

**CHAPTER 143—H.F.No. 562**

*An act relating to transportation appropriations; appropriating money for transportation, Metropolitan Council, and public safety activities and programs; providing for fund transfers, contingent appropriations, and tort claims; providing for various fees and accounts; modifying or adding provisions relating to allocation of the motor vehicle sales tax; increasing fees for Department of Public Safety services; making technical and clarifying changes; amending Minnesota Statutes 2006, sections 16A.88; 168.017, subdivision 3; 168.12, subdivision 5; 168A.29, subdivision 1; 171.02, subdivision 3; 171.06, subdivision 2; 171.07, subdivisions 3a, 11; 171.20, subdivision 4; 174.03, subdivision 9; 174.24, subdivisions 1, 3b, 5; 297B.09, subdivision 1; 299D.09; 473.388, subdivision 4; Laws 2005, First Special Session chapter 6, article 1, section 4, subdivision 4; repealing Minnesota Statutes 2006, section 174.32.*

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

**ARTICLE 1**

**TRANSPORTATION APPROPRIATIONS**

Section 1. **SUMMARY OF APPROPRIATIONS.**

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

	<b><u>2008</u></b>		<b><u>2009</u></b>		<b><u>Total</u></b>
<u>General</u>	\$ 128,347,000	\$	106,055,000	\$	234,402,000
<u>Airports</u>	25,557,000		25,659,000		51,216,000
<u>C.S.A.H.</u>	427,302,000		442,575,000		869,877,000
<u>M.S.A.S.</u>	115,372,000		119,501,000		234,873,000
<u>Special Revenue</u>	47,950,000		49,038,000		96,988,000
<u>Highway User</u>	8,938,000		9,238,000		18,176,000
<u>Trunk Highway</u>	1,136,809,000		1,155,457,000		2,292,266,000
<b><u>Total</u></b>	<b>\$ 1,890,275,000</b>	<b>\$</b>	<b>1,907,523,000</b>	<b>\$</b>	<b>3,797,798,000</b>

Sec. 2. **TRANSPORTATION APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2008" and "2009" used in this article mean that the



Of this appropriation \$200,000 the first year is to the Legislative Coordinating Commission for the administrative expenses of the Airport Funding Advisory Task Force and for other costs relating to the preparation of the task force report, including the costs of hiring a consultant, if needed. Any remaining amount of this appropriation shall revert to the state airports fund.

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

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

**(2) Aviation Support and Services**

	<u>Appropriations by Fund</u>	
<u>Airports</u>	<u>5,184,000</u>	<u>5,286,000</u>
<u>Trunk Highway</u>	<u>852,000</u>	<u>866,000</u>

\$65,000 the first year and \$65,000 the second year from the state airports fund are for the Civil Air Patrol.

**(b) Transit**

	<u>Appropriations by Fund</u>	
<u>General</u>	<u>18,813,000</u>	<u>18,816,000</u>
<u>Trunk Highway</u>	<u>740,000</u>	<u>761,000</u>

**(c) Freight**

	<u>Appropriations by Fund</u>	
<u>General</u>	<u>357,000</u>	<u>367,000</u>
<u>Trunk Highway</u>	<u>5,028,000</u>	<u>5,158,000</u>

**Subd. 3. State Roads**

**(a) Infrastructure Investment and Planning**

<b><u>(1) Infrastructure Investment Support</u></b>	<u>171,814,000</u>	<u>176,019,000</u>
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\$266,000 the first year and \$266,000 the second year are available for grants to metropolitan planning organizations outside the seven-county metropolitan area.

\$75,000 the first year and \$75,000 the second year are for a transportation research contingent account to finance research projects that are reimbursable from the federal government or from other sources. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

\$600,000 the first year and \$600,000 the second year are available for grants for transportation studies outside the metropolitan area to identify critical concerns, problems, and issues. These grants are available (1) to regional development commissions and (2) in regions where no regional development commission is functioning, to joint powers boards established under agreement of two or more political subdivisions in the region to exercise the planning functions of a regional development commission, and (3) in regions where no regional development commission or joint powers board is functioning, to the department's district office for that region.

Up to \$1,000,000 the first year is for technical support of trunk highway congestion reduction under the United States Department of Transportation Urban Partnership program. Of this amount, \$200,000 is for a grant to the Hubert H. Humphrey Institute of Public Affairs for its participation in this program. \* (The preceding text beginning "Of this amount, \$200,000 is for a grant" was indicated as vetoed by the governor.)

\$5,000,000 is for a pilot project to demonstrate technologies that will allow for the future replacement of the gas tax with a fuel-neutral mileage charge.

**(2) State Road Construction**

551,200,000

551,200,000

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

Appropriations by Fund

<u>Federal Highway</u>		
<u>Aid</u>	<u>193,463,000</u>	<u>350,442,000</u>
<u>Highway User Taxes</u>	<u>357,737,000</u>	<u>200,758,000</u>

The commissioner of transportation shall notify the chair of the Transportation Budget Division of the senate and the chair of the Transportation Finance Division of the house of representatives of any significant events that should cause these estimates to change.

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

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

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

**(3) Highway Debt Service** 56,828,000 63,377,000

\$53,039,000 the first year and \$53,354,000 the second year are for transfer to the state bond fund. If this appropriation is insufficient to make all transfers required in the year for which it is made, the commissioner of finance shall notify the Committee on Finance of the senate and the Committee on Ways and Means of the house of representatives of the amount of the deficiency and shall then transfer that amount under the statutory open appropriation. Any excess appropriation cancels to the trunk highway fund.

**(b) Infrastructure Operations and Maintenance** 209,610,000 213,645,000

**(c) Electronic Communications**

Appropriations by Fund

<u>General</u>	<u>9,000</u>	<u>9,000</u>
<u>Trunk Highway</u>	<u>4,902,000</u>	<u>5,029,000</u>

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

**Subd. 4. Local Roads**

<b><u>(a) County State Aids</u></b>	<u>427,302,000</u>	<u>442,575,000</u>
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This appropriation is from the county state-aid highway fund and is available until spent.

<b><u>(b) Municipal State Aids</u></b>	<u>115,372,000</u>	<u>119,501,000</u>
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This appropriation is from the municipal state-aid street fund and is available until spent.

If an appropriation for either county state aids or municipal state aids does not exhaust the balance in the fund from which it is made in the year for which it is made, the commissioner of finance, upon request of the commissioner of transportation, shall notify the chair of the Transportation Finance Division of the house of representatives and the chair of the Transportation Budget Division of the senate of the amount of the remainder and shall then add that amount to the appropriation. The amount added is appropriated for the purposes of county state aids or municipal state aids, as appropriate.

If the appropriation for either county state aids or municipal state aids does exhaust the balance in the fund from which it is made in the year for which it is made, the commissioner of finance shall notify the chair of the Transportation Finance Division of the house of representatives and the chair of the Transportation Budget Division of the senate of the amount by which the appropriation exceeds the balance and shall then reduce that amount from the appropriation.

**Subd. 5. General Support and Services**

**(a) Department Support**

<u>Appropriations by Fund</u>		
<u>Airports</u>	<u>25,000</u>	<u>25,000</u>
<u>Trunk Highway</u>	<u>39,531,000</u>	<u>40,327,000</u>

**(b) Buildings**

<u>Appropriations by Fund</u>		
<u>General</u>	<u>56,000</u>	<u>56,000</u>
<u>Trunk Highway</u>	<u>16,597,000</u>	<u>16,660,000</u>

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

**Subd. 6. Town Road Sign Replacement Program**2,500,0000

This appropriation is from the general fund to the commissioner of transportation to implement the town road sign replacement program established in Laws 2005, First Special Session chapter 6, article 3, section 89. For the purpose of this appropriation, implementation includes the purchase and installation of new signs. This appropriation may be used to satisfy any local matching requirement for the receipt of federal funds. Designated funds not allocated by July 1, 2009, cancel and revert to the general fund.

**Subd. 7. Transfers**

(a) With the approval of the commissioner of finance, the commissioner of transportation may transfer unencumbered balances among the appropriations from the trunk highway fund and the state airports fund made in this section. No transfer may be made from the appropriation for state road construction. No transfer may be made from the appropriations for debt service to any other appropriation. Transfers under this paragraph may not be made between funds. Transfers between programs must be reported immediately to the chair of the Transportation Budget

Division of the senate and the chair of the Transportation Finance Division of the house of representatives.

(b) The commissioner of finance shall transfer from the flexible account in the county state-aid highway fund \$5,950,000 the first year and \$2,820,000 the second year to the municipal turnback account in the municipal state-aid street fund and \$12,940,000 the first year and \$15,330,000 the second year to the trunk highway fund; and the remainder in each year to the county turnback account in the county state-aid highway fund.

On or after July 1, 2007, the commissioner of finance shall transfer \$4,600,000 from the trunk highway revolving loan account in the transportation revolving loan fund to the trunk highway fund.

#### **Subd. 8. Use of State Road Construction Appropriations**

Any money appropriated to the commissioner of transportation for state road construction for any fiscal year before fiscal year 2008 is available to the commissioner during fiscal years 2008 and 2009 to the extent that the commissioner spends the money on the state road construction project for which the money was originally encumbered during the fiscal year for which it was appropriated. The commissioner of transportation shall report to the commissioner of finance by August 1, 2007, and August 1, 2008, on a form the commissioner of finance provides, on expenditures made during the previous fiscal year that are authorized by this subdivision.

#### **Subd. 9. Contingent Appropriation**

The commissioner of transportation, with the approval of the governor and the written approval of at least five members of a group consisting of: (1) the members of the Legislative Advisory Commission under Minnesota Statutes, section 3.30; and (2) the ranking minority members of the house of representatives and senate committees with

jurisdiction over transportation finance, may transfer all or part of the unappropriated balance in the trunk highway fund to an appropriation (1) for trunk highway design, construction, or inspection in order to take advantage of an unanticipated receipt of income to the trunk highway fund or to take advantage of federal advanced construction funding, (2) for trunk highway maintenance in order to meet an emergency, or (3) to pay tort or environmental claims. Nothing in this subdivision authorizes the commissioner to increase the use of federal advanced construction funding beyond amounts specifically authorized. Any transfer as a result of the use of federal advanced construction funding must include an analysis of the effects on the long-term trunk highway fund balance. The amount transferred is appropriated for the purpose of the account to which it is transferred.

**Sec. 4. METROPOLITAN COUNCIL**

<b><u>Subdivision 1. Total Appropriation</u></b>	<b><u>\$</u></b>	<b><u>98,753,000</u></b>	<b><u>\$</u></b>	<b><u>78,753,000</u></b>
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The amounts that may be spent for each purpose are specified in the following subdivisions.

<b><u>Subd. 2. Bus Transit</u></b>	<b><u>93,453,000</u></b>	<b><u>73,453,000</u></b>
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This appropriation is for bus system operations.

\$20,000,000 the first year is a onetime appropriation and does not add to base.

<b><u>Subd. 3. Rail Operations</u></b>	<b><u>5,300,000</u></b>	<b><u>5,300,000</u></b>
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This appropriation is for operations of the Hiawatha light rail transit line.

This appropriation is for paying 50 percent of operating costs for the Hiawatha light rail transit line after operating revenue and federal funds are used for light rail transit operations. The remaining operating costs, up to a maximum of \$5,300,000 the first year and \$5,300,000 the second year, are to be



for a security coordinator to coordinate planning efforts for the Republican National Convention, and do not add to the base appropriations.

\$380,000 the first year and \$380,000 the second year are for payment of public safety officer survivor benefits under Minnesota Statutes, section 299A.44. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

\$1,199,000 the first year and \$1,367,000 the second year are to be deposited in the public safety officer's benefit account. This money is available for reimbursements under Minnesota Statutes, section 299A.465.

\$508,000 the first year and \$508,000 the second year are for soft body armor reimbursements under Minnesota Statutes, section 299A.38.

\$792,000 the first year and \$792,000 the second year are appropriated from the general fund for transfer by the commissioner of finance to the trunk highway fund on December 31, 2007, and December 31, 2008, respectively, in order to reimburse the trunk highway fund for expenses not related to the fund. These represent amounts appropriated out of the trunk highway fund for general fund purposes in the administration and related services program.

\$610,000 the first year and \$610,000 the second year are appropriated from the highway user tax distribution fund for transfer by the commissioner of finance to the trunk highway fund on December 31, 2007, and December 31, 2008, respectively, in order to reimburse the trunk highway fund for expenses not related to the fund. These represent amounts appropriated out of the trunk highway fund for highway user tax distribution fund purposes in the administration and related services program.

\$716,000 the first year and \$716,000 the second year are appropriated from the highway user tax distribution fund for transfer by the commissioner of finance to

the general fund on December 31, 2007, and December 31, 2008, respectively, in order to reimburse the general fund for expenses not related to the fund. These represent amounts appropriated out of the general fund for operation of the criminal justice data network related to driver and motor vehicle licensing.

**(c) Technical Support Services**

	<u>Appropriations by Fund</u>	
<u>General</u>	<u>1,507,000</u>	<u>1,507,000</u>
<u>Trunk Highway</u>	<u>2,344,000</u>	<u>2,344,000</u>
<u>Highway User</u>	<u>19,000</u>	<u>19,000</u>

Of the amounts from the general fund, \$1,416,000 the first year and \$1,416,000 the second year are for information systems security and disaster recovery.

**Subd. 3. State Patrol**

**(a) Patrolling Highways**

	<u>Appropriations by Fund</u>	
<u>General</u>	<u>37,000</u>	<u>37,000</u>
<u>Trunk Highway</u>	<u>65,437,000</u>	<u>67,740,000</u>
<u>Highway User</u>	<u>92,000</u>	<u>92,000</u>

\$1,137,000 the first year and \$1,137,000 the second year are to cover increased fuel costs.

**(b) Commercial Vehicle Enforcement** 6,945,000      7,196,000

This appropriation is from the trunk highway fund.

\$198,000 the first year and \$198,000 the second year are for fuel costs.

**(c) Capitol Security** 3,028,000      3,128,000

The commissioner may not (1) spend any money from the trunk highway fund for capitol security or (2) permanently transfer any state trooper from the patrolling highways activity to capitol security.

The commissioner may not transfer any money (1) appropriated for Department of Public Safety administration, the patrolling of highways, commercial vehicle enforcement, or driver and vehicle services to capitol security or (2) from capitol security.

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

**(a) Vehicle Services**

	<u>Appropriations by Fund</u>	
<u>Highway User</u>	<u>7,336,000</u>	<u>7,636,000</u>
<u>Special Revenue</u>	<u>18,696,000</u>	<u>18,973,000</u>

The base appropriation from the highway user tax distribution fund is \$7,936,000 for fiscal year 2010 and \$8,236,000 for fiscal year 2011.

The special revenue fund appropriation is from the vehicle services operating account.

Of the amounts from the special revenue fund, \$47,000 the first year and \$45,000 the second year are for a driver license and motor vehicle records contract coordinator.

**(b) Driver Services**

	<u>Appropriations by Fund</u>	
<u>Special Revenue</u>	<u>27,939,000</u>	<u>28,711,000</u>
<u>Trunk Highway</u>	<u>1,000</u>	<u>1,000</u>

The special revenue fund appropriation is from the driver services operating account.

Of the amounts from the special revenue fund, \$25,000 the first year and \$23,000 the second year are for a driver license and motor vehicle records contract coordinator.

**Subd. 5. Traffic Safety** 435,000 435,000

This appropriation is from the trunk highway fund.

\$111,000 the first year and \$111,000 the second year are for planning and

administration of grants from the National Highway Traffic Safety Administration.

The commissioner of public safety shall spend 50 percent of the money available to the state under Public Law 105-206, section 164, and the remaining 50 percent must be transferred to the commissioner of transportation for hazard elimination activities under United States Code, title 23, section 152.

**Subd. 6. Pipeline Safety**

1,315,000

1,354,000

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

**Sec. 6. GENERAL CONTINGENT ACCOUNTS**

\$

375,000 \$

375,000

Appropriations by Fund

<u>Trunk Highway</u>	<u>200,000</u>	<u>200,000</u>
<u>Highway User</u>	<u>125,000</u>	<u>125,000</u>
<u>Airports</u>	<u>50,000</u>	<u>50,000</u>

The appropriations in this section may only be spent with the approval of the governor and the written approval of at least five members of a group consisting of: (1) the members of the Legislative Advisory Commission under Minnesota Statutes, section 3.30; and (2) the ranking minority members of the house of representatives and senate committees with jurisdiction over transportation finance.

If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it.

**Sec. 7. TORT CLAIMS**

\$

600,000 \$

600,000

To be spent by the commissioner of finance.

This appropriation is from the trunk highway fund.

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

Sec. 8. Laws 2005, First Special Session chapter 6, article 1, section 4, subdivision 4, is amended to read:

Subd. 4. <b>Driver and Vehicle Services</b>	51,389,000	50,814,000
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Summary by Fund

Highway User	6,966,000	7,036,000
Special Revenue	44,423,000	43,778,000

(a) Vehicle Services	23,383,000	23,849,000
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Summary by Fund

Highway User	6,966,000	7,036,000
Special Revenue	16,417,000	16,813,000

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

This appropriation is available until June 30, 2009.

Of any amount carried forward from fiscal year 2007, up to \$1,750,000 is for planning for the replacement of the driver and vehicle services automated support systems. Any remaining amount carried forward from fiscal year 2007 is to implement remediation strategies as necessary to avoid a systematic failure.

(b) Driver Services	28,006,000	26,965,000
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This appropriation is from the driver services operating account in the special revenue fund.

**Sec. 9. FEDERAL FUNDS SPENDING AUTHORITY.**

The commissioner of transportation may spend up to \$5,000,000 from July 1, 2008, through June 30, 2013, in federal transit funds for capital assistance to public transit systems under Minnesota Statutes, section 174.24. This amount is in addition to any appropriations made by law for this purpose.

**Sec. 10. NORTHSTAR COMMUTER RAIL.**

The commissioner of transportation may encumber money in an account in the special revenue fund, up to the amount of federal funding obligated in a multiyear full funding grant agreement with the Federal Transit Administration for the Northstar Commuter Rail project.

**ARTICLE 2**  
**MOTOR VEHICLE SALES TAX**

Section 1. Minnesota Statutes 2006, section 16A.88, is amended to read:

**16A.88 TRANSIT ~~FUNDS~~ ASSISTANCE FUND.**

Subdivision 1. **Transit assistance fund established.** A transit assistance fund is established within the state treasury. The fund receives money distributed under section 297B.09, subdivision 1, and other money as specified by law. Money in the fund must be allocated to the greater Minnesota transit account under subdivision 1a and the metropolitan area transit account under subdivision 2 in the manner specified in section 297B.09, subdivision 1, and must be used solely for transit purposes under the Minnesota Constitution, article XIV, section 13.

Subd. 1a. **Greater Minnesota transit ~~fund~~ account.** The greater Minnesota transit ~~fund~~ account is established within the transit assistance fund in the state treasury. Money in the ~~fund~~ account is annually appropriated to the commissioner of transportation for assistance to transit systems outside the metropolitan area under section 174.24. ~~Beginning in fiscal year 2003,~~ The commissioner may use up to ~~\$400,000 each year~~ \$408,000 in fiscal year 2008 and \$416,000 in fiscal year 2009 and thereafter for administration of the transit program. The commissioner shall use the ~~fund~~ account for transit operations as provided in section 174.24 and related program administration.

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

~~Subd. 3. **Metropolitan area transit appropriation account.** The metropolitan area transit appropriation account is established within the general fund. Money in the account is to be used for the funding of transit systems in the metropolitan area, subject to legislative appropriation.~~

Sec. 2. Minnesota Statutes 2006, section 174.24, subdivision 1, is amended to read:

Subdivision 1. **Establishment; purpose.** A public transit participation program is established to carry out the objectives stated in section 174.21 by providing financial assistance from the state, including the greater Minnesota transit ~~fund~~ account established in section 16A.88, to eligible recipients outside of the metropolitan area.

Sec. 3. Minnesota Statutes 2006, section 174.24, subdivision 3b, is amended to read:

Subd. 3b. **Operating assistance; recipient classifications.** (a) The commissioner shall determine the total operating cost of any public transit system receiving or applying for assistance in accordance with generally accepted accounting principles. To be eligible for financial assistance, an applicant or recipient shall provide to the commissioner all financial records and other information and shall permit any inspection reasonably necessary to determine total operating cost and correspondingly the amount of assistance that may be paid to the applicant or recipient. Where more than one county or municipality contributes assistance to the operation of a public transit system, the commissioner shall identify one as lead agency for the purpose of receiving money under this section.

(b) Prior to distributing operating assistance to eligible recipients for any contract period, the commissioner shall place all recipients into one of the following classifications: urbanized area service, small urban area service, rural area service, and elderly and disabled service. The commissioner shall distribute funds under this section so that the percentage of total operating cost paid by any recipient from local sources will not exceed the percentage for that recipient's classification, except as provided in an undue hardship case. The percentages must be: for urbanized area service and small urban area service, 20 percent; for rural area service, 15 percent; and for elderly and disabled service, 15 percent. The remainder of the total operating cost will be paid from state funds less any assistance received by the recipient from any federal source. For purposes of this subdivision, "local sources" means all local sources of funds and includes all operating revenue, tax levies, and contributions from public funds, except that the commissioner may exclude from the total assistance contract revenues derived from operations the cost of which is excluded from the computation of total operating cost. Total operating costs of the Duluth Transit Authority or a successor agency does not include costs related to the Superior, Wisconsin service contract and the Independent School District No. 709 service contract. ~~For calendar years 2004 and 2005, to enable public transit systems to meet the provisions of this section, the commissioner may adjust payments of financial assistance to recipients that were under a contract with the department on January 1, 2003. Payments to such a recipient in calendar years 2004 and 2005 from the greater Minnesota transit fund may not be less than the payment to the recipient from that fund in calendar year 2003, except for reductions made necessary by reductions in base funding for those years.~~

(c) If a recipient informs the commissioner in writing after the establishment of these percentages but 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 commissioner may reduce the percentage to be paid from local sources by the recipient and increase the percentage to be paid from local sources by one or more other recipients inside or outside the classification. However, the commissioner may not reduce or increase any recipient's percentage under this paragraph for more than two years successively. If for any year the funds appropriated to the commissioner to carry out the purposes of this section are insufficient to allow the commissioner to pay the state share of total operating cost as provided in this paragraph, the commissioner shall reduce the state share in each classification to the extent necessary.

Sec. 4. Minnesota Statutes 2006, section 174.24, subdivision 5, is amended to read:

Subd. 5. **Method of payment, operating assistance.** Payments for operating assistance under this section must be made in the following manner:

- (a) For payments made from the general fund:
  - (1) 50 percent of the total contract amount in the first month of operation;
  - (2) 40 percent of the total contract amount in the seventh month of operation;
  - (3) 9 percent of the total contract amount in the 12th month of operation; and
  - (4) 1 percent of the total contract amount after the final audit.
- (b) For payments made from the greater Minnesota transit ~~fund~~ account:
  - (1) 50 percent of the total contract amount in the seventh month of operation; and
  - (2) 50 percent of the total contract amount in the 11th month of operation.

Sec. 5. Minnesota Statutes 2006, section 297B.09, subdivision 1, is amended to read:

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

~~(b) From July 1, 2002, to June 30, 2003, 32 percent of the money collected and received must be deposited in the highway user tax distribution fund, 20.5 percent must be deposited in the metropolitan area transit fund under section 16A.88, and 1.25 percent must be deposited in the greater Minnesota transit fund under section 16A.88. The remaining money must be deposited in the general fund.~~

~~(c) From July 1, 2003, to June 30, 2007, 30 percent of the money collected and received must be deposited in the highway user tax distribution fund, 21.5 percent must be deposited in the metropolitan area transit fund under section 16A.88, 1.43 percent must be deposited in the greater Minnesota transit fund under section 16A.88, 0.65 percent must be deposited in the county state-aid highway fund, and 0.17 percent must be deposited in the municipal state-aid street fund. The remaining money must be deposited in the general fund.~~

~~(d) On and after From July 1, 2007, ~~32~~ through June 30, 2008, 38.25 percent of the money collected and received must be deposited in the highway user tax distribution fund, ~~20.5~~ 24 percent must be deposited in the metropolitan area transit ~~fund~~ account under section 16A.88, and ~~1.25~~ 1.5 percent must be deposited in the greater Minnesota transit ~~fund~~ account under section 16A.88. The remaining money must be deposited in the general fund.~~

(c) From July 1, 2008, through June 30, 2009, 44.25 percent of the money collected and received must be deposited in the highway user tax distribution fund, 27.75 percent must be deposited in the metropolitan area transit account under section 16A.88, 1.75 percent must be deposited in the greater Minnesota transit account under section 16A.88, and the remaining money must be deposited in the general fund.

(d) From July 1, 2009, through June 30, 2010, 50.25 percent of the money collected and received must be deposited in the highway user tax distribution fund, 30 percent must be deposited in the metropolitan area transit account under section 16A.88, 3.5 percent must be deposited in the greater Minnesota transit account under section 16A.88, and the remaining money must be deposited in the general fund.

(e) From July 1, 2010, through June 30, 2011, 56.25 percent of the money collected and received must be deposited in the highway user tax distribution fund, 33.75 percent must be deposited in the metropolitan area transit account under section 16A.88, 3.75 percent must be deposited in the greater Minnesota transit account under section 16A.88, and the remaining money must be deposited in the general fund.

(f) On and after July 1, 2011, 60 percent of the money collected and received must be deposited in the highway user tax distribution fund, 36 percent must be deposited in the metropolitan area transit account under section 16A.88, and four percent must be deposited in the greater Minnesota transit account under section 16A.88.

Sec. 6. Minnesota Statutes 2006, section 473.388, subdivision 4, is amended to read:

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 section 273.1398, subdivision 2, attributable to the transit levy; times

(2) the ratio of (i) ~~the appropriation from the transit fund to the council for nondebt transit operations~~ 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 levy certified by the council under section 473.446 and the opt-out 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 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 the most recent year for which data is available 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 in the metropolitan area located in replacement service municipalities for taxes payable in the most recent year for which data is available 2006~~ divided by the total taxable market value of all property in the metropolitan area 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 would otherwise use to fund its transit operations~~ receives in the metropolitan area transit account under section 16A.88.

Sec. 7. **REPEALER.**

Minnesota Statutes 2006, section 174.32, is repealed.

**ARTICLE 3**

**DRIVER AND VEHICLE SERVICES FEES**

Section 1. Minnesota Statutes 2006, section 168.12, subdivision 5, is amended to read:

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

for vehicles registered pursuant to section 168.017 and recreational vehicles registered pursuant to section 168.013, subdivision 1g.

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

<del>Sequential Regular Double Plate</del>	<del>\$ 4.25</del>
<del>Sequential Special Plate-Double</del>	<del>\$ 7.00</del>
<del>Sequential Regular Single Plate</del>	<del>\$ 3.00</del>
<del>Sequential Special Plate-Single</del>	<del>\$ 5.50</del>
<del>Utility Trailer Self-Adhesive Plate</del>	<del>\$ 2.50</del>
<del>Nonsequential Double Plate</del>	<del>\$ 14.00</del>
<del>Nonsequential Single Plate</del>	<del>\$ 10.00</del>
<del>Duplicate Sticker</del>	<del>\$ 1.00</del>

<u>License Plate</u>	<u>Single</u>	<u>Double</u>
<u>Regular and Disability</u>	\$ <u>4.50</u>	\$ <u>6.00</u>
<u>Special</u>	\$ <u>8.50</u>	\$ <u>10.00</u>
<u>Personalized (Replacement)</u>	\$ <u>10.00</u>	\$ <u>14.00</u>
<u>Collector Category</u>	\$ <u>13.50</u>	\$ <u>15.00</u>
<u>Emergency Vehicle Display</u>	\$ <u>3.00</u>	\$ <u>6.00</u>
<u>Utility Trailer Self-Adhesive</u>	\$ <u>2.50</u>	
<u>Stickers</u>		
<u>Duplicate year</u>	\$ <u>1.00</u>	\$ <u>1.00</u>
<u>International Fuel Tax Agreement</u>	\$ <u>2.50</u>	

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

Sec. 2. Minnesota Statutes 2006, section 168A.29, subdivision 1, is amended to read:

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

(1) for filing an application for and the issuance of an original certificate of title, the sum of ~~\$5.50~~ \$6.25 of which ~~\$2.50~~ \$3.25 must be paid into the vehicle services operating account of the special revenue fund under section 299A.705;

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

(3) for the transfer of the interest of an owner and the issuance of a new certificate of title, the sum of \$5.50 of which \$2.50 must be paid into the vehicle services operating account of the special revenue fund under section 299A.705;

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

(5) for issuing a duplicate certificate of title, the sum of ~~\$6.50~~ \$7.25 of which ~~\$2.50~~ \$3.25 must be paid into the vehicle services operating account of the special revenue fund under section 299A.705.

(b) After June 30, 1994, in addition to each of the fees required under paragraph (a), clauses (1) and (3), the department must be paid \$3.50. The additional \$3.50 fee collected under this paragraph must be deposited in the special revenue fund and credited to the public safety motor vehicle account established in section 299A.70.

Sec. 3. Minnesota Statutes 2006, section 171.02, subdivision 3, is amended to read:

Subd. 3. **Motorized bicycle.** (a) A motorized bicycle may not be operated on any public roadway by any person who does not possess a valid driver's license, unless the person has obtained a motorized bicycle operator's permit or motorized bicycle instruction permit from the commissioner of public safety. The operator's permit may be issued to any person who has attained the age of 15 years and who has passed the examination prescribed by the commissioner. The instruction permit may be issued to any person who has attained the age of 15 years and who has successfully completed an approved safety course and passed the written portion of the examination prescribed by the commissioner.

(b) This course must consist of, but is not limited to, a basic understanding of:

- (1) motorized bicycles and their limitations;
- (2) motorized bicycle laws and rules;
- (3) safe operating practices and basic operating techniques;
- (4) helmets and protective clothing;
- (5) motorized bicycle traffic strategies; and
- (6) effects of alcohol and drugs on motorized bicycle operators.

(c) The commissioner may adopt rules prescribing the content of the safety course, examination, and the information to be contained on the permits. A person operating a motorized bicycle under a motorized bicycle permit is subject to the restrictions imposed by section 169.974, subdivision 2, on operation of a motorcycle under a two-wheel instruction permit.

(d) The fees for motorized bicycle operator's permits are as follows:

- |   |                               |
|---|-------------------------------|
| (1) Examination and operator's permit, valid for one year   | \$ <del>6</del> <u>6.75</u>   |
| (2) Duplicate   | \$ <del>3</del> <u>3.75</u>   |
| (3) Renewal permit before age 21 and valid until age 21     | \$ <del>9</del> <u>9.75</u>   |
| (4) Renewal permit age 21 or older and valid for four years | \$ <del>15</del> <u>15.75</u> |

- (5) Duplicate of any renewal permit \$ ~~4.50~~ 5.25
- (6) Written examination and instruction permit, valid for 30 days \$ ~~6~~ 6.75

Sec. 4. Minnesota Statutes 2006, section 171.06, subdivision 2, is amended to read:

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

<del>Classified Driver's License</del>	<del>D-\$21.50</del>	<del>C-\$25.50</del>	<del>B-\$32.50</del>	<del>A-\$40.50</del>
<del>Classified Under-21 D.L.</del>	<del>D-\$21.50</del>	<del>C-\$25.50</del>	<del>B-\$32.50</del>	<del>A-\$20.50</del>
<u>Classified Driver's License</u>	<u>D-\$22.25</u>	<u>C-\$26.25</u>	<u>B-\$33.25</u>	<u>A-\$41.25</u>
<u>Classified Under-21 D.L.</u>	<u>D-\$22.25</u>	<u>C-\$26.25</u>	<u>B-\$33.25</u>	<u>A-\$21.25</u>
Instruction Permit				<u>\$9.50</u> <u>\$10.25</u>
Provisional License				<u>\$12.50</u> <u>\$13.25</u>
Duplicate License or duplicate identification card				<u>\$11.00</u> <u>\$11.75</u>
Minnesota identification card or Under-21 Minnesota identification card, other than duplicate, except as otherwise provided in section 171.07, subdivisions 3 and 3a				<u>\$15.50</u> <u>\$16.25</u>

(b) Notwithstanding paragraph (a), an individual who holds a provisional license and has a driving record free of (1) convictions for a violation of section 169A.20, 169A.33, 169A.35, or sections 169A.50 to 169A.53, (2) convictions for crash-related moving violations, and (3) convictions for moving violations that are not crash related, shall have a \$3.50 credit toward the fee for any classified under-21 driver's license. "Moving violation" has the meaning given it in section 171.04, subdivision 1.

(c) In addition to the driver's license fee required under paragraph (a), the commissioner shall collect an additional \$4 processing fee from each new applicant or individual renewing a license with a school bus endorsement to cover the costs for processing an applicant's initial and biennial physical examination certificate. The department shall not charge these applicants any other fee to receive or renew the endorsement.

Sec. 5. Minnesota Statutes 2006, section 171.07, subdivision 3a, is amended to read:

Subd. 3a. **Identification cards for seniors.** A Minnesota identification card issued to an applicant 65 years of age or over shall be of a distinguishing color and plainly marked "senior." The fee for the card issued to an applicant 65 years of age or over shall be one-half the required fee for a class D driver's license rounded down to the nearest quarter dollar. A Minnesota identification card or a Minnesota driver's license issued to a person 65 years of age or over shall be valid identification for the purpose of qualifying for reduced rates, free licenses or services provided by any board, commission, agency or institution that is wholly or partially funded by state appropriations.

Sec. 6. Minnesota Statutes 2006, section 171.07, subdivision 11, is amended to read:

Subd. 11. **Standby or temporary custodian.** (a) Upon the written request of the applicant and upon payment of an additional fee of ~~\$3.50~~ \$4.25, the department shall issue a driver's license or Minnesota identification card bearing a symbol or other appropriate identifier indicating that the license holder has appointed an individual to serve as a standby or temporary custodian under chapter 257B.

(b) The request must be accompanied by a copy of the designation executed under section 257B.04.

(c) The department shall maintain a computerized records system of all individuals listed as standby or temporary custodians by driver's license and identification card applicants. This data must be released to appropriate law enforcement agencies under section 13.69. Upon a parent's request and payment of a fee of ~~\$3.50~~ \$4.25, the department shall revise its list of standby or temporary custodians to reflect a change in the appointment.

(d) At the request of the license or cardholder, the department shall cancel the standby or temporary custodian indication without additional charge. However, this paragraph does not prohibit a fee that may be applicable for a duplicate or replacement license or card, renewal of a license, or other service applicable to a driver's license or identification card.

(e) Notwithstanding sections 13.08, subdivision 1, and 13.69, the department and department employees are conclusively presumed to be acting in good faith when employees rely on statements made, in person or by telephone, by persons purporting to be law enforcement and subsequently release information described in paragraph (b). When acting in good faith, the department and department personnel are immune from civil liability and not subject to suit for damages resulting from the release of this information.

(f) The department and its employees:

(1) have no duty to inquire or otherwise determine whether a designation submitted under this subdivision is legally valid and enforceable; and

(2) are immune from all civil liability and not subject to suit for damages resulting from a claim that the designation was not legally valid and enforceable.

(g) Of the fees received by the department under this subdivision:

(1) Up to \$61,000 received must be deposited in the general fund.

(2) All other fees must be deposited in the driver services operating account in the special revenue fund specified in section 299A.705.

Sec. 7. Minnesota Statutes 2006, section 171.20, subdivision 4, is amended to read:

Subd. 4. **Reinstatement fee.** (a) Before the license is reinstated, (1) an individual whose driver's license has been suspended under section 171.16, subdivisions 2 and 3; 171.175; 171.18; or 171.182, or who has been disqualified from holding a commercial driver's license under section 171.165, and (2) an individual whose driver's license has been suspended under section 171.186 and who is not exempt from such a fee, must pay a fee of \$20.

(b) Before the license is reinstated, an individual whose license has been suspended under sections 169.791 to 169.798 must pay a \$20 reinstatement fee.

(c) When fees are collected by a licensing agent appointed under section 171.061, a handling charge is imposed in the amount specified under section 171.061, subdivision 4. The reinstatement fee and surcharge must be deposited in an approved state depository as directed under section 171.061, subdivision 4.

(d) Reinstatement fees collected under paragraph (a) for suspensions under sections 171.16, subdivision 3, and 171.18, subdivision 1, clause (10), must be deposited in the special revenue fund and are appropriated to the Peace Officer Standards and Training Board for peace officer training reimbursement to local units of government.

(e) A suspension may be rescinded without fee for good cause.

Sec. 8. Minnesota Statutes 2006, section 299D.09, is amended to read:

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

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

The fees charged for services provided by the State Patrol with a vehicle are \$73.60 an hour in fiscal year 2008 and \$75.76 an hour in fiscal year 2009 and thereafter. The fees charged for services provided without a vehicle are \$54 an hour in fiscal year 2008 and \$56.16 an hour in fiscal year 2009 and thereafter.

The fees charged for State Patrol flight services are \$140 an hour for a fixed wing aircraft, \$490 an hour for a helicopter, and \$600 an hour for the Queen Air.

**ARTICLE 4**

**TRANSPORTATION AND PUBLIC SAFETY**

Section 1. Minnesota Statutes 2006, section 168.017, subdivision 3, is amended to read:

Subd. 3. **Exceptions.** (a) The registrar shall register all vehicles subject to registration under the monthly series system for a period of 12 consecutive calendar months, unless:

(1) the application is an original rather than renewal application; or

(2) the applicant is a licensed motor vehicle lessor under section 168.27 and the vehicle is leased or rented for periods of time of not more than 28 days, in which case the applicant may apply for initial or renewed registration of a vehicle for a period of four or more months, the month of expiration to be designated by the applicant at the time of registration. However, to qualify for this exemption, the applicant must (1) present the application to the registrar at St. Paul, or at a designated deputy registrar offices as the registrar may designate office, and (2) stamp in red, on the certificate of title, the phrase

"The expiration month of this vehicle is ...." with the blank filled in with the month of expiration as if the vehicle is being registered for a period of 12 calendar months.

(b) In any instance except that of a licensed motor vehicle lessor, the registrar shall not approve registering the vehicle subject to the application for a period of less than three months, except when the registrar determines that to do otherwise will help to equalize the registration and renewal work load of the department.

Sec. 2. Minnesota Statutes 2006, section 174.03, subdivision 9, is amended to read:

Subd. 9. **Forecast of revenues and expenditures.** In cooperation with the Department of Finance and as required by section 16A.103, the commissioner shall prepare in February and November of each year a forecast of highway user tax distribution fund and trunk highway fund revenues and expenditures. The forecast must include an analysis of economic information and the potential impact on highway user fund revenues, historical growth rate information, and other variables affecting revenue assumptions and forecasted future growth rates. The forecast must include an analysis of trunk highway bonding and the necessary debt service payments, and assumptions regarding federal transportation funds. The commissioner shall review the forecast information with the chairs of the senate and house of representatives committees with jurisdiction over finance, ways and means, and transportation finance and with legislative fiscal staff no later than ~~two weeks before~~ one week following the release of the forecast ~~is released~~ and shall inform the chairs and staff of changes made from previous forecasts.

## ARTICLE 5

### REPEALER

#### Section 1. **REPEALER.**

This act is repealed if H.F. No. 946 is enacted in 2007, notwithstanding the objections of the governor.

Presented to the governor May 29, 2007

Signed by the governor May 30, 2007, 11:54 a.m.