual public use, the council may take possession of any property for which condemnation proceedings have been commenced at any time after the issuance of a court order appointing commissioners for its condemnation.

Subd. 10. **Nonfranchise required.** The council may construct or maintain its systems or facilities in, along, on, under, over, or through public streets, bridges, viaducts, and other public rights-of-way without first obtaining a franchise from any local government unit having jurisdiction over them; but such facilities shall be constructed and maintained in accordance with the ordinances and resolutions of any such government unit relating to construction, installation, and maintenance of similar facilities in such public properties and shall not obstruct the public use of such rights-of-way.

Subd. 11. **Surplus property.** The council may sell or otherwise dispose of any real or personal property acquired by it which is no longer required for accomplishment of its purposes.

Subd. 12. **Pacts with other governments.** The council may contract with the United States or any agency thereof, any state or agency thereof, or any local government unit or governmental agency or subdivision, for the joint use of any facility owned by the council or such entity, for the

APPENDIX

Repealed Minnesota Statutes: 17-4683

operation by such entity of any system or facility of the council, or for the performance on the council's behalf of any service, on such terms as may be agreed upon by the contracting parties.

473.505 TOTAL WATERSHED MANAGEMENT.

The Metropolitan Council may enter into agreements with other governmental bodies and agencies and spend funds to implement total watershed management. "Total watershed management" means identifying and quantifying at a watershed level the (1) sources of pollution, both point and nonpoint, (2) causes of conditions that may or may not be a result of pollution, and (3) means of reducing pollution or alleviating adverse conditions. The purpose of total watershed management is to achieve the best water quality for waters of the state receiving the effluent of the metropolitan disposal system for the lowest total costs, without regard to who will incur those costs.

473.511 SEWER SERVICE FUNCTION.

Subdivision 1. **Duty of council; existing, new facilities.** At any time after January 1, 1970, until July 1, 1994, the former Metropolitan Waste Control Commission, and after July 1, 1994, the council shall assume ownership of all existing interceptors and treatment works which will be needed to implement the council's comprehensive plan for the collection, treatment, and disposal of sewage in the metropolitan area, in the manner and subject to the conditions prescribed in subdivisions 2 and 4, and shall thereafter acquire, construct, equip, operate and maintain all additional interceptors and treatment works which will be needed for such purpose. The council shall assume ownership of all treatment works owned by a local government unit if any part of such treatment works will be needed for such purpose.

Subd. 2. **Method of acquisition; existing debt.** The council may require any local government unit to transfer to the council, all of its right, title and interest in any interceptors or treatment works and all necessary appurtenances thereto owned by such local government unit which will be needed for the purpose stated in subdivision 1. Appropriate instruments of conveyance for all such property shall be executed and delivered to the council by the proper officers of each local government unit concerned. All persons regularly employed by a local government unit to operate and maintain any treatment works so transferred to the council, on the date on which the transfer becomes effective, shall be employees of the council, in the same manner and with the same options and rights as are reserved to employees of sanitary districts and joint boards under subdivision 3. The council, upon assuming ownership of any such interceptors or treatment works, shall become obligated to pay to such local government unit amounts sufficient to pay when due all remaining principal of and interest on bonds issued by such local government unit for the acquisition or betterment of the interceptors or treatment works taken over. Such amounts may be offset against any amount to be paid to the council by the local government unit as provided in section 473.517.

Subd. 3. **Existing sanitary districts, joint sewer boards.** Effective January 1, 1971, the corporate existence of the Minneapolis-St. Paul Sanitary District, the North Suburban Sanitary Sewer District, and any joint board created by agreement among local government units under section 471.59, to provide interceptors and treatment works for such local government units, terminate. All persons regularly employed by such sanitary districts and joint boards on that date or on any earlier date on which the former waste control commission pursuant to subdivisions 1 and 2 assumed ownership and control of any interceptors or treatment works owned or operated by such sanitary districts and joint boards, and who are employees of the commission on July 1, 1994, are employees of the council. Members of trades who are employed by the former Metropolitan Waste Control Commission, who have trade union pension coverage under a collective bargaining agreement, and who elected exclusion from coverage under section 473.512, or who are first employed after July 1, 1977, may not be covered by the Minnesota State Retirement System. The council shall make the employer's contributions to pension funds of its employees. Such employees shall perform such duties as may be prescribed by the council. All funds of such sanitary districts and joint boards then on hand, and all subsequent collections of taxes, special assessments or service charges levied or imposed by or for such sanitary districts or joint boards must be transferred to the council. The local government units otherwise entitled to such cash, taxes, assessments, or service charges must be credited with such amounts, and such credits must be offset against any amounts to be paid by them to the council as provided in section 473.517. The former Metropolitan Waste Control Commission, and on July 1, 1994, the council shall succeed to and become vested by action of law with all right, title and interest in and to any property, real or personal, owned or operated by such sanitary districts and joint boards.

APPENDIX

Repealed Minnesota Statutes: 17-4683

Prior to that date the proper officers of such sanitary districts and joint boards, or the former Metropolitan Waste Control Commission, shall execute and deliver to the council all deeds, conveyances, bills of sale, and other documents or instruments required to vest in the council good and marketable title to all such real or personal property; provided that vesting of the title must occur by operation of law and failure to execute and deliver the documents does not affect the vesting of title in the former Metropolitan Waste Control Commission or the council on the dates indicated in this subdivision. The council shall become obligated to pay or assume all bonded or other debt and contract obligations incurred by the former Metropolitan Waste Control Commission, or by such sanitary districts and joint boards, or incurred by local government units for the acquisition or betterment of any interceptors or treatment works owned or operated by such sanitary districts or joint boards.

Subd. 4. **Current value of existing facilities.** When the council assumes the ownership of any existing interceptors or treatment works as provided in subdivision 2 or 3, the local government unit or units which paid part or all of the cost of such facility, directly or pursuant to contracts for reimbursement of costs, shall be entitled to receive a credit against amounts to be allocated to them under section 473.517, which may be spread over such period not exceeding 30 years as the council shall determine, and an additional credit equal to interest on the unused credit balance from time to time at the rate of four percent per annum. The amount of such credit shall equal the current value of the facility computed by the council in the manner provided in this subdivision at the time the council acquires it. The original cost of a facility shall be computed as the total actual costs of constructing it, including engineering, legal, and administrative costs, less any part of it paid from federal or state funds and less the principal amount of any then outstanding bonds which were issued to finance its construction. The original cost shall be multiplied by a factor equal to a current cost index divided by the same cost index at the time of construction, to determine replacement cost. The cost indices used shall be the Engineering News Record Construction Cost Indices for facilities or parts thereof completed before 1930, and the United States Public Health Service Federal Water Pollution Control Values for Sewer and Treatment Plant Construction, as applied to facilities or parts thereof completed in or after 1930. The current value of the facility shall be the replacement cost depreciated by 4.00 percent per annum from the date of construction of treatment works, 2.50 percent per annum from the date of construction of interceptors which operate under pressure, and 1.25 percent per annum from the date of construction of interceptors which do not operate under pressure; and decreased further by a reasonable allowance for obsolescence if the council determines that the facility or any part thereof will not be useful for council purposes for at least the remaining period required to depreciate it fully, assuming no salvage value. The current value of each such facility shall be credited to each local government unit in proportion to the amount of the construction cost paid by that unit, as determined by the council, taking into account reimbursements previously made under contracts between any of the local government units. The council shall prepare an itemized statement of the amount of credit each local government unit is entitled to receive under this subdivision, and the years and amounts of installments of principal and interest thereon, and shall cause it to be mailed or delivered to the governing body of each local government unit concerned. All credits allowed under this subdivision shall be used to finance current costs allocated to the local government unit by the council or for other sewer costs, and the credits shall not be considered as proceeds from the sale of municipal property so as to permit their use for other purposes. At its option, the council may make a periodic payment to each local government unit in the amount of the credits provided pursuant to this subdivision, in lieu of a credit against amounts to be allocated to such local government units under section 473.517.

473.5111 TRANSFER, DISPOSAL OF NONMETROPOLITAN INTERCEPTOR.

Subdivision 1. **Definitions.** In this section, the definitions in this subdivision apply, except as otherwise expressly provided or indicated by the context.

(a) The term "in good operating condition" with reference to an interceptor means that the facility is currently operational and that the pipes or sewer mains portion only of the facility is expected to have structural integrity, as appropriate for the proposed use of the pipe, for a period of ten or more years after the date of a determination or certification of good operating condition under this section.

(b) The term "interceptor" has the meaning given it in section 473.121, subdivision 23, and includes a designated portion of an interceptor.

(c) The term "local government unit," with respect to an interceptor that is a storm sewer, means a local governmental unit as defined in section 473.121, subdivision 6. The term

APPENDIX

Repealed Minnesota Statutes: 17-4683

local government unit, with respect to an interceptor that is not a storm sewer, means a local government unit as defined in section 473.501, subdivision 3.

(d) The term "storm sewer" means a facility that currently carries exclusively water runoff, surface water, or other drainage, rather than sewage.

(e) The term "use as a local facility" includes use as either a sanitary sewer or a storm sewer.

Subd. 2. **Nonmetropolitan status determination.** The council may determine that an interceptor is no longer needed to implement the council's comprehensive plan for the collection, treatment, and disposal of sewage in the metropolitan area. If the council makes the determination, it may use the procedures in this section to sell, transfer, abandon, or otherwise dispose of the interceptor.

Subd. 3. **Local benefit determination; transfer to benefited community.** (a) If the council uses the procedures in this section, it must, with regard to each interceptor for which the determination is made in subdivision 2, determine whether or not the interceptor continues to be of benefit for use as a local facility for one or more local government units. If the council determines that the interceptor does not continue to be of benefit as a local facility, it must notify each local government unit in which the interceptor is located, of this determination.

(b) Such a government unit may notify the council in writing within 90 days from receipt of notice that it believes the interceptor provides a local benefit to the government unit and that it desires to take possession of the interceptor. The council may extend the time for a government unit to provide this notice. If a government unit delivers a written notice to the council in accordance with this paragraph, the council must transfer the interceptor at no cost to the government unit by preparing and transmitting a bill of sale for the facility and quitclaim deeds for any property rights associated with the facility that are no longer needed for the council's purposes. Upon receipt of the bill of sale, the government unit is the owner of the interceptor and thereafter responsible for its operation and maintenance.

(c) If the council does not receive notice from a government unit under paragraph (b), the council may sell, transfer, abandon, or otherwise dispose of the interceptor in such manner as it may deem fit.

Subd. 4. **Preliminary council determinations; notice to local government units.** If the council determines that an interceptor continues to be of benefit for use as a local facility for one or more local government units, it must designate those units that are so benefited and the portions of the interceptor that should properly be transferred to the benefited units. It must also determine whether the interceptor is in good operating condition and, if not, the necessary repairs, and their cost, needed to put the interceptor in good operating condition. The council must provide written notice to each designated unit of the council's determinations in this subdivision.

Subd. 5. **Contested case; administrative and judicial review.** (a) The council's preliminary determinations under subdivision 4 may be contested by a local government unit which has been designated by the council under that subdivision. The unit has 90 days from receiving notice of the council's determinations under subdivision 4 within which to make a written request to the council for a hearing on the council's determinations. The unit in its request for hearing must specify the determinations with which it disagrees and its position with regard to those determinations. If within 90 days no designated unit has requested a hearing in writing, the council's preliminary determinations become its final decision with respect to the determinations under subdivision 4 and the final decision is binding on all designated units. If a designated unit requests a hearing, the request for hearing must be granted and the hearing must be conducted by the Office of Administrative Hearings in the manner provided by chapter 14 for contested cases. The subject of the hearing must extend only to those council determinations under subdivision 4 for which a hearing has been requested. The council and all local government units designated by the council under subdivision 4 are parties to the contested case proceeding.

(b) Charges of the Office of Administrative Hearings must be divided equally among the council and those parties who requested a hearing under paragraph (a). Otherwise, each party is responsible for its own costs and expenses in the proceeding.

(c) After receipt of the report of the Office of Administrative Hearings, the council must make a final decision with respect to the determinations in subdivision 4. Any party to the contested case proceeding who is aggrieved by the final decision of the council may make a judicial appeal in the manner provided in chapter 14 for contested cases.

Subd. 6. **Council options.** (a) If the council's final decision after a proceeding under subdivision 5 is that the interceptor does not continue to be of benefit for use as a local facility, it may sell, transfer, abandon, or otherwise dispose of the interceptor in such manner as it may deem fit.

APPENDIX

Repealed Minnesota Statutes: 17-4683

(b) If the council's final decision is that the interceptor continues to be of benefit for use as a local facility, but is not in good operating condition, it may either:

(1) continue to operate the interceptor until sold, transferred, abandoned, or otherwise disposed of in such manner as it may deem fit; or

(2) repair the interceptor as necessary to put the interceptor in good operating condition, certify that it is in good operating condition, and proceed under subdivision 7.

(c) If the council's final decision is that the interceptor continues to be of benefit for use as a local facility and is in good operating condition, it must proceed under subdivision 7.

Subd. 7. Transfer agreement; local benefit charge; transfer to benefited community. (a) This subdivision applies if an interceptor designated in subdivision 2 continues to be of benefit as a local facility and is determined or, after repair is certified, by the council to be in good operating condition.

(b) The council and each local government unit that has been determined to have a benefit in accordance with the procedures in this section must negotiate and enter into an agreement governing transfer of an interceptor that has been determined to have benefit for use as a local facility.

(c) The agreement may provide for the council to share in the cost of emergency repairs to the transferred interceptor for an agreed warranty period not exceeding ten years beyond the later of:

(1) the date of the preliminary council determination of good operating condition in subdivision 4; or

(2) the date of the certification in subdivision 6, paragraph (b), clause (2).

(d) The agreement may also contain arrangements between one or more local government units concerning shared use, ownership, operation, or maintenance of the transferred interceptor.

(e) If the interceptor is not a storm sewer and is not transferred in its entirety to local government units, the council must charge a local benefit charge for the portions of the interceptor not transferred.

(f) The charge must begin on the later of:

(1) two years from the date of the determination in subdivision 2; or

(2) the day after the completion of any contested case proceeding under subdivision 5, including any judicial appeals.

(g) The local benefit charge must be:

(1) based on the costs of overhead, operation, maintenance, rehabilitation, and debt service of that portion of the interceptor not transferred;

(2) charged to all local government units which have not taken ownership of their allocated portion of the interceptor; and

(3) allocated in accordance with the final decision of the council under subdivision 5.

(h) The local benefit charge is considered a charge payable by the local government unit to the council under section 473.521 and must continue to be paid by the local government unit until the interceptor is transferred to it.

(i) If the facility is a storm sewer and is not transferred in its entirety to the benefited local government unit or units by the later of:

(1) two years from the date of the determination in subdivision 2; or

(2) the day after the completion of any contested case proceeding under subdivision 5, including any judicial appeals,

then the facility is transferred effective on the later of the dates in clauses (1) and (2), by operation of law, to the unit or units determined to have a benefit in accordance with the procedures under this section.

(j) The transfer is not dependent on an agreement between the council and the local government unit or units and is at no cost to the receiving unit.

(k) The local government unit is thereafter the owner of the interceptor and responsible for its operation and maintenance.

(l) The council must prepare and transmit to the appropriate government unit or units bills of sale for the facility, and quitclaim deeds for any property rights associated with the facility which are no longer needed for the council's purposes.

Subd. 8. Power to operate, maintain, and repair facility. Until such time as an interceptor is sold, transferred, abandoned, or otherwise disposed of under this section, the council has all powers under this chapter to operate, maintain, and repair the interceptor. After transfer of an

APPENDIX

Repealed Minnesota Statutes: 17-4683

interceptor, the council has all powers under this chapter to provide emergency repairs under any agreed warranty period incorporated into a transfer agreement under subdivision 7.

473.512 PENSION EXCLUSION FOR CERTAIN LABOR SERVICE EMPLOYEES.

Subdivision 1. **Qualification, conditions.** A member of a trade who is employed by the former metropolitan waste control commission, and on July 1, 1994, is employed by the council, on a permanent basis with trade union pension plan coverage pursuant to a collective bargaining agreement shall be excluded from coverage by the Minnesota State Retirement System if the member was first employed on or after June 1, 1977 or, if the member was first employed prior to June 1, 1977, has elected to be excluded from coverage by the Minnesota State Retirement System pursuant to subdivision 2, and has accepted a refund of contributions pursuant to subdivision 3.

Subd. 2. **Deadline, effect.** A member of a trade entitled under subdivision 1 to make an election of exclusion from pension coverage by the Minnesota State Retirement System may make the election of exclusion no later than August 1, 1977 on forms provided by the executive director of the Minnesota State Retirement System. The election of exclusion from coverage shall be a one time election irrevocable while employed in such capacity and shall have retroactive application to the first day of membership in the Minnesota State Retirement System.

Subd. 3. **Refund.** Upon electing to be excluded from coverage as provided in subdivision 2 and making a valid application, a member of a trade shall be entitled to a refund of both the accumulated employee and the employer contributions made pursuant to Minnesota Statutes 1976, section 352.04, subdivision 3, on behalf of the member plus interest at the rate of 3-1/2 percent per annum compounded annually from the date of commencement of coverage, computed to the first day of the month in which the refund is processed and shall be based on fiscal year balances. The application for the refund may be made without the waiting period provided for in section 352.22, subdivision 1. No repayment of a refund made under this section shall be permitted.

473.513 MUNICIPAL PLANS AND PROGRAMS.

As soon as practicable after the adoption of the first policy plan by the council as provided in section 473.146, and before undertaking the construction of any extensions or additions to its disposal system or the substantial alteration or improvement of its existing disposal system, each local government unit shall adopt a similar policy plan for the collection, treatment and disposal of sewage for which the local government unit is responsible, coordinated with the council's plan, and may revise the same as often as it deems necessary. Each such plan shall be submitted forthwith to the council for review and shall be subject to the approval of the council as to those features affecting the council's responsibilities as determined by the council. Any such features disapproved by the council shall be modified in accordance with the council's recommendations. No construction of new sewers or other disposal facilities, and no substantial alteration or improvement of any existing sewers or other disposal facilities involving such features, shall be undertaken by any local government unit unless its governing body shall first find the same to be in accordance with its comprehensive plan and program as approved by the council. At the time each local government unit makes application to the Minnesota Pollution Control Agency for a permit to alter or improve its disposal system it shall file with the council a copy of the application together with design data and a location map of the project.

473.515 SEWAGE COLLECTION AND DISPOSAL; POWERS.

Subdivision 1. **Identification of powers.** In addition to all other powers conferred upon or delegated to the council hereunder, it shall have the powers specified in this section.

Subd. 2. **Right to discharge treated sewage.** The council shall have the right to discharge the effluent from any treatment works operated by it into any waters of the state in accordance with any effluent or water quality standards lawfully adopted by the Pollution Control Agency.

Subd. 3. **Connections with metropolitan system.** The council may require any person or local government unit in the metropolitan area to provide for the discharge of its sewage, directly or indirectly, into the metropolitan disposal system, or to connect any disposal system or part thereof with the metropolitan disposal system wherever reasonable opportunity therefor is provided; may regulate the manner in which such connections are made; may require any person or local government unit discharging sewage into the metropolitan disposal system to provide preliminary treatment therefor; may prohibit the discharge into the metropolitan disposal system of any substance which it determines will or may be harmful to the system or any persons operating it; and may require any local government unit to discontinue the acquisition, betterment,

APPENDIX

Repealed Minnesota Statutes: 17-4683

or operation of any facility for its disposal system wherever and so far as adequate service is or will be provided by the metropolitan disposal system.

473.5155 VIOLATION OF WASTEWATER LAW; REMEDIES, PENALTIES.

Subdivision 1. **Remedies available.** (a) For purposes of this section, "violation" means any discharge or action by a person that violates sections 473.501 to 473.549 or rules, standards, variances, limitations, orders, stipulations, agreements, schedules of compliance, or permits that are issued or adopted by the council under sections 473.501 to 473.549.

(b) Each violation may be enforced by any one or a combination of the following: criminal prosecution, civil action, or other appropriate action in accordance with sections 473.501 to 473.549.

Subd. 2. **Criminal penalties; duties.** (a) Any person who commits a violation under subdivision 1 may be sentenced to imprisonment for not more than 90 days or to payment of a fine of not more than \$1,000, or both.

(b) County attorneys, sheriffs and other peace officers, and other officers authorized to enforce criminal laws shall take all action necessary to prosecute and punish violations.

Subd. 3. **Civil penalties.** A violation is subject to a penalty payable to the state, in an amount to be determined by the court, of not more than \$1,000 per day of violation. The civil penalty may be recovered by a civil action brought by the council in the name of the state.

473.516 WASTE FACILITIES; SEWAGE SLUDGE DISPOSAL.

Subdivision 1. **Acquisition and operation.** Without limiting the grant or enumeration of any of the powers conferred on the council under sections 473.501 to 473.549, the council shall have the specific power to acquire by purchase, lease, condemnation, gift or grant any real or personal property, positive and negative easements and water and air rights, and it may construct, enlarge, improve, replace, repair, maintain and operate waste facilities in the metropolitan area deemed to be necessary or convenient in connection with the processing or disposal of waste resulting from sewage treatment, and the council may contract for the maintenance and operation of such waste facilities, subject to the bidding requirements of section 473.523. The council may accept for processing waste derived from outside the metropolitan area in the state, as well as waste derived from within the metropolitan area, and may fix and collect fees and charges for the acceptance of waste as the council determines to be reasonable.

Subd. 2. **General requirements.** With respect to its activities under this section, the council shall be subject to and comply with the applicable provisions of this chapter. Property acquired by the council under this section shall be subject to the provisions of section 473.545. Any site or facility owned or operated for or by the council shall conform to the policy plan adopted under section 473.149. The council shall contract with private persons for the construction, maintenance, and operation of waste facilities, subject to the bidding requirements of section 473.523, where the facilities are adequate and available for use and competitive with other means of providing the same service.

Subd. 3. **Local restrictions.** Counties and local units of government may impose conditions respecting the construction, operation, inspection, monitoring, and maintenance of a waste facility of the council and conditions respecting the sale, gift, delivery, storage, use, and disposal of sewage sludge of the council on private property as a soil conditioner or amendment, but only in the manner and only to the extent authorized and approved by the council and the Pollution Control Agency as being consistent with the establishment and use of the council's waste facilities and the disposal of the council's sewage sludge on private property in accordance with the council's plan, adopted under Minnesota Statutes 1992, section 473.153, and agency permits and rules. Counties may exercise the enforcement powers granted under section 473.811, subdivision 5c, in the manner and to the extent authorized and approved in accordance with this subdivision.

Subd. 4. **Technical monitoring; sewage sludge disposal.** Each sewage sludge disposal facility of the council, or site used for the disposal of sewage sludge of the council, shall be required to have an agency permit issued pursuant to agency rules for permitting sewage sludge disposal facilities and sites. Each permit shall require a regular monitoring and testing program to be carried out by the council. A regular inspection program shall be conducted by the agency or a county under contract to the agency. The council shall reimburse the agency quarterly for the cost of the program, and the amounts reimbursed are hereby appropriated to the agency for the purposes of the program. The council shall attempt to the greatest practical extent to provide a sludge quality that permits desired nutrient loadings and minimizes elements not essential for plant growth when sludge is disposed of on private property as a soil conditioner or amendment.

APPENDIX

Repealed Minnesota Statutes: 17-4683

The council shall provide recipients with information on the facility generating the sludge and the content of the sludge taken from its various treatment facilities.

473.517 ALLOCATION OF COSTS.

Subdivision 1. **Allocation method.** Except as provided in subdivision 3, the estimated costs of operation, maintenance, and debt service of the metropolitan disposal system to be paid by the council in each fiscal year, and the costs of acquisition and betterment of the system which are to be paid during the year from funds other than bond proceeds, including all expenses incurred by the council pursuant to sections 473.501 to 473.545, are referred to in this section as current costs, and shall be allocated among and paid by all local government units which will discharge sewage, directly or indirectly, into the metropolitan disposal system during the budget year according to an allocation method determined by the council. The allocated costs may include an amount for a reserve or contingency fund and an amount for cash flow management. The cash flow management fund so established must not exceed five percent of the council's total wastewater services operating budget.

Subd. 3. **Allocation of treatment, interceptor costs; reserved capacity.** (a) In preparing each budget the council shall estimate the current costs of acquisition, betterment, and debt service, only, of the treatment works in the metropolitan disposal system which will not be used to total capacity during the budget year, and the percentage of such capacity which will not be used, and shall deduct the same percentage of such treatment works costs from the current costs allocated under subdivision 1. The council shall also estimate the current costs of acquisition, betterment, and debt service, only, of the interceptors in the metropolitan disposal system that will not be used to total capacity during the budget year, shall estimate the percentage of the total capacity that will not be used, and shall deduct the same percentage of interceptor costs from the current costs allocated under subdivision 1. The total amount so deducted with respect to all treatment works and interceptors in the system shall be allocated among and paid by the respective local government units in the metropolitan area through a metropolitan sewer availability charge for each new connection or increase in capacity demand to the metropolitan disposal system within each local government unit. Amounts collected through the metropolitan sewer availability charge (SAC) must be deposited in the council's wastewater reserve capacity fund. Each fiscal year an amount from the wastewater reserve capacity fund shall be transferred to the wastewater operating fund for the reserved capacity costs described in this paragraph. For the purposes of this subdivision, the amount transferred from the wastewater reserve capacity fund to the wastewater operating fund shall be referred to as the "SAC transfer amount."

(b) If, after appropriate study and a public hearing, the council determines for the next fiscal year that a reduction of the SAC transfer amount is necessary or desirable to ensure adequate funds remain in the wastewater reserve capacity fund, based on a goal of maintaining at least the next year's estimated SAC transfer amount in the wastewater reserve capacity fund, the council may reduce the SAC transfer amount for that fiscal year. If the council reduces the SAC transfer amount for the next fiscal year, the council must then increase the metropolitan sewer availability charge not less than the greater of six percent or the annual percentage change in the Consumer Price Index for the metropolitan region for the previous year plus three percentage points. For the purposes of this subdivision, any reduction in the SAC transfer amount shall be referred to as the "SAC transfer deficit." The provisions of this paragraph expire at the end of calendar year 2015.

(c) The council will record on a cumulative basis the total SAC transfer deficit. In any year that the wastewater reserve capacity fund has a year-end balance of at least two years' estimated SAC transfer amount, the council shall increase the subsequent annual SAC transfer amount in excess of the amount required by paragraph (a) with the goal of eliminating the cumulative total SAC transfer deficit. The annual amount by which the council increases the SAC transfer amount shall be determined by the council after appropriate study and a public hearing.

Subd. 6. **Deferment of payments.** (a) Upon request of a local government unit, the council may provide for the deferment of payment of all or part of the allocated costs that are allocated by the council to that local government unit in any year pursuant to subdivision 1, repayable at the time or times specified by the council, with interest as determined by the council. A deferment must not result in an increase to the allocated costs which are allocated by the council to other local government units in any year pursuant to subdivision 1.

(b) Upon request of a local government unit, the council may provide for the deferment of payment of all or part of the allocated costs which are allocated by the council to a local government unit in any year pursuant to subdivision 3, repayable at such time or times as the council shall specify, with interest at the approximate average annual rate borne by council bonds outstanding at the time of the deferment, as determined by the council. Such deferred costs

APPENDIX

Repealed Minnesota Statutes: 17-4683

shall be allocated to and paid by all local government units in the metropolitan area which will discharge sewage, directly or indirectly, into the metropolitan disposal system in the budget year for which the deferment is granted, in the same manner and proportions as costs are allocated under subdivision 1.

Subd. 10. **Direct charging of industrial users.** (a) The term "industrial discharger" for the purposes of this subdivision means a recipient of wastewater treatment services that is required by council rules or procedures to have a permit issued by the council in order to discharge sewage to the metropolitan disposal system.

(b) The council may directly impose on all or any category of industrial dischargers all or any portion of the costs that would otherwise be allocated among and paid by local government units under subdivision 1. Any amounts imposed directly on industrial dischargers by the council under this subdivision must be deducted from the amounts to be allocated among and paid by local government units under subdivision 1, and any charges imposed by a local government unit for the same purpose are of no further force and effect from and after the effective date of the council's direct charges. Charges imposed under this subdivision are in addition to any other charges imposed on industrial dischargers by a local government unit and must be paid by the industrial discharger at such intervals as may be established by the council. The council may impose interest charges upon delinquent payments.

(c) Charges by the council to industrial dischargers under this subdivision including any interest charges, as well as any other charges or related fees owed by the industrial discharger pursuant to a discharge permit issued by the council for the subject property, are a charge jointly and severally against the owners, lessees, and occupants of the property served. The council may certify such unpaid amounts to the appropriate county auditor as a tax for collection as other taxes are collected on the property served. The proceeds of any tax collected pursuant to the council's certification must be paid by the county treasurer to the council when collected. Certification does not preclude the council from recovery of delinquent amounts and interest under any other available remedy.

473.519 1972 U.S. WATER POLLUTION CONTROL ACT: USE CHARGE SHARES.

Each local government unit shall adopt a system of charges for the use and availability of the metropolitan disposal system which will assure that each recipient of waste treatment services within or served by the unit will pay its proportionate share of the costs allocated to the unit by the council under section 473.517, as required by the federal Water Pollution Control Act amendments of 1972, and any regulations issued pursuant thereto. Each system of charges shall be submitted to the council if requested by the council.

473.521 PAYMENTS TO COUNCIL.

Subdivision 1. **Amounts due council, when payable.** Charges payable to the council by local government units may be made payable at such times during each year as the council determines, but such dates shall be fixed with reference to the dates on which tax, assessment, and revenue collections become available to the government units required to pay such charges.

Subd. 2. **Component municipalities, obligations to council.** Each government unit shall pay to the council all sums charged to it as provided in section 473.517, at the times and in the manner determined by the council. The governing body of each such government unit shall take all action that may be necessary to provide the funds required for such payments and to make the same when due.

Subd. 3. **Powers of government units.** To accomplish any duty imposed on it by the council, the governing body of every government unit in the metropolitan area may exercise the powers granted any municipality by chapters 117, 412, 429, 475, sections 115.46, 444.075 and 471.59.

Subd. 4. **Deficiency tax levies.** If the governing body of any local government unit fails to meet any payment to the council hereunder when due, the Metropolitan Council may certify to the auditor of the county in which the government unit is located the amount required for payment of such amount with interest at six percent per annum. The auditor shall levy and extend such amount as a tax upon all taxable property in the government unit for the next calendar year, free from any existing limitations imposed by law or charter. Such tax shall be collected in the same manner as the general taxes of the government unit, and the proceeds thereof, when collected,

APPENDIX

Repealed Minnesota Statutes: 17-4683

shall be paid by the county treasurer to the treasurer of the council and credited to the government unit for which the tax was levied.

473.523 CONSTRUCTION CONTRACTS SUBJECT TO MUNICIPAL BID LAW.

Subdivision 1. **Contracts for metropolitan disposal system.** All contracts for construction work, or for the purchase of materials, supplies, or equipment relating to the metropolitan disposal system shall be made as provided in section 471.345, subdivisions 3 to 6. Contracts subject to section 471.345, subdivision 3, shall be made by the council by publishing once in a legal newspaper or trade paper published in a city of the first class not less than two weeks before the last day for submission of bids, notice that bids or proposals will be received. Such notice shall state the nature of the work or purchase and the terms and conditions upon which the contract is to be awarded, and a time and place where such bids will be received, opened, and read publicly. After such bids have been duly received, opened, read publicly, and recorded, the council shall award such contract to the lowest responsible bidder or it may reject all bids and readvertise. Each contract shall be duly executed in writing and the party to whom the contract is awarded shall give sufficient bond or security to the council for the faithful performance of the contract as required by law. The council shall have the right to set qualifications and specifications and to require bids to meet all such qualifications and specifications before being accepted. If the council by an affirmative vote of two-thirds of its members declares that an emergency exists requiring the immediate purchase of materials or supplies at a cost in excess of the amount specified in section 471.345, subdivision 3, or in making emergency repairs, it shall not be necessary to advertise for bids.

Subd. 1a. **Contracts over \$50,000; best value alternative.** As an alternative to the procurement method described in subdivision 1, the council may issue a request for proposals and award the contract to the vendor or contractor offering the best value under a request for proposals as described in section 16C.28, subdivision 1, paragraph (a), clause (2), and paragraph (c).

473.524 CAPITAL INTENSIVE PUBLIC SERVICES.

The council may exercise the authority it had under Minnesota Statutes 2012, sections 471A.01 to 471A.12, for the purposes of fulfilling its wastewater services responsibilities under sections 473.501 to 473.549. The wastewater facilities designed or built under the authority provided by Minnesota Statutes 2012, sections 471A.01 to 471A.12, deemed necessary by the council to accomplish its responsibilities under this chapter must remain under the ownership of the council.

473.541 DEBT OBLIGATIONS.

Subdivision 1. **Certificates of indebtedness.** At any time or times after approval of an annual budget, and in anticipation of the collection of tax and other revenues appropriated in the budget, the council may by resolution authorize the issuance, negotiation, and sale, in such form and manner and upon such terms as it may determine, of general obligation certificates of indebtedness in aggregate principal amounts not exceeding 50 percent of the total amount of such appropriations, and maturing not later than April 1 following the close of the budget year. All receipts of tax and other revenues included in the budget, after the expenditure of appropriated funds, shall be irrevocably appropriated to a special fund to pay the principal of and the interest on the certificates when due. If for some reason the anticipated revenues are insufficient to pay the certificates and interest thereon when due, the council shall levy a tax in the amount of the deficiency on all taxable property in the metropolitan area, and shall appropriate this amount to the special fund, to be credited thereto from the first tax and other revenues received in the following budget year.

Subd. 2. **Emergency certificates.** If in any budget year the receipts of tax and other revenues should from some unforeseen cause become insufficient to pay the council's current wastewater services expenses, or if any calamity or other public emergency should subject it to the necessity of making extraordinary wastewater services expenditures, the council may make an emergency appropriation of an amount sufficient to meet the deficiency and may authorize the issuance, negotiation, and sale of certificates of indebtedness in this amount in the same manner and upon the same conditions as provided in subdivision 1. The council may levy on all taxable property in the metropolitan area a tax sufficient to pay the certificates and interest thereon, and shall appropriate all collections of such tax to a special fund created for that purpose. The certificates may mature not later than April in the year following the year in which any levied tax is collectible.

APPENDIX

Repealed Minnesota Statutes: 17-4683

Subd. 3. **General obligation bonds.** The council may by resolution authorize the issuance of general obligation bonds for the acquisition or betterment of any interceptors or treatment works determined to be necessary or desirable for the metropolitan disposal system, or for the refunding of outstanding bonds, certificates of indebtedness, or judgments. The council shall provide for the issuance and sale and for the security of such bonds in the manner provided in chapter 475, and shall have the same powers and duties as a municipality issuing bonds under that law, except that no election shall be required and the net debt limitations in chapter 475 shall not apply to such bonds. The council may also pledge for the payment of such bonds any revenues receivable under section 473.517.

Subd. 4. **Revenue bonds.** (a) The council may, by resolution, authorize the issuance of revenue bonds for any purpose for which general obligation bonds may be issued under subdivision 3. The bonds shall be sold, issued, and secured in the manner provided in chapter 475 for bonds payable solely from revenues, except as otherwise provided in this subdivision, and the council shall have the same powers and duties as a municipality and its governing body in issuing bonds under that chapter. The bonds shall be payable from and secured by a pledge of all or any part of revenues receivable under section 473.517, shall not, and shall state they do not, represent or constitute a general obligation or debt of the council, and shall not be included in the net debt of any city, county, or other subdivision of the state for the purpose of any net debt limitation. The proceeds of the bonds may be used to pay credit enhancement fees.

(b) The bonds may be secured by a bond resolution, or a trust indenture entered into by the council with a corporate trustee within or outside the state, which shall define the revenues and bond proceeds pledged for the payment and security of the bonds. The pledge shall be a valid charge on the revenues received under section 473.517. No mortgage of or security interest in any tangible real or personal property shall be granted to the bondholders or the trustee, but they shall have a valid security interest in the revenues and bond proceeds received by the council and pledged to the payment of the bonds as against the claims of all persons in tort, contract, or otherwise, irrespective of whether such parties have notice thereof and without possession or filing as provided in the Uniform Commercial Code or any other law, subject, however, to the rights of the holders of any general obligation bonds issued under subdivision 3. In the bond resolution or trust indenture, the council may make such covenants as it determines to be reasonable for the protection of the bondholders, including a covenant to issue general obligation bonds to refund the revenue bonds if and to the extent required to pay principal and interest on the bonds and to certify a deficiency tax levy as provided in section 473.521, subdivision 4.

(c) Neither the council, nor any council member, officer, employee, or agent of the council, nor any person executing the bonds shall be liable personally on the bonds by reason of their issuance. The bonds shall not be payable from nor a charge upon any funds other than the revenues and bond proceeds pledged to the payment thereof, nor shall the council be subject to any liability thereon or have the power to obligate itself to pay or to pay the bonds from funds other than the revenues and bond proceeds pledged, and no holder or holders of bonds shall ever have the right to compel any exercise of the taxing power of the council (except any deficiency tax levy the council covenants to certify under section 473.521, subdivision 4) or any other public body, to the payment of principal of or interest on the bonds, nor to enforce payment thereof against any property of the council or other public body other than that expressly pledged for the payment thereof.

473.542 DEPOSITORIES.

The council shall from time to time designate one or more national or state banks, or trust companies authorized to do a banking business, as official depositories for moneys of the council, and thereupon shall require the treasurer to deposit all or a part of such moneys in such institutions. Such designation shall be in writing and shall set forth all the terms and conditions upon which the deposits are made, and shall be signed by the chair and treasurer, and made a part of the minutes of the council. Any bank or trust company so designated shall qualify as a depository by furnishing a corporate surety bond or collateral in the amounts required by section 118A.03. However, no bond or collateral shall be required to secure any deposit insofar as it is insured under federal law.

473.543 MONEYS, ACCOUNTS AND INVESTMENTS.

Subdivision 1. **Disposed of as budgeted; pledges.** All moneys from wastewater services operations received by the council shall be deposited or invested by the treasurer and disposed of as the council may direct in accordance with its wastewater services budget; provided that any moneys that have been pledged or dedicated by the Metropolitan Council to the payment

APPENDIX

Repealed Minnesota Statutes: 17-4683

of obligations or interest thereon or expenses incident thereto, or for any other specific purpose authorized by law, shall be paid by the treasurer into the fund to which they have been pledged.

Subd. 2. **Accounts.** The council's treasurer shall establish such funds and accounts as may be necessary or convenient to handle the receipts and disbursements of the council in an orderly fashion.

Subd. 3. **Where to deposit; how to invest.** The moneys on hand in said funds and accounts may be deposited in the official depositories of the council or invested as hereinafter provided. The amount thereof not currently needed or required by law to be kept in cash on deposit may be invested in obligations authorized for the investment of public funds by chapter 118A. Such moneys may also be held under certificates of deposit issued by any official depository of the council.

Subd. 4. **Bond proceeds.** The use of proceeds of all bonds issued by the council for the acquisition and betterment of interceptors or treatment works, and the use, other than investment, of all moneys on hand in any sinking fund or funds of the council, shall be governed by the provisions of chapter 475, and the provisions of resolutions authorizing the issuance of such bonds.

473.545 PROPERTY EXEMPT FROM TAXATION.

Any properties, real or personal, owned, leased, controlled, used, or occupied by the council for any purpose referred to in sections 473.501 to 473.549 are declared to be acquired, owned, leased, controlled, used and occupied for public, governmental, and municipal purposes, and shall be exempt from taxation by the state or any political subdivision of the state, except to the extent that the property is subject to the sales and use tax under chapter 297A, provided that such properties shall be subject to special assessments levied by a political subdivision for a local improvement in amounts proportionate to and not exceeding the special benefit received by the properties from such improvement. No possible use of any such properties in any manner different from their use as part of the metropolitan disposal system at the time shall be considered in determining the special benefit received by such properties. All such assessments shall be subject to final confirmation by the Metropolitan Council, whose determination of the benefits shall be conclusive upon the political subdivision levying the assessment.

473.547 TAX LEVIES.

The council shall have power to levy taxes for debt service of the metropolitan disposal system upon all taxable property within the metropolitan area, without limitation of rate or amount and without affecting the amount or rate of taxes which may be levied by the council for other purposes or by any local government unit in the area. The council shall also have power to levy taxes as provided in section 473.521. Each of the county auditors shall annually assess and extend upon the tax rolls in the auditor's county the portion of the taxes levied by the council in each year which is certified to the auditor by the council. Each county treasurer shall collect and make settlement of such taxes with the council in the same manner as with other political subdivisions.

473.549 RELATION TO EXISTING LAWS.

The provisions of sections 473.501 to 473.549 shall be given full effect notwithstanding the provisions of any law not consistent therewith. The powers conferred on the council under sections 473.501 to 473.545 shall in no way diminish or supersede the powers conferred on the Pollution Control Agency by sections 103F.701 to 103F.755 and chapters 115 and 116.

473.621 POWERS OF CORPORATION.

Subd. 6. **Capital projects; review.** All Minneapolis-St. Paul International Airport capital projects of the commission requiring the expenditure of more than \$5,000,000 shall be submitted to the Metropolitan Council for review. All other capital projects of the commission requiring the expenditure of more than \$2,000,000 shall be submitted to the Metropolitan Council for review. No such project that has a significant effect on the orderly and economic development of the metropolitan area may be commenced without the approval of the Metropolitan Council. In addition to any other criteria applied by the Metropolitan Council in reviewing a proposed project, the council shall not approve a proposed project unless the council finds that the commission has completed a process intended to provide affected municipalities the opportunity for discussion and public participation in the commission's decision-making process. An "affected municipality" is any municipality that (1) is adjacent to a commission airport, (2) is within the noise zone of a commission airport, as defined in the Metropolitan Development Guide, or (3) has notified the

APPENDIX

Repealed Minnesota Statutes: 17-4683

commission's secretary that it considers itself an "affected municipality." The council must at a minimum determine that the commission:

- (a) provided adequate and timely notice of the proposed project to each affected municipality;
- (b) provided to each affected municipality a complete description of the proposed project;
- (c) provided to each affected municipality notices, agendas, and meeting minutes of all commission meetings, including advisory committee meetings, at which the proposed project was to be discussed or voted on in order to provide the municipalities the opportunity to solicit public comment and participate in the project development on an ongoing basis; and
- (d) considered the comments of each affected municipality.

473.834 DEBT SERVICE; SOLID WASTE BONDS.

Subdivision 1. **Certain cities and towns; exemption.** Each city or town in which a solid waste disposal facility is operating after January 1, 1980, shall be permanently exempt from the payments required by this section, if the facility is a commercial facility disposing of mixed municipal solid waste under an agency permit.

Subd. 2. **Allocation of debt service.** The annual debt service on the council's solid waste bonds, issued under Minnesota Statutes 1990, section 473.831, shall be annually apportioned and certified by the council to each county in the metropolitan area, in the proportion that the net tax capacity of all taxable property within each county bears to the net tax capacity of the taxable property in all the counties, except that the apportionment to each county shall first be adjusted to reflect exemptions from payment required by subdivision 1.

473.851 LEGISLATIVE FINDINGS AND PURPOSE.

The legislature finds and declares that the local governmental units within the metropolitan area are interdependent, that the growth and patterns of urbanization within the area create the need for additional state, metropolitan and local public services and facilities and increase the danger of air and water pollution and water shortages, and that developments in one local governmental unit may affect the provision of regional capital improvements for sewers, transportation, airports, water supply, and regional recreation open space. Since problems of urbanization and development transcend local governmental boundaries, there is a need for the adoption of coordinated plans, programs and controls by all local governmental units in order to protect the health, safety and welfare of the residents of the metropolitan area and to ensure coordinated, orderly, and economic development. Therefore, it is the purpose of sections 462.355, 473.175, and 473.851 to 473.871 to (1) establish requirements and procedures to accomplish comprehensive local planning with land use controls consistent with planned, orderly and staged development and the metropolitan system plans, and (2) to provide assistance to local governmental units within the metropolitan area for the preparation of plans and official controls appropriate for their areas and consistent with metropolitan system plans.

473.852 DEFINITIONS.

Subdivision 1. **Terms.** As used in sections 462.355, 473.175, and 473.851 to 473.871, the following terms shall have the meanings given them.

Subd. 2. **Advisory Metropolitan Land Use Committee or advisory committee.** "Advisory Metropolitan Land Use Committee" or "advisory committee" means an advisory committee established by the Metropolitan Council pursuant to section 473.853.

Subd. 3. **Applicable planning statute.** "Applicable planning statute" means sections 394.21 to 394.37 for counties and sections 462.351 to 462.364 for cities and towns.

Subd. 4. **Capital improvement program.** "Capital improvement program" means an itemized program for a five-year prospective period, and any amendments thereto, subject to at least biennial review, setting forth the schedule, timing, and details of specific contemplated capital improvements by year, together with their estimated cost, the need for each improvement, financial sources, and the financial impact that the improvements will have on the local governmental unit.

Subd. 5. **Comprehensive plan.** "Comprehensive plan" means the comprehensive plan of each local governmental unit described in sections 473.858 to 473.862, and any amendments to the plan.

Subd. 6. **Fiscal devices.** "Fiscal devices" means the valuation of property pursuant to section 273.111, the designation of urban and rural service districts, pursuant to section 272.67, and the establishment of development districts pursuant to sections 469.124 to 469.133, and any

APPENDIX

Repealed Minnesota Statutes: 17-4683

other statutes authorizing the creation of districts in which the use of tax increment bonding is authorized.

Subd. 7. **Local governmental unit or unit.** "Local governmental unit" or "unit" means all cities, counties and towns lying in whole or in part within the metropolitan area, but does not include school districts.

Subd. 8. **Metropolitan system plans.** "Metropolitan system plans" means the transportation portion of the Metropolitan Development Guide, and the policy plans, and capital budgets for metropolitan wastewater service, transportation, and regional recreation open space.

Subd. 9. **Official controls or controls.** "Official controls" or "controls" means ordinances and rules which control the physical development of a city, county or town or any part thereof or any detail thereof and implement the general objectives of the comprehensive plan. Official controls may include ordinances establishing zoning, subdivision controls, site plan regulations, sanitary codes, building codes and official maps.

Subd. 10. **Private sewer facility.** "Private sewer facility" means a single lot, multiple lot or other sewage collection or treatment facility owned, constructed or operated by any person other than a local governmental unit or the council.

473.853 ADVISORY COMMITTEE.

The council shall establish an advisory metropolitan land use committee pursuant to section 473.127, comprised of 16 members, one from each council district, and as many additional members as are necessary to provide representation from each metropolitan county, plus a chair. At least one-half of the members of the advisory committee shall be elected officials of local governmental units. The members shall be appointed for the same period as the term of the council member for the district in which the member resides.

473.854 GUIDELINES.

The council shall prepare and adopt guidelines and procedures relating to the requirements and provisions of sections 462.355, 473.175, and 473.851 to 473.871 which will provide assistance to local governmental units in accomplishing the provisions of sections 462.355, 473.175, and 473.851 to 473.871.

473.856 METROPOLITAN SYSTEM STATEMENTS; AMENDMENTS.

The council shall prepare and transmit to each affected local governmental unit a metropolitan system statement when the council updates or revises its comprehensive development guide for the metropolitan area in conjunction with the decennial review required under section 473.864, subdivision 2, and when the council amends or modifies a metropolitan system plan. The statement shall contain information relating to the unit and appropriate surrounding territory that the council determines necessary for the unit to consider in reviewing the unit's comprehensive plan. The statement may include:

(1) the timing, character, function, location, projected capacity, and conditions on use for existing or planned metropolitan public facilities, as specified in metropolitan system plans, and for state and federal public facilities to the extent known to the council; and

(2) the population, employment, and household projections which have been used by the council as a basis for its metropolitan system plans.

Within nine months after receiving a system statement for an amendment to a metropolitan system plan, and within three years after receiving a system statement issued in conjunction with the decennial review required under section 473.864, subdivision 2, each affected local governmental unit shall review its comprehensive plan to determine if an amendment is necessary to ensure continued conformity with metropolitan system plans. If an amendment is necessary, the governmental unit shall prepare the amendment and submit it to the council for review pursuant to sections 462.355, 473.175, and 473.851 to 473.871.

473.857 SYSTEM STATEMENTS; RECONCILIATION PROCEDURES.

Subdivision 1. **Request for hearing.** If a local governmental unit and the council are unable to resolve disagreements over the content of a system statement, the unit may by resolution request that a hearing be conducted by the advisory committee or by the state Office of Administrative Hearings for the purpose of considering amendments to the system statement. The request shall be made by the unit within 60 days after receipt of the system statement and shall be accompanied by a description of the disagreement together with specified proposed

APPENDIX

Repealed Minnesota Statutes: 17-4683

amendments to the system statement. If no request for a hearing is received by the council within 60 days, the statement shall be final.

Subd. 2. **Within 60 days; report.** A hearing shall be conducted within 60 days after the request, provided that the advisory committee or the administrative law judge shall consolidate hearings on related requests. The 60-day period within which the hearing shall be conducted may be extended or suspended by mutual agreement of the council and the local governmental unit. The hearing shall not consider the need for or reasonableness of the metropolitan system plans or parts thereof. The hearing shall afford all interested persons an opportunity to testify and present evidence. The advisory committee or administrative law judge may employ the appropriate technical and professional services of the office of dispute resolution for the purpose of evaluating disputes of fact. The proceedings shall not be deemed a contested case. Within 30 days after the hearing, the advisory committee or the administrative law judge shall report to the council respecting the proposed amendments to the system statements. The report shall contain findings of fact, conclusions, and recommendations and shall apportion the costs of the proceedings among the parties.

Subd. 3. **Final determination.** Within 30 days of receipt of the report, the council, by resolution containing findings of fact and conclusions, shall make a final determination respecting the proposed amendments. At any point in the reconciliation procedure established by this section, the council and a local governmental unit may resolve their disagreement by stipulation.

473.858 COMPREHENSIVE PLANS; LOCAL GOVERNMENTAL UNITS.

Subdivision 1. **No conflicting zoning, fiscal device, official control.** Within nine months following the receipt of a metropolitan system statement for an amendment to a metropolitan system plan and within three years following the receipt of a metropolitan system statement issued in conjunction with the decennial review required under section 473.864, subdivision 2, every local governmental unit shall have reviewed and, if necessary, amended its comprehensive plan in accordance with sections 462.355, 473.175, and 473.851 to 473.871 and the applicable planning statute and shall have submitted the plan to the Metropolitan Council for review pursuant to section 473.175. The provisions of sections 462.355, 473.175, and 473.851 to 473.871 shall supersede the provisions of the applicable planning statute wherever a conflict may exist. If the comprehensive municipal plan is in conflict with the zoning ordinance, the zoning ordinance shall be brought into conformance with the plan by local government units in conjunction with the review and, if necessary, amendment of its comprehensive plan required under section 473.864, subdivision 2. A local government unit shall not adopt any fiscal device or official control which is in conflict with its comprehensive plan, including any amendments to the plan, or which permits activity in conflict with metropolitan system plans, as defined by section 473.852, subdivision 8. The comprehensive plan shall provide guidelines for the timing and sequence of the adoption of official controls to ensure planned, orderly, and staged development and redevelopment consistent with the comprehensive plan. For purposes of this section, a fiscal device or official control shall not be considered to be in conflict with a local government unit's comprehensive plan or to permit an activity in conflict with metropolitan system plans if such fiscal device or official control is adopted to ensure the planned, orderly, and staged development of urbanization or redevelopment areas designated in the comprehensive plan pursuant to section 473.859, subdivision 5.

Subd. 2. **Adjacent review, comment.** Local governmental units shall submit their proposed plans to adjacent governmental units, affected special districts lying in whole or in part within the metropolitan area, and affected school districts for review and comment at least six months prior to submission of the plan to the council and shall submit copies to them on the submission of the plan to the council. For minor plan amendments, the council may prescribe a shorter review and comment period, or may waive the review and comment period if the minor plan amendments involve lands that are not contiguous to other local governmental units.

Subd. 3. **When to council.** The plans shall be submitted to the council following recommendation by the planning agency of the unit and after consideration but before final approval by the governing body of the unit.

Subd. 4. **Status of old, new programs, plans, controls.** Comprehensive plans, capital improvement programs, sewer policy plans and official controls of local governmental units adopted prior to the requirements of sections 462.355, 473.175, and 473.851 to 473.871 shall remain in force and effect until amended, repealed or superseded by plans or controls adopted pursuant to sections 462.355, 473.175, and 473.851 to 473.871. Existing comprehensive plans, capital improvement programs, sewer policy plans, and official controls may be amended and new capital improvement programs and official controls may be prepared and adopted prior to the

APPENDIX

Repealed Minnesota Statutes: 17-4683

submission to the council of comprehensive plans required by sections 462.355, 473.175, and 473.851 to 473.871.

473.859 COMPREHENSIVE PLAN CONTENT.

Subdivision 1. **Contents.** The comprehensive plan shall contain objectives, policies, standards and programs to guide public and private land use, development, redevelopment and preservation for all lands and waters within the jurisdiction of the local governmental unit through 1990 and may extend through any year thereafter which is evenly divisible by five. Each plan shall specify expected industrial and commercial development, planned population distribution, and local public facility capacities upon which the plan is based. Each plan shall contain a discussion of the use of the public facilities specified in the metropolitan system statement and the effect of the plan on adjacent local governmental units and affected school districts. Existing plans and official controls may be used in whole or in part following modification, as necessary, to satisfy the requirements of sections 462.355, 473.175, and 473.851 to 473.871. Each plan may contain an intergovernmental coordination element that describes how its planned land uses and urban services affect other communities, adjacent local government units, the region, and the state, and that includes guidelines for joint planning and decision making with other communities, school districts, and other jurisdictions for siting public schools, building public facilities, and sharing public services.

Each plan may contain an economic development element that identifies types of mixed use development, expansion facilities for businesses, and methods for developing a balanced and stable economic base.

The comprehensive plan may contain any additional matter which may be included in a comprehensive plan of the local governmental unit pursuant to the applicable planning statute.

Subd. 2. **Land use plan.** (a) A land use plan shall include the water management plan required by section 103B.235, and shall designate the existing and proposed location, intensity and extent of use of land and water, including lakes, wetlands, rivers, streams, natural drainage courses, and adjoining land areas that affect water natural resources, for agricultural, residential, commercial, industrial and other public and private purposes, or any combination of such purposes.

(b) A land use plan shall contain a protection element, as appropriate, for historic sites, the matters listed in the water management plan required by section 103B.235, and an element for protection and development of access to direct sunlight for solar energy systems.

(c) A land use plan shall also include a housing element containing standards, plans and programs for providing adequate housing opportunities to meet existing and projected local and regional housing needs, including but not limited to the use of official controls and land use planning to promote the availability of land for the development of low and moderate income housing.

(d) A land use plan shall also include the local government's goals, intentions, and priorities concerning aggregate and other natural resources, transportation infrastructure, land use compatibility, habitat, agricultural preservation, and other planning priorities, considering information regarding supply from the Minnesota Geological Survey Information Circular No. 46.

Subd. 2a. **Application of subdivision 2, paragraph (d).** Subdivision 2, paragraph (d), applies only to land use plans adopted or amended by the governing body in relation to aggregate or when the governing body is presented with a written application for adoption or amendment of a land use plan relating to aggregate, from a landowner after August 1, 2001, in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Subd. 3. **Public facilities plan.** A public facilities plan shall describe the character, location, timing, sequence, function, use and capacity of existing and future public facilities of the local governmental unit. A public facilities plan must be in at least such detail as may be necessary to establish existing or potential effects on or departures from metropolitan system plans and to protect metropolitan system plans. A public facilities plan shall contain at least the following parts:

(1) a transportation plan describing, designating and scheduling the location, extent, function and capacity of existing and proposed local public and private transportation services and facilities;

(2) a sewer policy plan describing, designating and scheduling the areas to be sewered by the public system, the existing and planned capacities of the public system, the standards and conditions under which the installation of private sewer systems will be permitted, and to the extent practicable, the areas not suitable for public or private systems because of public health, safety and welfare considerations;

APPENDIX

Repealed Minnesota Statutes: 17-4683

(3) a parks and open space plan describing, designating and scheduling the existing and proposed parks and recreation open spaces within the jurisdiction; and

(4) a water supply plan as described in section 103G.291, subdivision 3.

Subd. 4. **Implementation program.** An implementation program shall describe public programs, fiscal devices and other specific actions to be undertaken in stated sequence to implement the comprehensive plan and ensure conformity with metropolitan system plans. An implementation program must be in at least such detail as may be necessary to establish existing or potential effects on or departures from metropolitan system plans and to protect metropolitan system plans. An implementation program shall contain at least the following parts:

(1) a description of official controls, addressing at least the matters of zoning, subdivision, water supply, and private sewer systems, and a schedule for the preparation, adoption, and administration of such controls;

(2) a capital improvement program for transportation, sewers, parks, water supply, and open space facilities; and

(3) a housing implementation program, including official controls to implement the housing element of the land use plan, which will provide sufficient existing and new housing to meet the local unit's share of the metropolitan area need for low and moderate income housing.

Subd. 5. **Urbanization and redevelopment areas.** The comprehensive plans may designate, when appropriate, five-year urbanization areas and shall specify in the capital improvement program the timing and sequence of major local public facilities and in the implementation program official controls which will ensure that urbanization occurs only in urbanization areas and in accordance with the plan.

The comprehensive plans may designate, when appropriate, redevelopment areas and may, as appropriate, specify in the capital improvement program the timing and sequence of local public facilities and in the implementation program the fiscal devices or official controls that will ensure that redevelopment occurs in accordance with the plan.

Subd. 6. **Plan review.** The council shall prepare guidelines for the preparation of the water supply plans required in subdivision 3, clause (4). The plans must be submitted to the council as part of the decennial review required under section 473.864, subdivision 2. The council shall review the plans under section 473.175, subdivision 1, after submitting them to affected counties that have adopted groundwater plans under section 103B.255 for their review and comment.

473.86 CITIES.

Except as provided in the metropolitan system statement, comprehensive plans of cities shall include the matters specified in section 473.859.

473.861 TOWNS.

Subdivision 1. **As in section 473.859.** Except as provided in the metropolitan system statement, comprehensive plans of towns shall include the matters specified in section 473.859.

Subd. 2. **Plan preparation.** Each town within the counties of Anoka, Carver, Dakota, Scott, and Washington, authorized to plan under sections 462.351 to 462.364, or under special law, shall by resolution determine whether it will prepare the comprehensive plan for its jurisdiction. Each such town also shall specify, pursuant to agreement with the county within which it is situated, any parts of its plan and official controls, if any, the preparation of which it delegates to the county.

Subd. 3. **Use county.** Towns within counties which have adopted comprehensive plans applicable to the town shall, to the maximum extent, use county preparation of their comprehensive plans.

473.862 METRO COUNTIES OTHER THAN HENNEPIN, RAMSEY, ANOKA, AND DAKOTA.

Subdivision 1. **Contents of plan.** Comprehensive plans of counties shall contain at least the following:

(a) Except for the counties of Hennepin, Ramsey, Anoka, and Dakota, a land use plan as specified in section 473.859, subdivision 2, for all unincorporated territory within the county;

(b) A public facilities plan which shall include all appropriate matters specified in section 473.859, subdivision 3, including a transportation plan, and a description of existing and projected solid waste disposal sites and facilities;

(c) An implementation program, as specified in section 473.859, subdivision 4.

Subd. 2. **Town planning.** Each county other than Hennepin, Ramsey, Anoka, and Dakota shall prepare, with the participation and assistance of the town, the comprehensive plan for any

APPENDIX

Repealed Minnesota Statutes: 17-4683

town within the county which has not taken action by resolution pursuant to section 473.861, subdivision 2 and shall prepare all or part of any plan delegated to it pursuant to section 473.861, subdivision 2.

Subd. 3. **Towns that cannot plan.** Each county other than Hennepin, Ramsey, Anoka, and Dakota shall prepare, with the participation and assistance of the town, the comprehensive plan for each town within the county not authorized to plan under sections 462.351 to 462.364, or under special law.

473.864 PLANS; ADOPTION; AMENDMENT.

Subdivision 1. **When adopted.** Each local governmental unit shall adopt its comprehensive plan with required modifications within nine months following a final decision, order, or judgment made pursuant to section 473.866.

Subd. 2. **Decennial review.** By December 31, 1998, and at least once every ten years thereafter, each local governmental unit shall review and, if necessary, amend its entire comprehensive plan and its fiscal devices and official controls. Such review and, if necessary, amendment shall ensure that, as provided in section 473.865, the fiscal devices and official controls of each local government unit are not in conflict with its comprehensive plan. Upon completion of review and, if necessary, amendment of its comprehensive plan, fiscal devices, and official controls as required by this section, each local government unit shall either:

(a) submit to the Metropolitan Council the entire current comprehensive plan together with written certification by the governing body of the local government unit that it has complied with this section and that no amendments to its plan or fiscal devices or official controls are necessary; or

(b)(1) submit the entire updated comprehensive plan and amendment or amendments to its comprehensive plan necessitated by its review to the Metropolitan Council for review; and

(2) submit the amendment or amendments to its fiscal devices or official controls necessitated by its review to the Metropolitan Council for information purposes as provided by section 473.865.

Except as otherwise provided in this paragraph, local governments shall consider, in preparing their updated comprehensive plans, amendments to metropolitan system plans in effect on December 31, 1996. For metropolitan system plans, or amendments thereto, adopted after December 31, 1996, local governments shall review their comprehensive plans to determine if an amendment is necessary to conform to the metropolitan system plans. If an amendment is necessary, the local government shall prepare the amendment and submit it to the council for review by September 30, 1999, or nine months after the council transmits the metropolitan system plan amendment to the local government, whichever is later.

The periodic review required in this subdivision shall be in addition to the review required by section 473.856.

The Metropolitan Council may grant extensions to local government units in order to allow local government units to complete the review and, if necessary, amendment required by this subdivision. Such extensions, if granted by the Metropolitan Council, must include a timetable and plan for completion of the review and amendment.

Amendments to comprehensive plans of local governmental units shall be prepared, submitted, and adopted in conformance with guidelines adopted by the Metropolitan Council pursuant to section 473.854.

473.865 ADOPTION; CONFLICTS, AMENDMENT OF CONTROLS, DEVICES.

Subdivision 1. **Control copies to council.** Each local governmental unit shall adopt official controls as described in its adopted comprehensive plan and shall submit copies of the official controls to the council within 30 days following adoption thereof, for information purposes only.

Subd. 2. **No conflict with plans.** A local governmental unit shall not adopt any official control or fiscal device which is in conflict with its comprehensive plan or which permits activity in conflict with metropolitan system plans.

Subd. 3. **Amendments.** If an official control conflicts with a comprehensive plan as the result of an amendment to the plan, the official control shall be amended by the unit within nine months following the amendment to the plan so as to not conflict with the amended comprehensive plan.

473.866 CONTESTED CASES; ADMINISTRATIVE AND JUDICIAL REVIEW.

The council's decision to require modification under section 473.175 may be contested by the affected local governmental unit. The unit shall have 60 days within which to request a hearing

APPENDIX

Repealed Minnesota Statutes: 17-4683

on the council's decision to require modification. If within 60 days the unit has not requested a hearing, the council shall make its final decision with respect to the required modifications. If an affected unit requests a hearing, the request for hearing shall be granted, and the hearing shall be conducted within 60 days by the state Office of Administrative Hearings in the manner provided by chapter 14 for contested cases. The 60-day period within which the hearing shall be conducted may be extended by mutual agreement of the council and the affected local governmental unit. The subject of the hearing shall not extend to questions concerning the need for or reasonableness of the metropolitan system plans or any part thereof. In the report of the administrative law judge the costs of the hearing shall be apportioned among the parties to the proceeding. Within 30 days after the receipt of the report the council shall, by resolution containing findings of fact and conclusions, make a final decision with respect to the required modifications of the comprehensive plan. Any party to the proceeding aggrieved by the decision of the council may appeal to the court in the manner provided in chapter 14 for contested cases. The record on appeal shall consist of: (1) the administrative law judge's record and report, and (2) the findings, conclusions and final decision of the council. The scope of review shall be that of section 14.69, provided that: (1) the court shall not give preference to either the administrative law judge's record and report or the findings, conclusions and final decision of the council, and (2) the decision of the court shall be based upon a preponderance of the evidence as contained in the record on appeal. The costs of the appeal shall be apportioned by the court.

473.867 PLANNING ASSISTANCE; GRANTS; LOANS.

Subdivision 1. **Advisory materials, models, assistance.** The council shall prepare and provide advisory materials, model plan provisions and official controls, and on the request of a local governmental unit may provide assistance, to accomplish the purposes of sections 462.355, 473.175, and 473.851 to 473.871. The council may also provide specific technical and legal assistance in connection with the preparation, adoption and defense of plans, programs, and controls.

Subd. 2. **Planning assistance fund.** The council may establish a planning assistance fund as a separate bookkeeping account in its general fund for the purpose of making grants and loans to local governmental units under this section. The council shall adopt uniform procedures for the award, disbursement and repayment of grants and loans.

Subd. 3. **Loans, grants.** Local governmental units may apply, contract for and receive loans and grants as provided herein, and the provisions of chapter 475 shall not apply to loans made pursuant hereto. Applications for grants and loans shall be submitted to the council describing the activities for which the grant or loan funds will be used; the persons which the grantee or borrower plans to use in performing the grant contract; services and activities which will be paid for by funds of the grantee or borrower; the grantee or borrower's need and ability to pay for the contract services; and other information as the council may reasonably request. Grants and loans shall be made subject to contracts between the council and the recipient specifying the use and disbursement of the funds and, for loans, the terms and conditions of repayment, and other appropriate matters. In making grants and loans, the council shall base its decisions on the recipient's demonstrated need and available financial resources.

Subd. 5. **Loan terms.** Loans made by the council shall be payable on such terms and conditions as the council determines appropriate, provided that no loan shall carry an interest rate nor be for a term in excess of five years. Funds received in payment of loans shall be credited to the planning assistance fund and shall be used for additional loans or grants under this section.

Subd. 6. **Assistance for plan updates.** The council shall give priority for the use of loan and grant funds available under this section to local governmental units for review and amendment of local comprehensive plans and fiscal devices and official controls, as required by section 473.864, subdivision 2. The council shall consult with affected local government units to evaluate the need for technical and financial assistance.

473.869 EXTENSION.

A local governmental unit may by resolution request that the council extend the time for fulfilling the requirements of sections 462.355, subdivision 1a, 473.175, and 473.851 to 473.871. A request for extension shall be accompanied by a description of the activities previously undertaken by a local governmental unit in fulfillment of the requirements of sections 462.355, 473.175, and 473.851 to 473.871, and an explanation of the reasons necessitating and justifying the request. Upon a finding of exceptional circumstances or undue hardship, the council may, in

APPENDIX

Repealed Minnesota Statutes: 17-4683

its discretion, grant by resolution a request for extension and may attach reasonable requirements or conditions to the extension.

473.87 LEVY FOR INCREASED COSTS.

The increased costs to a municipality of implementing sections 473.175; 473.858, subdivisions 1 to 3; 473.859 to 473.862; and 473.866 shall be deemed a levy and the proceeds of any tax levied under this section shall be deposited in the municipal treasury in a separate fund and expended only for the purposes authorized by this section.

473.871 NEW MUNICIPAL SEWER SYSTEMS.

Notwithstanding the provisions of sections 462.355, 473.175, and 473.851 to 473.871 the council shall have no authority under this chapter to require a local governmental unit to construct a new sewer system.

473.915 PROCUREMENTS.

All proposed Metropolitan Council procurements over \$125,000,000 must be reviewed by the members of the Legislative Advisory Commission under section 3.30 and the ranking minority members of the house of representatives and senate committees or divisions responsible for overseeing the items subject to the proposed procurement. The chair of the Metropolitan Council shall give notice to the Legislative Advisory Commission secretary when a procurement over \$125,000,000 is being considered. The commission shall take testimony on the procurements.

473F.02 DEFINITIONS.

Subd. 21. **Metropolitan Council.** "Metropolitan Council" or "council" means the Metropolitan Council created by section 473.123.

473F.08 NET TAX CAPACITY.

Subd. 3b. **Livable communities fund.** (a) The Hennepin County auditor shall certify the city of Bloomington's interest payments for 1987 for the bonds which were sold for highway improvements pursuant to Laws 1986, chapter 391, section 2, paragraph (g), and which were certified as an addition to the city of Bloomington's areawide levy for taxes payable in 1988.

(b) For taxes payable in 1996 through taxes payable in 1999, the Hennepin County auditor shall certify the amount calculated by subtracting the amount certified under subdivision 3a from the amount in paragraph (a). For taxes payable in 2000 and subsequent years, the Hennepin County auditor shall certify the amount calculated in paragraph (a).

(c) The Metropolitan Council may annually certify to the Ramsey County auditor the amount calculated under paragraph (b), or a lesser amount, but not to exceed \$5,000,000, to be used to provide funds for the cleanup of polluted lands in the metropolitan area.

(d) The amount certified under paragraph (c) shall be certified annually by the Ramsey County auditor to the administrative auditor as an addition to the Metropolitan Council's areawide levy under subdivision 5.

473H.02 DEFINITIONS.

Subd. 7. **Long-term agricultural land.** "Long-term agricultural land" means land in the metropolitan area designated for agricultural use in local or county comprehensive plans adopted and reviewed pursuant to sections 473.175, and 473.851 to 473.871, and which has been zoned specifically for agricultural use permitting a maximum residential density of not more than one unit per quarter/quarter.

Subd. 8. **Metropolitan area.** "Metropolitan area" has the meaning given it in section 473.121, subdivision 2.

473J.25 METROPOLITAN SPORTS FACILITIES COMMISSION ASSETS; LIABILITIES TO AUTHORITY.

Subd. 5. **Conforming changes.** The Metropolitan Sports Facilities Commission shall submit a technical bill to the 2013 legislature making any cross-reference, grammatical, or other conforming changes necessary as a result of Laws 2012, chapter 299. This bill shall be submitted by February 12, 2013.

5800.0010 PURPOSE.

Minnesota Statutes, section 473.173, requires that the Metropolitan Council adopt and put into effect rules establishing standards, guidelines, and procedures for determining whether any proposed project is of metropolitan significance. This chapter will be used in the review of all such projects. The purpose of this chapter is to assure that the total effect of a proposed project alleged to be of metropolitan significance is considered and the orderly and economic development of the area is promoted. It is not the council's intent to use this chapter to stop development, but rather to work out differences among parties and arrive at consensus.

5800.0020 DEFINITIONS.

Subpart 1. **Scope.** As used in this chapter, the following terms have the meanings given them.

Subp. 2. **Adjacent governmental unit.** "Adjacent governmental unit" means all local governmental units and independent commissions whose jurisdiction includes or adjoins, in whole or in part, that of the governmental unit(s) in which the proposed project is located.

Subp. 3. **Affected governmental unit, state agency, or metropolitan agency.** "Affected governmental unit," "state agency," or "metropolitan agency" means all local governmental units, independent commissions, and state or metropolitan agencies whose legal rights, duties, or privileges may be substantially affected by a proposed project.

Subp. 4. **Bad faith.** "Bad faith" means a conscious and willful decision to act in a manner intending to mislead, deceive, or distort the truth, including but not limited to making a claim which one knows to be groundless or unfounded.

Subp. 5. **Chair.** "Chair" means the chair of the Metropolitan Council.

Subp. 6. **Commercial-agricultural area.** "Commercial-agricultural area" means those lands certified by local governments as eligible for agricultural preserves under the Agricultural Preserves Act, Minnesota Statutes, sections 473H.01 to 473H.18.

Subp. 7. **Comprehensive plan or local comprehensive plan.** "Comprehensive plan" or "local comprehensive plan" means a comprehensive plan of a local governmental unit as required by the Metropolitan Land Planning Act, Minnesota Statutes, sections 473.851 to 473.871.

Subp. 8. **Comprehensive sewer plan.** "Comprehensive sewer plan" means a plan required by the Metropolitan Waste Control Commission which describes the collection, treatment, and disposal of all sanitary sewage, including the installation, operation, and maintenance of on-site sewage disposal facilities.

Subp. 9. **Independent commission, board, or agency.** "Independent commission," "board," or "agency" means governmental entities with jurisdictions lying in whole or in part within the metropolitan area, including independent or special school districts whose administrative offices were located within the metropolitan area as of April 15, 1976, but not including the metropolitan agencies.

Subp. 10. **Land Use Advisory Committee or advisory committee.** "Land Use Advisory Committee" or "advisory committee" means an advisory committee established by the Metropolitan Council pursuant to Minnesota Statutes, section 473.853.

Subp. 11. **Local governmental unit or unit.** "Local governmental unit" or "unit" means any city, town, county, school district, special district, or other political subdivision or public corporation, other than a metropolitan agency, lying in whole or part within the metropolitan area.

Subp. 12. **Mainline.** "Mainline" means those lanes of a highway that carry through traffic.

Subp. 13. **Metropolitan agency.** "Metropolitan agency" means the Metropolitan Waste Control Commission, the Regional Transit Board, the Metropolitan Transit Commission, and other agencies as the legislature may designate.

Subp. 14. **Metropolitan area.** "Metropolitan area" means the area over which the Metropolitan Council has jurisdiction, including only the counties of Anoka, Carver, Dakota excluding the city of Northfield, Hennepin excluding the city of Hanover, Ramsey, Scott excluding the city of New Prague, and Washington.

Subp. 15. **Metropolitan Council or council.** "Metropolitan Council" or "council" means the Metropolitan Council established by Minnesota Statutes, section 473.123.

Subp. 16. **Metropolitan Development Guide.** "Metropolitan Development Guide" means the comprehensive development guide prepared by the council to achieve the orderly and economic development of the metropolitan area.

APPENDIX
Repealed Minnesota Rule: 17-4683

Subp. 17. **Metropolitan highway.** "Metropolitan highway" means those highways identified in the Transportation Guide/Policy Plan to serve the region. They include both interstate freeways and major arterials.

Subp. 18. **Metropolitan system.** "Metropolitan system" means the regional airport, transportation, sewer, recreation open space, and solid waste facilities and plans for facilities outlined in the Metropolitan Development Guide.

Subp. 19. **Metropolitan significance review or significance review.** "Metropolitan significance review" or "significance review" means a review conducted by the Metropolitan Council according to this chapter.

Subp. 20. **Party.** "Party" means the requester, sponsor, and local governmental unit(s) in which the proposed project is located and any person whose legal rights, duties, or privileges may be substantially affected by a significance review who is admitted as a party by the significance review committee, administrative law judge, or council. The council will not be a party to a significance review except when it initiates the review.

Subp. 21. **Person.** "Person" means any individual, association, trust, partnership, joint venture, public or private corporation, metropolitan agency, local governmental unit, independent commission, state agency, government or governmental subdivision, unit, or agency other than a court of law.

Subp. 22. **Petition.** "Petition" means a document containing signatures submitted to the council according to the procedures for initiation of a significance review, which contains, at the time that the signatures are added, a description of what the petition is for, a reference to the metropolitan significance rules, and a brief summary of the reason for the petition.

Subp. 23. **Phased proposed project.** "Phased proposed project" means a proposed project which is divided into separate stages or segments, one or more of which may be of metropolitan significance.

Subp. 24. **Policy plan or guide chapter.** "Policy plan" or "guide chapter" means the Metropolitan Development Guide chapter adopted pursuant to Minnesota Statutes, section 473.145, the policy plans for metropolitan agencies adopted pursuant to Minnesota Statutes, section 473.146, the Recreation Open Space Development Guide/Policy Plan, adopted pursuant to Minnesota Statutes, section 473.147, the Solid Waste Management Development Guide/Policy Plan, adopted pursuant to Minnesota Statutes, section 473.149, and amendments to any of these plans. These plans or chapters are incorporated by reference in this chapter. They are available through the Minitex interlibrary loan system and subject to frequent change. The policy plans or guide chapters referenced in any metropolitan significance review will be those in effect at the time the review is initiated.

Subp. 25. **Proposed project.** "Proposed project" means a project or action involving the construction, installation, establishment, siting, demolition, reconstruction, or improvement of any structure or facility, or the subdivision or drilling, extraction, clearing, excavation, or other alteration of any lands or waters, planned or proposed to be undertaken, in whole or in part within the metropolitan area, by any person.

Subp. 26. **Public agency.** "Public agency" means a local governmental unit, metropolitan agency, independent commission, state agency, or any government or governmental subdivision, unit, or agency other than a court of law.

Subp. 27. **Publicly subsidized; public subsidy.** "Publicly subsidized" means a direct expenditure or in kind contribution by a state, regional, or local governmental unit to a private project (one that is not publicly financed) for any purpose for which the governmental unit is not reimbursed; or a long-term loan by a state, regional, or local governmental unit to a private project. Public subsidy is determined by how the funds are used and not by the source of the revenues provided. Public subsidy includes, but is not limited to, the purposes in items A to E.

A. Construction of utility improvements without special assessment to the benefited properties of 20 percent or more of the total collective cost of the improvement.

B. Acquisition of property and site development, including demolition, clearance, and relocation together with transfer of title to the property to a private party at a price below the actual costs of acquisition and development.

C. Construction of private, on-site improvements including drainage facilities, site grading, parking, lighting, landscaping, and related improvements.

D. Construction or payment for construction of buildings to be used by one or more private parties for commercial or industrial purposes. Construction may include parking facilities, foundations, building construction, interior furnishings, equipment, and related costs.

APPENDIX
Repealed Minnesota Rule: 17-4683

E. Construction or reconstruction of a county state aid or state trunk highway improvement that is determined necessary to serve increased traffic from a major private project. Highway improvements may include roadway upgrading, bridges, overpasses, entrance and exit roadway improvements, and other improvements.

Public subsidy does not include land sold at market value but below the local governmental unit's cost of acquiring and preparing the land for sale.

Subp. 28. **Publicly financed facility.** "Publicly financed facility" means a facility where a governmental jurisdiction has an ongoing obligation to pay operating costs or debt service for the facility or the ultimate responsibility to pay off bonds should other revenue sources fail.

Subp. 29. **Requester.** "Requester" means any person requesting the initiation of a metropolitan significance review.

Subp. 30. **Review period.** "Review period" means the 90-day period for a metropolitan significance review which begins on the effective date of an order to commence a significance review and automatically terminates on the 90th day following unless a suspension or extension of the review period is authorized under part 5800.0100, subpart 1 or 5800.0140, subparts 4 and 6.

Subp. 31. **Service or serve.** "Service" or "serve" means personal service or service by first class United States mail, postage prepaid and addressed to the person or party at the last known address of the person or party. Service by mail will be complete upon the placing of the item to be served in the mail.

Subp. 32. **Sewer policy plan.** "Sewer policy plan" means a component of the local comprehensive plan which describes the areas to be sewerred with public facilities and a schedule for providing service to them, existing flows and flow projections for the public sewer system, standards and conditions for the installation of private systems, and areas not suitable for public or private systems.

Subp. 33. **Sponsor.** "Sponsor" means any person proposing to undertake or develop a proposed project.

Subp. 34. **State agency.** "State agency" means the state of Minnesota or any agency, board, commission, department, or educational institution of the state.

Subp. 35. **Substantial.** "Substantial" is a relative term. It imports a considerable amount or value in opposition to that which is inconsequential or small, something serious as opposed to trivial, something essential, material, or fundamental.

5800.0030 STANDARDS FOR REVIEW.

Unless a proposed project is exempt, the chair of the Metropolitan Council must issue a preliminary finding of metropolitan significance if a proposed project may cause any of the effects listed in part 5800.0040. The same criteria will be used by the council when it makes the final determination of metropolitan significance following the council review process. A proposed project may be found to be of metropolitan significance only if it meets one or more of these criteria.

5800.0040 CRITERIA TO FIND METROPOLITAN SIGNIFICANCE.

Subpart 1. **Generally.** For the purposes of parts 5800.0070 and 5800.0130, a proposed project listed in subparts 2 to 4 has metropolitan significance if the requirements of the applicable subpart are met.

Subp. 2. **Proposed project affecting a metropolitan system.** A proposed project affecting a metropolitan system has metropolitan significance if it:

A. May result in a substantial change in the timing, staging, and capacity or service area of local facilities in a council-approved local sewer policy plan or comprehensive sewer plan.

B. May result in a wastewater flow that substantially exceeds the flow projection for the local governmental unit as indicated in the Water Resources Management Development Guide/Policy Plan, Part 1. Sewage Treatment and Handling.

C. May require a new national pollution discharge elimination system permit or state disposal system permit or a substantial change to an existing permit.

D. May result in substantially less restrictive standards and conditions to be adopted for the installation or management of private on-site sewer facilities than those described in the comprehensive plan.

E. May have a substantial impact on the use of regional recreation and open space facilities or natural resources within the regional recreation open space system. Impacts on the use

APPENDIX
Repealed Minnesota Rule: 17-4683

of recreation and open space facilities include but are not limited to traffic, safety, noise, visual obstructions (for example, to scenic overlooks), impaired use of the facilities, or interference with the operation or maintenance of the facilities. Impacts on natural resources include but are not limited to the impact on the level, flow, or quality of a facility's water resources (lakes, streams, wetlands) and impact on a facility's wildlife populations or habitats (migration routes, breeding sites, plant communities).

F. May preclude or substantially limit the future acquisition of land in an area identified in the capital improvement program of the council's Recreation Open Space Development Guide/Policy Plan.

G. May substantially affect either the function of a metropolitan airport identified in the council's Aviation Development Guide/Policy Plan or the land use within an airport search area.

H. Is substantially inconsistent with the "Guidelines for Land Use Compatibility with Aircraft Noise" contained in the Aviation Development Guide/Policy Plan.

I. May result in a substantial change to existing or proposed metropolitan highways, highway interchanges, or intersections with metropolitan highways, or to local roadways that have interchanges with metropolitan highways. Substantial changes to the mainline, interchanges, and intersections include an increase in volume that will overload the facility, or a difference in timing, design, or location from that indicated in the Transportation Guide/Policy Plan. Changes to local roadways include changes in timing, staging, volume, capacity, design, location, or functional classification.

J. May result in a substantial change in transit service or facilities inconsistent with the Transportation Guide/Policy Plan.

K. May have a substantial impact on the use of solid waste facilities identified in the Solid Waste Management Development Guide/Policy Plan. Impacts on the use of these facilities include, but are not limited to, disruption of planned facility staging, facility access, or other interference with the operation and maintenance of the facilities.

Subp. 3. **Proposed publicly subsidized project.** A proposed publicly subsidized project has metropolitan significance if it may threaten a publicly financed facility.

Subp. 4. **Proposed project affecting a local governmental unit.** A proposed project affecting a local governmental unit has metropolitan significance if it:

A. May have a substantial physical effect on a local governmental unit other than the local unit in which the proposed project is located. More specifically, a proposed project may be of metropolitan significance if it adversely affects existing or proposed land use or development in another local government with respect to traffic, storm water runoff, groundwater pollution, air or noise pollution, increased security needs (police, fire) or other similar impacts.

B. May result in the substantial disruption of agricultural use in the commercial-agricultural area of a local governmental unit other than the local unit in which the proposed project is located.

5800.0050 EXEMPT PROJECTS.

Subpart 1. **Generally.** The chair will not commence a metropolitan significance review if a proposed project falls in one or more of the exempt categories in subparts 2 to 5.

Subp. 2. **Local comprehensive plan exemption.** A proposed project that is consistent with a council-approved local comprehensive plan is exempt from review for metropolitan system effects. The council shall determine whether a proposed project is consistent for system effects with the local plan.

Subp. 3. **Previous approval.** Any proposed project of a metropolitan agency or the Metropolitan Airports Commission which is within an area of that agency's operational authority or which has been or will be subject to approval by the council as part of a regional policy plan; any proposed project which has been previously approved by the council in accordance with Minnesota Statutes, section 473.167; or any proposed project for which a final determination has been made in a metropolitan significance review is exempt from review unless the proposed project has been materially altered subsequent to the final determination.

Subp. 4. **Emergency project.** Any proposed project which must be immediately undertaken to prevent or mitigate an emergency is exempt from review. The following standards will form the basis for determining if an emergency exists:

- A. the degree to which the alleged emergency circumstances were foreseeable;
- B. whether alternate means can alleviate the emergency; and

APPENDIX
Repealed Minnesota Rule: 17-4683

C. the probable effect of the proposed project in mitigating the emergency circumstances.

Subp. 5. **Minor alterations.** Any proposed project consisting exclusively of administrative or maintenance activity or a negligible improvement, expansion, or change of use or use intensity is exempt from review.

Subp. 6. **Lapse of time; vested rights.** Any proposed project for which 30 days have elapsed since a negative declaration on an Environmental Assessment Worksheet as described in part 4410.1700, or a determination of adequacy on an Environmental Impact Statement as described in part 4400.2800, or in the event no environmental review is required, any proposed project for which 30 days have elapsed since a local governmental unit has approved a plan amendment or rezoning to accommodate the proposed project is exempt from review. A metropolitan significance review cannot be initiated on any proposed project where a sponsor has vested rights.

5800.0060 INITIATION OF REVIEW.

Subpart 1. **By requesters.** A metropolitan significance review may be requested by:

- A. a resolution from the unit of government in which the proposed project is located;
- B. a resolution from an affected local governmental unit, school district, or other independent commission;
- C. a petition signed by the smaller of the following: at least 5,000 residents of the metropolitan area 18 years of age or older, or that number of residents 18 years of age or older of an affected local governmental unit which equals or exceeds 50 percent of the number of persons who voted in that affected governmental unit during the most recently held state general election. The petition must designate at least one and no more than three persons to act as requesters on behalf of the petitioner;
- D. a resolution or letter from a duly authorized executive officer or governing body of state agency;
- E. a resolution or letter from a duly authorized executive officer or governing body of a sponsor; or
- F. a resolution from an affected metropolitan agency.

Subp. 2. **By council.** The council may review proposed projects of metropolitan significance regardless of whether the council has received a request to initiate a review.

Subp. 3. **Information submission.** A request for review under subpart 1 must be accompanied by an information submission. The purpose of the information submission is to demonstrate an arguable claim of metropolitan significance. An information submission must contain the following:

- A. the names and addresses of the requester, the sponsor, and the governmental unit(s) in which the proposed project is located;
- B. a description of the proposed project including its planned character, location, function, use, and size;
- C. a statement of the criteria contained in the appropriate subpart of part 5800.0040 which cause the proposed project to be of metropolitan significance, and a discussion of why it is not exempt; and
- D. a statement of the effect the proposed project will have on metropolitan systems or existing or planned land use or development, or if publicly subsidized, the effects on a publicly financed facility, including the facts and opinion upon which the statement is based.

5800.0070 PRELIMINARY FINDING OF METROPOLITAN SIGNIFICANCE.

Subpart 1. **Review of information submission.** Upon receipt of a request accompanied by an information submission, the chair must within ten working days examine the materials and make a preliminary finding of metropolitan significance based on the following requirements:

- A. the request complies with and satisfies the requirements of part 5800.0060;
- B. the significance review has not been requested in bad faith;
- C. the information submission arguably demonstrates that a metropolitan system or existing or planned land use or development will be affected by the proposed project or that a publicly subsidized project has an effect on a publicly financed facility; and
- D. the proposed project is not exempt.

APPENDIX
Repealed Minnesota Rule: 17-4683

After receiving a request to commence a metropolitan significance review, but before making a preliminary finding of metropolitan significance, the chair may meet with any of the parties and may request additional information.

Subp. 2. **Scoping of issues.** In the preliminary finding, the chair will identify which of the issues raised in the information submission are legitimate for significance review and specify any other issues which should be included in the significance review. Only these issues will be included in the scope of review at the public hearing, unless the significance review committee gives at least seven days notice before the public hearing to all parties that additional issues will be added to the scope of review. A description of the issues will be included with the notice.

5800.0080 COMMENCEMENT AND DETERMINATION NOT TO COMMENCE.

Subpart 1. **Council initiation.** A significance review initiated by the council will commence on the day the council adopts an order to commence a significance review.

Subp. 2. **Initiation by requesters.** If the chair determines that the request complies with and satisfies the requirements of part 5800.0060, the chair will commence the significance review by issuing an order for commencement effective as of the date of the order. The order will include the chair's preliminary finding of metropolitan significance. If the chair decides not to commence a significance review, the chair must immediately inform the parties of the determination and basis for it.

Subp. 3. **Appeal.** Person(s) requesting a review, the governmental unit(s) in which the proposed project is located, and the sponsor may appeal the chair's decision not to commence the significance review to the council by submitting a written request within seven days following notification of the chair's determination. The council must review this request at a public hearing and either direct the issuance of an order for commencement or affirm the chair's decision.

Subp. 4. **Notice of commencement of significance review.** The council must serve notice of the commencement of a significance review on all parties, adjacent governmental units, metropolitan agencies, and the Land Use Advisory Committee within five days following the determination to commence a review. The notice will contain the order for commencement, the information submission or a summary of the submission, an order to the sponsor to suspend action on the proposed project, and a schedule for the metropolitan significance review. Notice that the significance review has been commenced will be published in the next following issue of the council bulletin, as described in Minnesota Statutes, section 473.247.

Subp. 5. **Review period.** The council will complete a metropolitan significance review within 90 days following commencement unless suspended or extended under part 5800.0100, subpart 1, or 5800.0140, subparts 4 and 6.

Subp. 6. **Implementation hold during review period.** Upon commencement of a metropolitan significance review, no person will commence site alteration on a proposed project until the council's issuance of a final determination concerning the proposed project or the expiration of the significance review period, whichever occurs first.

5800.0090 SIGNIFICANCE REVIEW COMMITTEE.

Immediately following the commencement of a significance review, the chair will appoint a significance review committee composed of no more than seven or fewer than three individuals all of whom are members of the council or the Land Use Advisory Committee. The chair will appoint at least one council member and one Land Use Advisory Committee member to all significance review committees and will designate one of the review committee members to be the chair of the committee.

5800.0100 REVIEW ALTERNATIVES.

Subpart 1. **Mediation.** The chair may determine that the proposed project under review is more suited to mediation than to a formal public hearing process and may suspend the metropolitan significance review for up to 30 days to bring the parties together to resolve differences. The resolution of these differences will be outlined in a written agreement. The agreement must be signed by all parties and must be accepted by the council. If the parties do not reach agreement within the suspension period, the significance review will resume. Any party may appeal the chair's decision to use mediation by submitting a written request to the council within seven days following the chair's decision. The council must review this request and either direct use of the public hearing process or affirm the chair's decision.

Subp. 2. **Public hearing process.** Unless mediation resolves the differences among the parties, the significance review will include a formal public hearing.

APPENDIX
Repealed Minnesota Rule: 17-4683

Subp. 3. **Use of an administrative law judge.** At any time before beginning the public hearing, the significance review committee may decide to use an administrative law judge appointed by the Office of Administrative Hearings for conducting the public hearing. A hearing held by an administrative law judge will be conducted in accordance with the rules of the Office of Administrative Hearings for contested cases, parts 1400.5010 to 1400.8400, to the extent those rules are not inconsistent with the time periods and procedures specified in this chapter. The report of the administrative law judge appointed by the significance review committee will be transmitted to the review committee. The committee will review the report and may use it as a basis for developing committee findings and recommendations. Any party may make a request for delegation of responsibility to an administrative law judge.

Subp. 4. **Phased proposed project.** When undertaking a significance review of a phased proposed project, the council may consider the total project or any separate independently viable stage. In determining independent viability, the council will consider whether a particular stage is viable without subsequent development, the interrelationship between the stage and subsequent development and whether the stage would foreclose the option of making modifications to mitigate metropolitan system effects. Any significance review of a separate stage will not preclude subsequent significance review of other stages.

5800.0110 STEPS IN HEARING PROCESS.

Subpart 1. **Preliminary statement.** Within 30 days after the review is commenced, the sponsor, the requester, and the governmental unit in which the proposed project is located must submit to the significance review committee or administrative law judge a preliminary statement containing information, facts, and opinions regarding the following:

- A. the applicability to the proposed project of part 5800.0030;
- B. the significance and effect of the proposed project on metropolitan systems or on local governments or, if publicly subsidized, the effects on a publicly financed facility; and
- C. the appropriate remedy.

In addition, the sponsor must indicate all other governmental reviews and approvals required in connection with the proposed project, and their current status.

Subp. 2. **Submissions.** The sponsor and the local governmental unit within which the proposed project is located must submit the following to the significance review committee or administrative law judge:

- A. copies of any information given by the sponsor to any local governmental unit required to approve the proposed project; and
- B. a copy of the findings, report, or determination made by the local government on the proposed project.

Subp. 3. **Participation by nonparties.** The significance review committee will decide the manner and extent of participation by persons other than the parties.

Subp. 4. **Significance review report.** At least ten days before the public hearing conducted by the significance review committee or the administrative law judge, council staff will prepare a written report on the proposed project. This report will not contain any findings or recommendations about the metropolitan significance of the proposed project. The report will be sent to all parties and made available to the public. Parties may submit statements about the report to the significance review committee at any time before the close of the record of the public hearing. The report will contain:

- A. a listing, including sources, of all information submitted to the committee or to the administrative law judge;
- B. a description of the proposed project;
- C. the criteria listed in part 5800.0040 that apply to the proposed project; and
- D. a summary of the issues presented in each of the preliminary statements, including any disagreements regarding facts of the proposed project.

Subp. 5. **Council information.** The council may enter information related to the review of the proposed project into the record of the public hearing. This material and its authors will be subject to examination at the public hearing.

Subp. 6. **Additional information.** On its own initiative or at the request of a party, the significance review committee may request additional information from any party before the close of the public hearing. If a party does not reasonably comply with a request, the significance review committee may order that the subject matter of the information to be produced be

APPENDIX
Repealed Minnesota Rule: 17-4683

considered established for purposes of the significance review in accordance with the claims of the party requesting the information or refuse to allow the party failing to produce the information to support or oppose designated claims or prohibit the party from introducing the designated information into the hearing record.

Subp. 7. **Public hearing.** The significance review committee or an administrative law judge appointed by the committee must hold at least one public hearing on the proposed project. Notice of this public hearing must be published in the council bulletin and served on all parties at least 15 days prior to the hearing. The public hearing must be conducted in a manner designed to protect the rights of all persons and parties and to ensure fundamental fairness. Public hearings conducted by an administrative law judge will be governed by parts 1400.5010 to 1400.8400. Public hearings conducted by the significance review committee will be conducted according to the council's hearing procedures as contained in Procedures for Adopting or Amending a Chapter of the Metropolitan Development Guide. This publication is incorporated by reference in this chapter. It is available through the Minitex interlibrary loan system and subject to frequent change.

5800.0120 COMMITTEE REPORT TO COUNCIL.

Following the public hearing and the receipt of the report of the administrative law judge, if any, the significance review committee must adopt a committee report with findings of fact, conclusions, and recommendations to the Metropolitan Council.

The committee's report will be based on information submitted before the close of the record of the public hearing. Committee members may use their experience, technical competence, and specialized knowledge in the evaluation of this information. In addition, the report may include comments on the consistency of the proposed project with council plans and policies.

The findings of fact, conclusions, and recommendations of the significance review committee will be served on all parties and immediately transmitted to the council. All information and material considered by the significance review committee will be made available to council members.

5800.0130 COUNCIL DETERMINATION.

Subpart 1. **Consideration of findings of fact, conclusions, and recommendations.** The council will consider the committee report and all information submitted before the close of the record of the public hearing in making a final determination on the proposed project. The council may hold additional meetings to consider the proposed project or direct the significance review committee to conduct further specific significance review activity.

Subp. 2. **Metropolitan Council final determination.** The council, after review and consideration of the metropolitan significance review committee's report, must adopt a final determination including findings of fact, conclusions, and recommendations with regard to the metropolitan significance of the proposed project. The council must find that the proposed project is or is not of metropolitan significance, based on the conclusion that it does or does not cause one or more of the effects contained in the appropriate subpart in part 5800.0040. The council may also comment on the consistency of the proposed project with other council plans and policies. Lack of consistency with council plans and policies other than those listed in part 5800.0040 will not constitute a basis for a determination of metropolitan significance.

Subp. 3. **Proposed projects of metropolitan significance.** Upon a determination of metropolitan significance, the final determination also must indicate:

A. whether an amendment to a regional policy plan would eliminate the determination of metropolitan significance and further, whether the council intends to initiate an amendment to the affected policy plan to achieve consistency between its plan and the proposed project; or

B. whether the proposed project should be suspended for up to one year from the date of final determination. If the council orders a suspension, the order may contain conditions or modifications to the proposed project which, if complied with, would cause the council to eliminate the suspension; or

C. without ordering a suspension, how the proposed project could be modified to eliminate the determination of metropolitan significance.

Subp. 4. **Notice to parties.** Copies of the council determination will be served on all parties within seven days following its adoption.

Subp. 5. **Elimination of suspension.** The sponsor of any proposed project suspended by the council with conditions or modifications may request removal of the suspension based on meeting the conditions of the suspension. Upon receipt of a request for removal of the suspension, the

APPENDIX
Repealed Minnesota Rule: 17-4683

council will hold a public hearing to consider the request. Parties to the significance review will be notified at least 15 days before the public hearing on the removal and given an opportunity to speak at the hearing concerning compliance with the conditions of suspension.

5800.0140 PROCEDURAL OPTIONS.

Subpart 1. **Bad faith.** The council may dismiss with prejudice any significance review which it finds has been initiated in bad faith. This determination will not be made without allowing the parties to hear, rebut, and present evidence regarding the dismissal.

Subp. 2. **Withdrawal of review.** At any time during the conduct of a significance review, the requester or sponsor may request that the council withdraw the proposed project from significance review, setting forth the reasons for the request. If all the parties agree, the council may grant the request and allow a proposed project to be withdrawn from review.

Subp. 3. **Settlement.** The parties to a significance review may execute a settlement agreement with regard to the proposed project at any time before the issuance of a final determination. The agreement must be in writing, signed by all parties, and will be subject to acceptance or rejection by the council.

Subp. 4. **Suspension.** The council may suspend a significance review for not more than 90 days to allow the council to review a plan amendment for the proposed project under the provisions of the Metropolitan Land Planning Act. The council also may suspend a significance review for not more than 90 days to await the decision of a public agency whose authorization is required for the proposed project to proceed. In the event that the agency denies authorization for the proposed project, the council may dismiss the metropolitan significance review.

The sponsor and the requester may agree to suspend any of the time periods specified for a significance review. The agreement must be approved by the significance review committee. If the council initiates a significance review, the council and the sponsor may agree to suspend any of the time periods.

The council may suspend a significance review to await the submission of adequate supporting information.

Subp. 5. **Review coordination.** When appropriate, the council will coordinate the significance review with other reviews, such as the environmental review process.

Subp. 6. **Extension.** At any time before the council determination, the significance review committee and the parties may agree to extend the review period in order to collect more information. The time extension must be specified in a written agreement between the committee and the parties. The council, acting on its own initiative, also may extend the time period of a significance review to await the submission of adequate supporting information.

5800.0150 JUDICIAL REVIEW.

A final determination adopted by the council and a determination by the council not to commence a significance review constitute final decisions by the council for purposes of judicial review.