

CHAPTER 3—H.F.No. 2

An act relating to government finance; appropriating money for transportation, Metropolitan Council, and public safety activities and programs; providing for fund transfers, tort claims, and certain contingent appropriations; providing for use of revenues from metropolitan transportation area sales tax; reducing funding for 2011 state road construction; modifying various provisions related to transportation finance and policy; providing for surcharge; mandating and amending legislative reports; making technical and clarifying changes; amending Minnesota Statutes 2010, sections 16A.11, subdivision 3a; 16A.86, subdivision 3a; 161.04, by adding a subdivision; 162.06, subdivision 1; 162.12, subdivision 1; 168.013, subdivision 21; 168A.29, subdivision 1; 171.06, subdivision 2, as amended; 174.93; 297A.992, subdivision 5, by adding a subdivision; 473.39, by adding a subdivision; Laws 2008, chapter 363, article 11, section 6; Laws 2009, chapter 36, article 1, section 3, subdivision 3, as amended.

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.

	<u>2012</u>		<u>2013</u>		<u>Total</u>
<u>General</u>	\$ 62,829,000	\$	62,829,000	\$	125,658,000
<u>Airports</u>	19,609,000		21,384,000		40,993,000
<u>C.S.A.H.</u>	545,109,000		572,773,000		1,117,882,000
<u>M.S.A.S.</u>	145,455,000		153,484,000		298,939,000
<u>Special Revenue</u>	49,088,000		49,088,000		98,176,000
<u>H.U.T.D.</u>	10,406,000		10,406,000		20,812,000
<u>Trunk Highway</u>	1,652,978,000		1,384,515,000		3,037,493,000
<u>Total</u>	\$ 2,485,474,000	\$	2,254,479,000	\$	4,739,953,000

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 trunk highway fund, or another named fund, and are available for the fiscal years

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indicated for each purpose. The figures "2012" and "2013" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2012, or June 30, 2013, respectively. "The first year" is fiscal year 2012. "The second year" is fiscal year 2013. "The biennium" is fiscal years 2012 and 2013. Appropriations for the fiscal year ending June 30, 2011, are effective the day following final enactment.

APPROPRIATIONS
Available for the Year
Ending June 30
2012 **2013**

Sec. 3. DEPARTMENT OF
TRANSPORTATION

Subdivision 1. **Total Appropriation** \$ **2,292,520,000** \$ **2,061,525,000**

Appropriations by Fund

	<u>2012</u>	<u>2013</u>
<u>General</u>	<u>15,837,000</u>	<u>15,837,000</u>
<u>Airports</u>	<u>19,609,000</u>	<u>21,384,000</u>
<u>C.S.A.H.</u>	<u>545,109,000</u>	<u>572,773,000</u>
<u>M.S.A.S</u>	<u>145,455,000</u>	<u>153,484,000</u>
<u>Trunk Highway</u>	<u>1,566,510,000</u>	<u>1,298,047,000</u>

The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. Multimodal Systems

(a) Aeronautics

(1) Airport Development and Assistance 14,298,000 16,073,000

This appropriation is from the state airports fund and must be spent according to Minnesota Statutes, section 360.305, subdivision 4.

The base appropriation for fiscal years 2014 and 2015 is \$14,298,000 for each year.

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

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

If the commissioner of transportation determines that a balance remains in the state airports fund following the appropriations made in this article, and that the appropriations made are insufficient for advancing airport development and assistance projects, an amount necessary to advance the projects, not to exceed the balance in the state airports fund, is appropriated in each year to the commissioner and must be spent according to Minnesota Statutes, section 360.305, subdivision 4. Within two weeks of a determination under this contingent appropriation, the commissioner of transportation shall notify the commissioner of management and budget and the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance concerning funds appropriated. Funds appropriated under this contingent appropriation do not adjust the base appropriation for fiscal years 2014 and 2015.

(2) Aviation Support and Services6,123,0006,123,000Appropriations by Fund

<u>Airports</u>	<u>5,286,000</u>	<u>5,286,000</u>
<u>Trunk Highway</u>	<u>837,000</u>	<u>837,000</u>

\$65,000 in each year is from the state airports fund for the Civil Air Patrol.

(b) Transit15,798,00015,798,000Appropriations by Fund

<u>General</u>	<u>15,023,000</u>	<u>15,023,000</u>
<u>Trunk Highway</u>	<u>775,000</u>	<u>775,000</u>

The base appropriation from the general fund is \$16,373,000 for fiscal year 2014 and \$16,292,000 for fiscal year 2015.

\$100,000 in each year is from the general fund for the administrative expenses of the

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Minnesota Council on Transportation Access under Minnesota Statutes, section 174.285.

(c) Passenger Rail 500,000 500,000

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

(d) Freight 5,154,000 5,154,000

Appropriations by Fund

<u>General</u>	<u>257,000</u>	<u>257,000</u>
<u>Trunk Highway</u>	<u>4,897,000</u>	<u>4,897,000</u>

Subd. 3. State Roads

(a) Operations and Maintenance 257,395,000 257,395,000

(b) Program Planning and Delivery 206,918,000 206,733,000

Of these appropriations, \$130,000 in each year is for administrative costs of the targeted group business program, if a law is enacted and effective in 2012 and 2013 that establishes a targeted group business program for state highway construction contracts.

\$266,000 in each year is available for grants to metropolitan planning organizations outside the seven-county metropolitan area.

\$75,000 in each year is available 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 in each year is 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; (2) in regions

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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.

(c) State Road Construction888,000,000595,000,000

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

Appropriations by FundFederal Highway

<u>Aid</u>	<u>521,800,000</u>	<u>276,800,000</u>
<u>Highway User Taxes</u>	<u>366,200,000</u>	<u>318,200,000</u>

The commissioner of transportation shall notify the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance 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 base appropriation is \$679,000,000 in fiscal year 2014 and \$668,000,000 in fiscal year 2015.

Of this appropriation, \$87,000,000 in the first year and \$40,000,000 in the second year are for highway pavement improvements and related mobility, safety, and technology improvements, and is available for functions that include program management, project development, project management, actual construction, reconstruction, and improvement of trunk highways, and

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design-build contracts and consultant usage to support these activities.

The commissioner may transfer up to \$20,000,000 in the first year from the trunk highway fund to the trunk highway economic development account established under Minnesota Statutes, section 161.04, subdivision 6.

The commissioner may expend up to one-half of one percent of the federal appropriations under this paragraph as grants to opportunity industrialization centers and other nonprofit job training centers for job training programs related to highway construction.

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.

(d) Highway Debt Service

142,764,000

167,486,000

\$128,764,000 the first year and \$153,486,000 the second year are for transfer to the state bond fund. If an appropriation is insufficient to make all transfers required in the year for which it is made, the commissioner of management and budget 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.

(e) Electronic Communications

5,171,000

5,171,000

Appropriations by Fund

<u>General</u>	<u>3,000</u>	<u>3,000</u>
<u>Trunk Highway</u>	<u>5,168,000</u>	<u>5,168,000</u>

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

Subd. 4. Local Roads

(a) County State Aids

545,109,000

572,773,000

This appropriation is from the county state-aid highway fund under Minnesota Statutes, sections 161.082 to 161.085; and Minnesota Statutes, chapter 162. This appropriation is available until spent.

If the commissioner of transportation determines that a balance remains in the county state-aid highway fund following the appropriations and transfers made in this subdivision, and that the appropriations made are insufficient for advancing county state-aid highway projects, an amount necessary to advance the projects, not to exceed the balance in the county state-aid highway fund, is appropriated in each year to the commissioner. Within two weeks of a determination under this contingent appropriation, the commissioner of transportation shall notify the commissioner of management and budget and the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance concerning funds appropriated.

(b) Municipal State Aids

145,455,000

153,484,000

This appropriation is from the municipal state-aid street fund for municipal state-aid streets under Minnesota Statutes, chapter 162. This appropriation is available until spent.

If the commissioner of transportation determines that a balance remains in the municipal state-aid street fund following the appropriations made in this subdivision, and that the appropriations made are insufficient for advancing municipal state-aid street projects, an amount necessary to advance the projects, not to exceed the balance in the municipal state-aid street

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fund, is appropriated in each year to the commissioner. Within two weeks of a determination under this contingent appropriation, the commissioner of transportation shall notify the commissioner of management and budget and the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance concerning funds appropriated.

Subd. 5. Agency Management

(a) Agency Services 41,997,000 41,997,000

Appropriations by Fund

<u>Airports</u>	<u>25,000</u>	<u>25,000</u>
<u>Trunk Highway</u>	<u>41,972,000</u>	<u>41,972,000</u>

(b) Buildings 17,838,000 17,838,000

Appropriations by Fund

<u>General</u>	<u>54,000</u>	<u>54,000</u>
<u>Trunk Highway</u>	<u>17,784,000</u>	<u>17,784,000</u>

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

Subd. 6. Transfers

(a) With the approval of the commissioner of management and budget, 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 appropriations for state road construction or for debt service. Transfers under this paragraph may not be made between funds. Transfers under this paragraph must be reported immediately to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance.

(b) The commissioner shall transfer from the flexible highway account in the county

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state-aid highway fund: (1) \$1,000,000 in the first year to the municipal turnback account in the municipal state-aid street fund; (2) \$1,900,000 in the first year to the trunk highway fund; and (3) the remainder in each year to the county turnback account in the county state-aid highway fund. The funds transferred are for highway turnback purposes as provided under Minnesota Statutes, section 161.081, subdivision 3.

Subd. 7. Use of State Road Construction Appropriations

Any money appropriated to the commissioner of transportation for state road construction for any fiscal year before the first year is available to the commissioner during the biennium 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 management and budget by August 1, 2011, and August 1, 2012, on a form the commissioner of management and budget provides, on expenditures made during the previous fiscal year that are authorized by this subdivision.

Subd. 8. 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 the members of the Legislative Advisory Commission under Minnesota Statutes, section 3.30, and the ranking minority members of the legislative 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

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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** **\$ 39,038,000 \$ 39,038,000**

This appropriation is from the general fund for transit system operations under Minnesota Statutes, sections 473.371 to 473.449.

Of this appropriation, \$140,000 in each fiscal year is for transit service for disabled veterans under Minnesota Statutes, section 473.408, subdivision 10.

The base appropriation is \$64,889,000 for fiscal year 2014 and \$64,970,000 for fiscal year 2015.

Notwithstanding Minnesota Statutes, section 473.388, subdivision 4, in each year of the biennium, the Metropolitan Council shall provide financial assistance to transit providers under Minnesota Statutes, section 473.388, in an amount that is \$1,650,000 less than the amount of assistance that was provided to transit providers by the Metropolitan Council in fiscal year 2011. Funds not transferred as a result of this rider are available for use by the council for metropolitan transit operations.

Sec. 5. **DEPARTMENT OF PUBLIC SAFETY**

Subdivision 1. **Total Appropriation** **\$ 153,316,000 \$ 153,316,000**

Appropriations by Fund

	<u>2012</u>	<u>2013</u>
<u>General</u>	<u>7,954,000</u>	<u>7,954,000</u>

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<u>Special Revenue</u>	<u>49,088,000</u>	<u>49,088,000</u>
<u>H.U.T.D.</u>	<u>10,406,000</u>	<u>10,406,000</u>
<u>Trunk Highway</u>	<u>85,868,000</u>	<u>85,868,000</u>

The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. Administration and Related Services

(a) Office of Communications 434,000 434,000

Appropriations by Fund

<u>General</u>	<u>41,000</u>	<u>41,000</u>
<u>Trunk Highway</u>	<u>393,000</u>	<u>393,000</u>

(b) Public Safety Support 8,168,000 8,168,000

Appropriations by Fund

<u>General</u>	<u>3,296,000</u>	<u>3,296,000</u>
<u>H.U.T.D.</u>	<u>1,366,000</u>	<u>1,366,000</u>
<u>Trunk Highway</u>	<u>3,506,000</u>	<u>3,506,000</u>

\$380,000 in each year is from the general fund 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.

\$1,367,000 in each year is from the general fund 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 in each year is from the general fund for soft body armor reimbursements under Minnesota Statutes, section 299A.38.

\$792,000 in each year is from the general fund for transfer by the commissioner of management and budget to the trunk highway fund on December 31, 2011, and December 31, 2012, respectively, in order to reimburse the trunk highway fund for expenses not related to the fund. These represent amounts

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appropriated out of the trunk highway fund for general fund purposes in the administration and related services program.

\$610,000 in each year is from the highway user tax distribution fund for transfer by the commissioner of management and budget to the trunk highway fund on December 31, 2011, and December 31, 2012, 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 in each year is from the highway user tax distribution fund for transfer by the commissioner of management and budget to the general fund on December 31, 2011, and December 31, 2012, 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) Technology and Support Service 3,835,000 3,835,000

Appropriations by Fund

<u>General</u>	<u>1,472,000</u>	<u>1,472,000</u>
<u>H.U.T.D.</u>	<u>19,000</u>	<u>19,000</u>
<u>Trunk Highway</u>	<u>2,344,000</u>	<u>2,344,000</u>

Subd. 3. State Patrol

(a) Patrolling Highways 71,522,000 71,522,000

Appropriations by Fund

<u>General</u>	<u>37,000</u>	<u>37,000</u>
<u>H.U.T.D.</u>	<u>92,000</u>	<u>92,000</u>
<u>Trunk Highway</u>	<u>71,393,000</u>	<u>71,393,000</u>

(b) Commercial Vehicle Enforcement 7,796,000 7,796,000

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\$600,000 in each year is for the Office of Pupil Transportation Safety under Minnesota Statutes, section 169.435.

(c) Capitol Security 3,108,000 3,108,000

This appropriation is from the general fund.

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 appropriated to the commissioner under this section: (1) to capitol security; or (2) from capitol security.

(d) Vehicle Crimes Unit 693,000 693,000

This appropriation is from the highway user tax distribution fund.

This appropriation is to investigate: (1) registration tax and motor vehicle sales tax liabilities from individuals and businesses that currently do not pay all taxes owed; and (2) illegal or improper activity related to sale, transfer, titling, and registration of motor vehicles.

Subd. 4. Driver and Vehicle Services

(a) Vehicle Services 27,259,000 27,259,000

Appropriations by Fund

<u>Special Revenue</u>	<u>19,023,000</u>	<u>19,023,000</u>
<u>H.U.T.D.</u>	<u>8,236,000</u>	<u>8,236,000</u>

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

(b) Driver Services 28,712,000 28,712,000

Appropriations by Fund

<u>Special Revenue</u>	<u>28,711,000</u>	<u>28,711,000</u>
<u>Trunk Highway</u>	<u>1,000</u>	<u>1,000</u>

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

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

The commissioner of public safety shall spend 50 percent of the money available to the state under United States Code, title 23, 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 1,354,000 1,354,000

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

Subd. 7. Transfer

On or after July 1, 2012, the commissioner of public safety shall transfer to the driver and vehicle services technology account a total of \$7,100,000 from the driver services operating account and the vehicle services operating account.

Sec. 6. TORT CLAIMS \$ 600,000 \$ 600,000

This appropriation is to the commissioner of management and budget.

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

Sec. 7. Laws 2009, chapter 36, article 1, section 3, subdivision 3, as amended by Laws 2010, chapter 351, section 66, is amended to read:

Subd. 3. State Roads

(a) Infrastructure Operations and Maintenance 251,643,000 245,892,000

The base appropriation for fiscal years 2012 and 2013 is \$257,395,000 for each year.

(b) Infrastructure Investment and Planning

(1) Infrastructure Investment Support 201,461,000 196,935,000

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The base appropriation for fiscal years 2012 and 2013 is \$205,988,000 for each year.

\$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; (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.

\$200,000 the second year is for grants to nonprofit job training centers for: (1) job training programs related to highway construction; and (2) business training for companies that are certified disadvantaged business enterprises.

(2) State Road Construction

551,300,000

~~598,700,000~~555,700,000

The base appropriation for fiscal years 2012 and 2013 is \$635,000,000 for each year.

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

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Appropriations by Fund

Federal Highway Aid		388,500,000
	301,100,000	<u>345,500,000</u>
Highway User Taxes	250,200,000	210,200,000

The commissioner of transportation shall notify the chairs and ranking minority members of the senate and house of representatives committees with jurisdiction over transportation finance 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 spend up to \$250,000 of trunk highway funds in fiscal year 2011 to pay the operating costs of bus service between Hastings and Minneapolis-St. Paul to mitigate the traffic impacts of the project involving construction of a bridge crossing the Mississippi River in the city of Hastings on marked Trunk Highway 61.

The commissioner shall expend up to one-half of one percent of the federal appropriations under this paragraph as grants to opportunity industrialization centers and other nonprofit job training centers for job training programs related to highway construction.

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

101,170,000

173,400,000

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\$86,517,000 the first year and \$157,304,000 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.

(c) **Electronic Communications** 5,177,000 5,177,000

Appropriations by Fund

General	9,000	9,000
Trunk Highway	5,168,000	5,168,000

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

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

ARTICLE 2**METROPOLITAN TRANSIT FINANCE**

Section 1. Minnesota Statutes 2010, 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:

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(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;

(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) 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 subdivision, in fiscal year 2009, of the initial revenue collected under this section, the joint powers board shall allocate at least \$30,783,000 to the Metropolitan Council for operating assistance for transit. 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 transit ways 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 transit ways 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 transit ways and park-and-ride facilities.

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Sec. 2. Minnesota Statutes 2010, section 297A.992, is amended by adding a subdivision to read:

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

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

(2) as otherwise authorized under this section.

Sec. 3. Minnesota Statutes 2010, section 473.39, is amended by adding a subdivision to read:

Subd. 1q. **Obligations.** After July 1, 2011, in addition to other authority in this section, the council may issue certificates of indebtedness, bonds, or other obligations under this section in an amount not exceeding \$35,000,000 for capital expenditures as prescribed in the council's transit capital improvement program and for related costs, including the costs of issuance and sale of the obligations.

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

ARTICLE 3**TRANSPORTATION DEVELOPMENT**

Section 1. Minnesota Statutes 2010, section 16A.11, subdivision 3a, is amended to read:

Subd. 3a. **Part three: detailed capital budget.** The detailed capital budget must include recommendations for capital projects to be funded during the next six fiscal years and, if applicable, must meet the requirements under section 174.93, subdivision 1a. It must be submitted with projects recommended by the governor and in order of importance among that agency's requests as determined by the agency originating the request.

Sec. 2. Minnesota Statutes 2010, section 16A.86, subdivision 3a, is amended to read:

Subd. 3a. **Information provided.** All requests for state assistance under this section must include the following information:

(1) the name of the political subdivision that will own the capital project for which state assistance is being requested;

(2) the public purpose of the project;

(3) the extent to which the political subdivision has or expects to provide local, private, user financing, or other nonstate funding for the project;

(4) a list of the bondable activities that the project encompasses; examples of bondable activities are public improvements of a capital nature for land acquisition, predesign, design, construction, and furnishing and equipping for occupancy;

(5) whether the project will require new or additional state operating subsidies;

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(6) whether the governing body of the political subdivision requesting the project has passed a resolution in support of the project and has established priorities for all projects within its jurisdiction for which bonding appropriations are requested when submitting multiple requests; ~~and~~

(7) if the project requires a predesign under section 16B.335, whether the predesign has been completed at the time the capital project request is submitted, and whether the political subdivision has submitted the project predesign to the commissioner of administration for review and approval; and

(8) if applicable, the information required under section 174.93, subdivision 1a.

Sec. 3. Minnesota Statutes 2010, section 161.04, is amended by adding a subdivision to read:

Subd. 6. **Trunk highway economic development account.** (a) The trunk highway economic development account is created in the trunk highway fund. Money in the account is annually appropriated to the commissioner and does not lapse. Interest earned from investment of money in this account must be deposited in the trunk highway economic development account.

(b) Money in the account must be used to fund construction, reconstruction, and improvement of trunk highways that will promote economic development, increase employment, and relieve growing traffic congestion.

(c) The commissioner shall design a project application and selection process to distribute money in the account. The process must include specified eligibility and prioritizing criteria.

(d) Money in the account must be allocated 50 percent to the department's metropolitan district, and 50 percent to districts in greater Minnesota except as provided in this paragraph. If there are not sufficient project applications that meet eligibility and prioritizing criteria in either the metropolitan district or greater Minnesota districts to permit an equal division of available money, the commissioner shall fund projects that meet the selection criteria without regard to location in the state.

Sec. 4. Minnesota Statutes 2010, section 162.06, subdivision 1, is amended to read:

Subdivision 1. **Estimate.** (a) By December 15 of each year the commissioner shall estimate the amount of money that will be available to the county state-aid highway fund during that fiscal year. The amount available must be based on actual receipts from July 1 through ~~November 30~~ October 31, the unallocated fund balance, and the projected receipts for the remainder of the fiscal year. The amount available, except for deductions as provided in this section, shall be apportioned by the commissioner to the counties as provided in section 162.07.

(b) For purposes of this section, "amount available" means the amount estimated in paragraph (a).

Sec. 5. Minnesota Statutes 2010, section 162.12, subdivision 1, is amended to read:

Subdivision 1. **Estimate of accruals.** By December 15 of each year the commissioner shall estimate the amount of money that will be available to the municipal state-aid street fund during that fiscal year. The amount available is based on actual receipts from July 1 through ~~November 30~~ October 31, the unallocated fund balance, and

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the projected receipts for the remainder of the fiscal year. The total available, except for deductions as provided herein, shall be apportioned by the commissioner to the cities having a population of 5,000 or more as hereinafter provided.

Sec. 6. Minnesota Statutes 2010, section 168.013, subdivision 21, is amended to read:

Subd. 21. **Technology surcharge.** For every vehicle registration renewal required under this chapter, the commissioner shall collect a surcharge of: (1) \$1.75 until June 30, 2012; and (2) \$1.00 from July 1, 2012, to June 30, 2016. Surcharges collected under this subdivision must be credited to the driver and vehicle services technology account in the special revenue fund under section 299A.705.

Sec. 7. Minnesota Statutes 2010, 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 \$6.25 of which \$3.25 must be paid into the vehicle services operating account of the special revenue fund under section 299A.705; until June 30, 2012, a surcharge of \$1.75 must be added to the fee and credited to the driver and vehicle services technology account; from July 1, 2012, to June 30, 2016, a surcharge of \$1.00 must be added to the fee and credited to the driver and vehicle services technology account;

(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; until June 30, 2012, a surcharge of \$1.75 must be added to the fee and credited to the driver and vehicle services technology account; from July 1, 2012, to June 30, 2016, a surcharge of \$1.00 must be added to the fee and credited to the driver and vehicle services technology account;

(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 \$7.25 of which \$3.25 must be paid into the vehicle services operating account of the special revenue fund under section 299A.705; until June 30, 2012, a surcharge of \$1.75 must be added to the fee and credited to the driver and vehicle services technology account; from July 1, 2012, to June 30, 2016, a surcharge of \$1.00 must be added to the fee and credited to the driver and vehicle services technology account.

(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. 8. Minnesota Statutes 2010, section 171.06, subdivision 2, as amended by Laws 2011, chapter 80, section 2, is amended to read:

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

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Classified Driver's License	D-\$22.25	C-\$26.25	B-\$33.25	A-\$41.25
Classified Under-21 D.L.	D-\$22.25	C-\$26.25	B-\$33.25	A-\$21.25
Enhanced Driver's License	D-\$37.25	C-\$41.25	B-\$48.25	A-\$56.25
Instruction Permit				\$10.25
Enhanced Instruction Permit				\$25.25
Provisional License				\$13.25
Enhanced Provisional License				\$28.25
Duplicate License or duplicate identification card				\$11.75
Enhanced Duplicate License or enhanced duplicate identification card				\$26.75
Minnesota identification card or Under-21 Minnesota identification card, other than duplicate, except as otherwise provided in section 171.07, subdivisions 3 and 3a				\$16.25
Enhanced Minnesota identification card				\$31.25

In addition to each fee required in this paragraph, the commissioner shall collect a surcharge of: (1) \$1.75 until June 30, 2012; and (2) \$1.00 from July 1, 2012, to June 30, 2016. Surcharges collected under this paragraph must be credited to the driver and vehicle services technology account in the special revenue fund under section 299A.705.

(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.

(d) An application for a Minnesota identification card, instruction permit, provisional license, or driver's license, including an application for renewal, must contain a provision

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that allows the applicant to add to the fee under paragraph (a), a \$2 donation for the purposes of public information and education on anatomical gifts under section 171.075.

Sec. 9. Minnesota Statutes 2010, section 174.93, is amended to read:

174.93 GUIDEWAY INVESTMENT.

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

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

(2) "guideway" means a form of transportation service provided to the public on a regular and ongoing basis, that operates on exclusive or controlled rights-of-way or rails in whole or in part, and includes each line for intercity passenger rail, commuter rail, light rail transit, streetcars, and bus rapid transit; and

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

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

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

Subd. 1a. **Capital project requests to legislature.** A state agency or local unit of government that submits a request to the legislature to obtain state funds for a guideway project shall, as part of the request, provide a summary financial plan for the project that presents the following information as reflected by the data and level of detail available in the latest phase of project development:

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

(2) estimated annual operations and maintenance expenditures for the project, with a breakdown by committed and proposed sources of funds.

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

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

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

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

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

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

(5) a summary financial plan that identifies, as reflected by the data and level of detail 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; ~~and~~

(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 ~~projects in the Metropolitan Council's transportation policy plan.~~ 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. 10. Laws 2008, chapter 363, article 11, section 6, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective July 1, 2008, and expires June 30, ~~2012~~ 2016.

ARTICLE 4**EFFECTIVE DATE****Section 1. EFFECTIVE DATE; RELATIONSHIP TO OTHER APPROPRIATIONS.**

Unless otherwise specified, this act is effective retroactively from July 1, 2011, and supersedes and replaces funding authorized by order of the Second Judicial District Court in Case No. 62-CV-11-5203.

Presented to the governor July 19, 2011

Signed by the governor July 20, 2011, 9:05 a.m.