

CHAPTER 3--H.F.No. 3

An act relating to transportation; establishing a budget for transportation; appropriating money for transportation purposes, including Department of Transportation, Metropolitan Council, and Department of Public Safety activities; modifying various provisions governing transportation policy and finance; allocating certain sales and use tax revenue; establishing accounts; requiring reports; making technical changes; authorizing sale and issuance of state bonds; amending Minnesota Statutes 2016, sections 53C.01, subdivision 2; 85.016; 117.189; 160.02, subdivision 27, by adding subdivisions; 160.18, by adding a subdivision; 160.262, subdivisions 1, 3, 4; 160.266, subdivisions 3, 4, 5, by adding subdivisions; 161.04, subdivision 5; 161.081, subdivision 3; 161.088, subdivisions 4, 5, 7; 161.115, subdivision 190; 161.14, by adding a subdivision; 161.21, subdivision 1; 161.321, subdivision 6; 161.38, by adding a subdivision; 161.44, subdivisions 5, 6a, by adding a subdivision; 168.013, subdivision 1a, by adding a subdivision; 168.021, subdivisions 1, 2, 2a; 168.27, by adding a subdivision; 168.33, subdivision 2; 168A.09, subdivision 1; 168A.141; 168A.142; 169.011, subdivisions 34, 47, by adding a subdivision; 169.14, by adding a subdivision; 169.18, subdivisions 5, 7; 169.224, subdivision 3; 169.345, subdivisions 1, 3; 169.442, subdivision 5; 169.443, subdivision 2; 169.444, subdivision 2; 169.449, subdivision 1; 169.4501, subdivisions 1, 2; 169.4503, subdivisions 4, 7, 14, 23, 30; 169.64, subdivision 8; 169.80, subdivision 1; 169.829, by adding a subdivision; 169.864, subdivisions 3, 4, by adding a subdivision; 169.865, subdivision 3; 171.02, subdivision 2b; 171.06, subdivision 2a; 171.061, subdivision 3, as amended; 171.12, subdivision 6; 173.02, subdivisions 18, 23, by adding subdivisions; 173.06, subdivision 1; 173.07, subdivision 1; 173.08, by adding subdivisions; 173.13, subdivision 11; 173.16, by adding subdivisions; 174.03, subdivisions 1a, 1c; 174.50, subdivisions 5, 6b, 6c, 7, by adding a subdivision; 174.56, by adding a subdivision; 174.93; 221.031, by adding a subdivision; 222.49; 222.50, subdivision 6; 256B.15, subdivision 1a, as amended; 297A.815, subdivision 3; 297A.94; 297A.992, by adding a subdivision; 297B.01, subdivision 16; 299D.03, subdivision 6; 398A.10, subdivisions 3, 4; 473.121, subdivision 2; 473.388, subdivision 4, by adding a subdivision; 473.39, by adding a subdivision; 473.4051, subdivision 2; 473.857, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 160; 168; 168A; 169; 173; 174; 473; repealing Minnesota Statutes 2016, sections 160.262, subdivision 2; 160.265; 160.266, subdivisions 1, 2; 161.115, subdivision 32; 165.15, subdivision 8; 169.4502, subdivision 5; 219.375, subdivision 4; Minnesota Rules, parts 8810.0800, subpart 3; 8810.1300, subpart 4; 8810.6000; 8810.6100; 8810.6300; 8810.6400; 8810.6500; 8810.6600; 8810.6700; 8810.6800; 8810.6900; 8810.7000; 8810.9910; 8810.9911; 8810.9912; 8810.9913.

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

ARTICLE 1**TRANSPORTATION APPROPRIATIONS****Section 1. 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 indicated for each purpose. Amounts for "Total Appropriation" and sums shown in the corresponding columns marked "Appropriations by Fund" are summary only and do not have legal effect. Unless specified otherwise, the amounts in the second year under "Appropriations by Fund" show the base within the meaning of Minnesota Statutes, section 16A.11, subdivision 3, by fund. The figures "2018" and "2019" used in this article mean that the appropriations listed under them are available

reimburse the Authority for costs incurred after March 1, 2015. This is a onetime appropriation.

\$2,334,000 in the first year is for a grant to the city of Rochester for improvements to the passenger terminal building at the Rochester International Airport in accordance with Minnesota Statutes, section 360.017. For the purposes of this appropriation, the commissioner of transportation may waive the requirements of Minnesota Statutes, section 360.305, subdivision 4, paragraph (b). This appropriation may be used to reimburse the city for costs incurred after May 1, 2016. This is a onetime appropriation.

Notwithstanding Minnesota Statutes, section 360.017, \$250,000 in the first year is for a grant to the city of St. Cloud for an air transport optimization planning study for the St. Cloud Regional Airport. The study must be comprehensive and market-based, using economic development and air service expertise to research, analyze, and develop models and strategies that maximize the return on investments made to enhance the use and impact of the St. Cloud Regional Airport. By January 5, 2018, the city of St. Cloud shall submit a report to the governor and the members and staff of the legislative committees with jurisdiction over capital investment, transportation, and economic development with recommendations based on the findings of the study. This is a onetime appropriation.

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 must notify the commissioner of management and budget and the chairs, ranking minority members, and staff of the legislative committees with jurisdiction over transportation finance concerning the funds appropriated. Funds appropriated under this contingent appropriation do not adjust the base for fiscal years 2020 and 2021.

The base is \$15,298,000 in each of fiscal years 2020 and 2021.

(2) Aviation Support and Services

6,710,000

6,854,000

Appropriations by Fund

	<u>2018</u>	<u>2019</u>
<u>Airports</u>	<u>5,231,000</u>	<u>5,231,000</u>
<u>Trunk Highway</u>	<u>1,479,000</u>	<u>1,623,000</u>
<u>(3) Civil Air Patrol</u>	<u>3,580,000</u>	<u>80,000</u>

This appropriation is from the state airports fund for the Civil Air Patrol.

\$3,500,000 in the first year is for a grant to renovate a portion of and construct an addition to the training and maintenance facility located at the South St. Paul airport, and to furnish and equip the facility, including communications equipment. Notwithstanding Minnesota Statutes, section 16A.28, subdivision 6, this appropriation is available for five years after the year of the appropriation. This is a onetime appropriation.

<u>(b) Transit</u>	<u>1,416,000</u>	<u>18,268,000</u>
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Appropriations by Fund

	<u>2018</u>	<u>2019</u>
<u>General</u>	<u>570,000</u>	<u>17,395,000</u>
<u>Trunk Highway</u>	<u>846,000</u>	<u>873,000</u>

\$150,000 in each year is from the general fund for grants to transportation management organizations that provide services exclusively or primarily in the city located along the marked Interstate Highway 494 corridor having the highest population as of the effective date of this section. The commissioner must not retain any portion of the funds appropriated under this section. From the appropriation in each fiscal year, the commissioner must make grant payments in full by July 31. Permissible uses of funds under this grant include administrative expenses and programming and service expansion, including but not limited to staffing, communications, outreach and education program development, and operations management. This is a onetime appropriation.

The base from the general fund is \$17,245,000 in each year for fiscal years 2020 and 2021.

<u>(c) Safe Routes to School</u>	<u>500,000</u>	<u>500,000</u>
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This appropriation is from the general fund for the safe routes to school program under Minnesota Statutes, section 174.40.

<u>(d) Passenger Rail</u>	<u>500,000</u>	<u>500,000</u>
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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.

(e) Freight

<u>Freight and Commercial Vehicle Operations</u>	<u>8,506,000</u>	<u>6,578,000</u>
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Appropriations by Fund

	<u>2018</u>	<u>2019</u>
<u>General</u>	<u>3,156,000</u>	<u>1,056,000</u>
<u>Trunk Highway</u>	<u>5,350,000</u>	<u>5,522,000</u>

\$1,100,000 in the first year is from the general fund for port development assistance grants under Minnesota Statutes, chapter 457A, to the city of Red Wing and to the Port Authority of Winona. Any improvements made with the proceeds of the grants must be publicly owned. This is a onetime appropriation and is available in the second year.

\$800,000 in each year is from the general fund for additional rail safety and rail service activities.

\$1,000,000 in the first year is from the general fund for a grant to the city of Grand Rapids to fund rail planning studies, design, and preliminary engineering relating to the construction of a freight rail line located in the counties of Itasca, St. Louis, and Lake to serve local producers and shippers. The city of Grand Rapids shall collaborate with the Itasca Economic Development Corporation and the Itasca County Regional Railroad Authority in the activities funded with the proceeds of this grant. This is a onetime appropriation and is available until June 30, 2019.

Subd. 3. State Roads

<u>(a) Operations and Maintenance</u>	<u>340,475,000</u>	<u>329,435,000</u>
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The base is \$317,102,000 in fiscal year 2020 and \$310,889,000 in fiscal year 2021.

(b) Program Planning and Delivery

<u>(1) Planning and Research</u>	<u>34,107,000</u>	<u>32,403,000</u>
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If a balance remains of this appropriation, the commissioner may transfer up to that amount for program delivery under clause (2).

Up to \$600,000 in the first year is for the highway construction costs and cost inflation study under article 3, section 133. This is a onetime appropriation.

\$130,000 in each year is available for administrative costs of the targeted group business program.

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

\$900,000 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 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 of Transportation district office for that region.

The base is \$31,375,000 in fiscal year 2020 and \$30,858,000 in fiscal year 2021.

(2) Program Delivery

229,148,000

222,845,000

This appropriation includes use of consultants to support development and management of projects.

Up to \$140,000 in the first year is for development, implementation, and reporting on project selection policy under article 3, section 124. This is a onetime appropriation.

\$1,000,000 in each year is available for management of contaminated and regulated material on property owned by the Department of Transportation, including mitigation of property conveyances, facility acquisition or expansion, chemical release at maintenance facilities, and spills on the trunk highway system where there is no known responsible party. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

The base is \$214,623,000 in fiscal year 2020 and \$210,481,000 in fiscal year 2021.

(c) State Road Construction

1,003,010,000

884,101,000

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

This appropriation includes federal highway aid.

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.

The base is \$864,295,000 in fiscal year 2020 and \$849,282,000 in fiscal year 2021.

(d) Corridors of Commerce

25,000,000

25,000,000

This appropriation is for the corridors of commerce program under Minnesota Statutes, section 161.088.

The commissioner may use up to 17 percent of the amount each year for program delivery.

(e) Highway Debt Service

224,079,000

242,325,000

\$214,579,000 in fiscal year 2018 and \$232,825,000 in fiscal year 2019 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 management and budget must transfer the deficiency amount under the statutory open appropriation and notify the chairs, ranking minority members, and staff of the legislative committees with jurisdiction over transportation finance and the chairs of the senate Finance Committee and the house of representatives Ways and Means Committee of the amount of the deficiency. Any excess appropriation cancels to the trunk highway fund.

(f) Statewide Radio Communications 5,648,000 5,829,000

Appropriations by Fund

	<u>2018</u>	<u>2019</u>
<u>General</u>	<u>3,000</u>	<u>3,000</u>
<u>Trunk Highway</u>	<u>5,645,000</u>	<u>5,826,000</u>

\$3,000 in each year is from the general fund to equip and operate the Roosevelt signal tower for Lake of the Woods weather broadcasting.

Subd. 4. Local Roads

(a) County State-Aid Roads 769,071,000 796,636,000

Appropriations by Fund

	<u>2018</u>	<u>2019</u>
<u>C.S.A.H.</u>	<u>762,071,000</u>	<u>789,636,000</u>
<u>General</u>	<u>7,000,000</u>	<u>7,000,000</u>

The appropriation from the county state-aid highway fund is under Minnesota Statutes, sections 161.081 and 297A.815, subdivision 3, and chapter 162, and is available until June 30, 2027.

\$5,000,000 in each year is from the general fund for distribution to counties in the metropolitan area, as defined in Minnesota Statutes, section 473.121, subdivision 4, for construction, reconstruction, and maintenance of county highways, including county state-aid highways. The distribution must be calculated so that each county receives from this amount the percentage that its population, as defined in Minnesota Statutes, section 477A.011, subdivision 3, estimated or established by July 15 of the year prior to the current calendar year, bears to the total population of the counties receiving funds under this rider. For purposes of this rider, the population of each county containing a statutory or home rule charter city of the first class is calculated at 0.25 multiplied by that county's population as otherwise determined. All projects must be located outside cities of the first class. This is a onetime appropriation.

\$2,000,000 in each year is from the general fund for town roads, to be distributed in the manner provided under Minnesota Statutes, section 162.081. This is a onetime appropriation.

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 paragraph, 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, ranking minority members, and staff of the legislative committees with jurisdiction over transportation finance concerning funds appropriated. The commissioner shall identify in the next budget submission to the legislature under Minnesota Statutes, section 16A.11, any amount that is appropriated under this paragraph.

(b) Municipal State-Aid Roads

190,660,000

197,558,000

This appropriation is from the municipal state-aid street fund under Minnesota Statutes, chapter 162, and is available until June 30, 2027.

If the commissioner of transportation determines that a balance remains in the municipal state-aid street fund following the appropriations and transfers made in this paragraph, 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 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, ranking minority members, and staff of the legislative committees with jurisdiction over transportation finance concerning funds appropriated. The commissioner shall identify in the next budget submission to the legislature under Minnesota Statutes, section 16A.11, any amount that is appropriated under this paragraph.

(c) Small Cities Assistance

8,000,000

8,000,000

This appropriation is from the general fund for the small cities assistance program under Minnesota Statutes, section 162.145. This is a onetime appropriation.

Subd. 5. Agency Management

(a) <u>Agency Services</u>	<u>44,316,000</u>	<u>45,206,000</u>
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(b) <u>Buildings</u>	<u>28,585,000</u>	<u>29,439,000</u>
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Appropriations by Fund

	<u>2018</u>	<u>2019</u>
<u>General</u>	<u>54,000</u>	<u>54,000</u>
<u>Trunk Highway</u>	<u>28,531,000</u>	<u>29,385,000</u>

Any money appropriated to the commissioner of transportation for building 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 building construction projects for which the money was originally encumbered during the fiscal year for which it was appropriated. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

(c) <u>Tort Claims</u>	<u>600,000</u>	<u>600,000</u>
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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. Transfers under this paragraph must not be made:

(1) between funds;

(2) from the appropriations for state road construction or debt service; or

(3) from the appropriations for operations and maintenance or program delivery, except for a transfer to state road construction or debt service.

(b) The commissioner of transportation must immediately report transfers under paragraph (a) to the chairs, ranking minority members, and staff of the legislative committees with jurisdiction over transportation finance. The authority for the commissioner of transportation to make transfers under

Minnesota Statutes, section 16A.285, is superseded by the authority and requirements under this paragraph.

(c) The commissioner of transportation must transfer from the flexible highway account in the county state-aid highway fund the entire amount in each year to the county turnback account in the county state-aid highway fund. The funds transferred are for highway turnback purposes under Minnesota Statutes, section 161.081, subdivision 3.

Subd. 7. Previous 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.

Subd. 8. Contingent Appropriations

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 that takes advantage of an unanticipated receipt of income to the trunk highway fund or federal advanced construction funding;

(2) for emergency trunk highway maintenance; 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. 3. **METROPOLITAN COUNCIL**

\$ 121,031,000 \$ 129,820,000

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

\$1,000,000 in the first year is for financial assistance to replacement service providers under Minnesota Statutes, section 473.388, for the purposes of the suburb-to-suburb transit demonstration project authorized under Laws 2015, chapter 75, article 1, section 4. The council must not retain any portion of the funds under this appropriation. This is a onetime appropriation.

Up to \$211,000 in the first year is for the comprehensive transit finance report under Minnesota Statutes, section 174.93. This is a onetime appropriation and is available in the second year.

The base is \$89,820,000 in fiscal year 2020 and \$89,820,000 in fiscal year 2021.

Sec. 4. DEPARTMENT OF PUBLIC SAFETY

<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>199,838,000</u>	<u>\$</u>	<u>199,407,000</u>
<u>Appropriations by Fund</u>				
	<u>2018</u>		<u>2019</u>	
<u>General</u>	<u>19,971,000</u>		<u>14,381,000</u>	
<u>Special Revenue</u>	<u>63,945,000</u>		<u>65,087,000</u>	
<u>H.U.T.D.</u>	<u>10,474,000</u>		<u>10,486,000</u>	
<u>Trunk Highway</u>	<u>105,448,000</u>		<u>109,453,000</u>	

The appropriations in this section are to the commissioner of public safety. The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. Administration and Related Services

<u>(a) Office of Communications</u>		<u>553,000</u>		<u>573,000</u>
<u>Appropriations by Fund</u>				
	<u>2018</u>		<u>2019</u>	
<u>General</u>	<u>127,000</u>		<u>130,000</u>	
<u>Trunk Highway</u>	<u>426,000</u>		<u>443,000</u>	
<u>(b) Public Safety Support</u>		<u>6,372,000</u>		<u>6,569,000</u>

Appropriations by Fund

	<u>2018</u>	<u>2019</u>
<u>General</u>	<u>1,225,000</u>	<u>1,235,000</u>
<u>H.U.T.D.</u>	<u>1,366,000</u>	<u>1,366,000</u>
<u>Trunk Highway</u>	<u>3,781,000</u>	<u>3,968,000</u>

(c) Public Safety Officer Survivor Benefits 640,000 640,000

This appropriation 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.

(d) Public Safety Officer Reimbursements 1,367,000 1,367,000

This appropriation 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.

(e) Soft Body Armor Reimbursements 700,000 700,000

Appropriations by Fund

	<u>2018</u>	<u>2019</u>
<u>General</u>	<u>600,000</u>	<u>600,000</u>
<u>Trunk Highway</u>	<u>100,000</u>	<u>100,000</u>

This appropriation is for soft body armor reimbursements under Minnesota Statutes, section 299A.38.

(f) Technology and Support Service 3,777,000 3,814,000

Appropriations by Fund

	<u>2018</u>	<u>2019</u>
<u>General</u>	<u>1,353,000</u>	<u>1,365,000</u>
<u>H.U.T.D.</u>	<u>19,000</u>	<u>19,000</u>
<u>Trunk Highway</u>	<u>2,405,000</u>	<u>2,430,000</u>

Subd. 3. State Patrol

(a) Patrolling Highways 95,689,000 93,323,000

Appropriations by Fund

	<u>2018</u>	<u>2019</u>
<u>General</u>	<u>5,787,000</u>	<u>37,000</u>
<u>H.U.T.D.</u>	<u>92,000</u>	<u>92,000</u>
<u>Trunk Highway</u>	<u>89,810,000</u>	<u>93,194,000</u>

\$5,750,000 from the general fund in the first year is to purchase a helicopter for the State Patrol. This is a onetime appropriation.

From this appropriation, State Patrol trainee salaries as provided under Minnesota Statutes, section 299D.03, subdivision 6, must be provided as follows: (1) for trainees in the Law Enforcement Training Opportunity program, 80 percent of the basic salary for patrol officers; and (2) for all other trainees, 100 percent of the basic salary.

<u>(b) Commercial Vehicle Enforcement</u>	<u>8,455,000</u>	<u>8,826,000</u>
<u>(c) Capitol Security</u>	<u>8,402,000</u>	<u>8,537,000</u>

This appropriation is from the general fund.

The commissioner must 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 must not transfer any money appropriated to the commissioner under this section:

(1) to capitol security; or

(2) from capitol security.

<u>(d) Vehicle Crimes Unit</u>	<u>761,000</u>	<u>773,000</u>
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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 the sale, transfer, titling, and registration of motor vehicles.

Subd. 4. Driver and Vehicle Services

<u>(a) Vehicle Services</u>	<u>30,745,000</u>	<u>31,159,000</u>
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Appropriations by Fund

	<u>2018</u>	<u>2019</u>
<u>Special Revenue</u>	<u>22,509,000</u>	<u>22,923,000</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.

<u>(b) Driver Services</u>	<u>32,014,000</u>	<u>32,725,000</u>
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This appropriation is from the driver services operating account in the special revenue fund.

\$156,000 in each year is to maintain the automated knowledge test system.

<u>(c) Minnesota Licensing and Registration System (MNLARS)</u>	<u>8,000,000</u>	<u>8,000,000</u>
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This appropriation is for operations and maintenance of the driver and vehicle information system known as the Minnesota Licensing and Registration System.

\$1,000,000 in the first year and \$5,265,000 in the second year are from the driver services operating account in the special revenue fund. This is a onetime appropriation.

\$7,000,000 in the first year and \$2,735,000 in the second year are from the vehicle services operating account in the special revenue fund. This is a onetime appropriation.

<u>Subd. 5. Traffic Safety</u>	<u>941,000</u>	<u>962,000</u>
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Appropriations by Fund

	<u>2018</u>	<u>2019</u>
<u>General</u>	<u>470,000</u>	<u>470,000</u>
<u>Trunk Highway</u>	<u>471,000</u>	<u>492,000</u>

The appropriation from the general fund in each year is for maintenance of the crash record system.

<u>Subd. 6. Pipeline Safety</u>	<u>1,422,000</u>	<u>1,439,000</u>
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This appropriation is from the pipeline safety account in the special revenue fund.

Sec. 5. APPROPRIATION CANCELLATION.

\$1,100,000 of the appropriation for port development assistance under Laws 2015, chapter 75, article 1, section 3, subdivision 2, paragraph (e), is canceled to the general fund on June 30, 2017.

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

Sec. 6. APPROPRIATIONS BUDGET.

(a) In the budget submission to the legislature under Minnesota Statutes, section 16A.11, for fiscal years 2020 and 2021, the commissioner of transportation, and the commissioner of public safety with respect to the transportation portion of the public safety budget, must present budget narratives and proposed appropriations for each appropriation established in sections 2 and 4.

(b) In the budget submission to the legislature under Minnesota Statutes, section 16A.11, for fiscal years 2020 and 2021, the metropolitan council must present budget narratives and the proposed appropriations, if any, for each of the following categories: metro mobility, contracted bus service, regular route bus service, light rail transit, commuter rail, transportation planning, and allocation to the regional administration.

ARTICLE 2**TRANSPORTATION BONDS****Section 1. BOND APPROPRIATIONS.**

The sums shown in the column under "Appropriations" are appropriated from the bond proceeds account in the trunk highway fund to the state agencies or officials indicated, to be spent for public purposes. Appropriations of bond proceeds must be spent as authorized by the Minnesota Constitution, articles XI and XIV. Unless otherwise specified, money appropriated in this article for a capital program or project may be used to pay state agency staff costs that are attributed directly to the capital program or project in accordance with accounting policies adopted by the commissioner of management and budget.

SUMMARY

<u>Department of Transportation</u>	<u>\$</u>	<u>940,000,000</u>
<u>Department of Management and Budget</u>		<u>940,000</u>
<u>TOTAL</u>	<u>\$</u>	<u>940,940,000</u>

APPROPRIATIONS**Sec. 2. DEPARTMENT OF TRANSPORTATION**

<u>Subdivision 1. Corridors of Commerce</u>	<u>\$</u>	<u>300,000,000</u>
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This appropriation is to the commissioner of transportation for the corridors of commerce program under Minnesota Statutes, section 161.088, and is available in amounts of:

- (1) \$50,000,000 in fiscal year 2018;
- (2) \$50,000,000 in fiscal year 2019;

(3) \$100,000,000 in fiscal year 2020; and

(4) \$100,000,000 in fiscal year 2021.

The commissioner may use up to 17 percent of the amount each year for program delivery.

Subd. 2. State Road Construction

\$ 640,000,000

This appropriation is to the commissioner of transportation for construction, reconstruction, and improvement of trunk highways, including design-build contracts and use of consultants 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.

This appropriation is available in the amounts of:

(1) \$100,000,000 in fiscal year 2018;

(2) \$100,000,000 in fiscal year 2019;

(3) \$220,000,000 in fiscal year 2020; and

(4) \$220,000,000 in fiscal year 2021.

The commissioner may use up to 17 percent of the amount each year for program delivery.

Subd. 3. Cancellations

The appropriations in this section cancel as specified under Minnesota Statutes, section 16A.642, except that the commissioner of management and budget shall count the start of authorization for issuance of state bonds as the first day of the fiscal year during which the bonds are available to be issued as specified under subdivision 1 or 2, and not as the date of enactment of this section.

Sec. 3. BOND SALE EXPENSES

\$ 940,000

This appropriation is to the commissioner of management and budget for bond sale expenses under Minnesota Statutes, sections 16A.641, subdivision 8, and 167.50, subdivision 4, and is available in the amounts of:

(1) \$150,000 in fiscal year 2018;

(2) \$150,000 in fiscal year 2019;

(3) \$320,000 in fiscal year 2020; and

(4) \$320,000 in fiscal year 2021.

Sec. 4. BOND SALE AUTHORIZATION.

To provide the money appropriated in this article from the bond proceeds account in the trunk highway fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to \$940,940,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 167.50 to 167.52, and by the Minnesota Constitution, article XIV, section 11, at the times and in the amounts requested by the commissioner of transportation. The proceeds of the bonds, except accrued interest and any premium received from the sale of the bonds, must be deposited in the bond proceeds account in the trunk highway fund.

Sec. 5. EFFECTIVE DATE.

This article is effective July 1, 2017.

ARTICLE 3**TRANSPORTATION POLICY AND FINANCE**

Section 1. Minnesota Statutes 2016, section 53C.01, subdivision 2, is amended to read:

Subd. 2. **Cash sale price.** "Cash sale price" means the price at which the seller would in good faith sell to the buyer, and the buyer would in good faith buy from the seller, the motor vehicle which is the subject matter of the retail installment contract, if such sale were a sale for cash, instead of a retail installment sale. The cash sale price may include any taxes, charges for delivery, servicing, repairing, or improving the motor vehicle, including accessories and their installation, and any other charges agreed upon between the parties. The cash price may ~~not~~ include a documentary fee or document administration fee ~~in excess of \$75 for services actually rendered to, for, or on behalf of, the retail buyer in preparing, handling, and processing documents relating to the motor vehicle and the closing of the retail sale authorized under section 168.27, subdivision 31. "Documentary fee" and "document administration fee" do not include an optional electronic transfer fee as defined under subdivision 14.~~

Sec. 2. Minnesota Statutes 2016, section 85.016, is amended to read:

85.016 BICYCLE TRAIL PROGRAM.

The commissioner of natural resources ~~shall~~ must establish a program for the development of bicycle trails utilizing the state trails authorized by section 85.015, other state parks and recreation land, and state forests. "Bicycle trail," as used in this section, has the meaning given in section 169.011. The program ~~shall~~ must be coordinated with the local park trail grant program established by the commissioner pursuant to section 85.019, with the ~~bikeway program~~ state bicycle routes established by the commissioner of transportation pursuant to section ~~160.265~~ 160.266, and with existing and proposed local bikeways. In the metropolitan area as defined in section 473.121, the program ~~shall~~ must be developed in accordance with plans and priorities established by the Metropolitan Council. The commissioner ~~shall~~ must provide technical assistance to local units of government in planning and developing bicycle trails in local parks. The bicycle trail program ~~shall~~ must, as a minimum, describe the location, design, construction, maintenance, and land acquisition needs of each component trail ~~and shall give due consideration to the model standards for the establishment of recreational vehicle lanes promulgated by the commissioner of transportation pursuant to section 160.262.~~ The program ~~shall~~ must be developed after consultation with the state trail council and regional and local units of government and bicyclist organizations.

Sec. 3. Minnesota Statutes 2016, section 117.189, is amended to read:

117.189 PUBLIC SERVICE CORPORATION EXCEPTIONS.

(a) Sections 117.031; 117.036; 117.055, subdivision 2, paragraph (b); 117.186; 117.187; 117.188; and 117.52, subdivisions 1a and 4, do not apply to the use of eminent domain authority by public service corporations for any purpose other than construction or expansion of:

(1) a high-voltage transmission line of 100 kilovolts or more, or ancillary substations; ~~or~~

(2) a natural gas, petroleum, or petroleum products pipeline, or ancillary compressor stations or pumping stations; or

(3) a light rail transit or bus rapid transit line.

(b) For purposes of an award of appraisal fees under section 117.085, the fees awarded may not exceed \$1,500 for all types of property except for a public service corporation's use of eminent domain for:

(1) a high-voltage transmission line, where the award may not exceed \$3,000; and

(2) a light rail transit or bus rapid transit line, where the award shall be as provided in section 117.085.

(c) For purposes of this section, "pipeline" does not include a natural gas distribution line transporting gas to an end user.

EFFECTIVE DATE. This section is effective retroactively from January 1, 2017.

Sec. 4. Minnesota Statutes 2016, section 160.02, is amended by adding a subdivision to read:

Subd. 1a. **Bikeway.** "Bikeway" means a bicycle lane, bicycle path, shared use path, bicycle route, or similar bicycle facility, regardless of whether designed for the exclusive use of bicycles or for shared use with other transportation modes.

Sec. 5. Minnesota Statutes 2016, section 160.02, subdivision 27, is amended to read:

Subd. 27. **Roadway; bicycle lane; bicycle route; bicycle path; bikeway.** The terms "roadway," "bicycle lane," "bicycle route," and "bicycle path;" and "bikeway" have the meanings given in section 169.011.

Sec. 6. Minnesota Statutes 2016, section 160.02, is amended by adding a subdivision to read:

Subd. 27a. **Shared use path.** "Shared use path" means a bicycle facility that is (1) physically separated from motorized vehicular traffic by an open space or barrier, (2) located within either the highway right-of-way or an independent right-of-way, and (3) available for use by other nonmotorized users.

Sec. 7. Minnesota Statutes 2016, section 160.18, is amended by adding a subdivision to read:

Subd. 4. **Trunk highway appeal process.** (a) Notwithstanding chapter 14 and section 14.386, the commissioner must establish a concise, expedited process that allows an owner or occupant of a property abutting a trunk highway to appeal a denial or revocation of an access permit. The owner or occupant must initiate an appeal no later than 30 days after the date the commissioner issues written notice of the denial or revocation of an access permit. The process must provide the owner or occupant and Department of Transportation staff the opportunity to present information supporting each party's respective position. The hearing must be conducted by an administrative law judge assigned by the chief administrative law judge. The administrative law judge must maintain a transcript of the hearing and keep a record of all documents and data submitted at the hearing. Within 30 days of the hearing's conclusion, the administrative law judge

must transmit to the commissioner the record of the proceedings, along with a report and recommendation based on the record made in the informal hearing. The commissioner must make a written decision regarding the access permit.

(b) Section 15.99 does not apply to appeals under this subdivision.

Sec. 8. Minnesota Statutes 2016, section 160.262, subdivision 1, is amended to read:

Subdivision 1. ~~Model standards~~ **Bikeways; powers and duties; design guidelines.** (a) The legislature determines that it is in the interests of the public health, safety and welfare, to provide for the addition of bicycle and recreational vehicle lanes bikeways to proposed and existing public highways. The commissioner of transportation shall adopt, in the manner provided in chapter 14, model standards for the establishment of recreational vehicle lanes on and along proposed and existing public highways. The model standards shall include but not be limited to the following: (a) criteria for desirability of a lane in any given location, (b) provision for maintenance of the lanes, and (c) the placement of the lanes in relation to roads. The model standards shall govern state trunk highways. The commissioner of transportation is authorized to plan, design, establish, and maintain bikeways on the right-of-way of any trunk highway. The commissioner is responsible for the design and construction of all bikeway projects within the right-of-way of any trunk highway. The commissioner must consider the development of bikeways during the planning, design, construction, reconstruction, or improvement of any trunk highway, or allow the establishment of such bikeways within trunk highway right-of-way.

(b) The commissioner must maintain bikeway design guidelines consistent with the state transportation goals in section 174.01.

(c) The commissioner must compile and maintain a map of bikeways in the state and must publish and distribute the map's information at least once every two years in a form and manner suitable to assist persons wishing to use the bikeways.

(d) The commissioner must maintain bikeways within the limits of trunk highway right-of-way unless a written agreement or limited use permit provides otherwise.

Sec. 9. Minnesota Statutes 2016, section 160.262, subdivision 3, is amended to read:

Subd. 3. **Cooperation among agencies and governments.** The following departments and agencies shall cooperate in providing on the nonmotorized transportation advisory committee identified in section 174.37 must provide information and advice for amendments to the model standards the bikeway design guidelines maintained by the commissioner of transportation: the Departments of Agriculture, Transportation, Natural Resources, Commerce, and Employment and Economic Development, and the Board of Water and Soil Resources. The commissioner may cooperate with and enter into agreements with the United States government, any department of the state of Minnesota, any unit of local government and, any tribal government, or any public or private corporation in order to effect the purposes of this section.

Sec. 10. Minnesota Statutes 2016, section 160.262, subdivision 4, is amended to read:

Subd. 4. **Design-build bridges for nonmotorized vehicles.** For streets and highways, the commissioner shall must allow for the acceptance of performance-specification bids, made by the lowest responsible bidder, for constructing design-build bridges for bicycle paths, bicycle trails, bikeways and pedestrian facilities that are:

(1) designed and used primarily for nonmotorized transportation, but may allow for motorized wheelchairs, golf carts, necessary maintenance vehicles and, when otherwise permitted by law, rule, or ordinance, snowmobiles; and

(2) located apart from any road or highway or protected by barriers, provided that a design-built bridge may cross over and above a road or highway.

Sec. 11. Minnesota Statutes 2016, section 160.266, is amended by adding a subdivision to read:

Subd. 1a. **State bicycle route; definition.** For the purposes of this section, "state bicycle route" means a linear series of one or more roads or bikeways that is designated for bicycle travel, regardless of whether for exclusive use by bicycles or shared use with other modes of transportation.

Sec. 12. Minnesota Statutes 2016, section 160.266, is amended by adding a subdivision to read:

Subd. 1b. **State bicycle routes.** The commissioner of transportation must identify state bicycle routes primarily on existing road right-of-way and trails. State bicycle routes must be identified in cooperation with road and trail authorities, including the commissioner of natural resources, and with the advice of the advisory committee on nonmotorized transportation under section 174.37. In a metropolitan area, state bicycle routes must be identified in coordination with the plans and priorities established by metropolitan planning organizations, as defined in United States Code, title 23, section 134.

Sec. 13. Minnesota Statutes 2016, section 160.266, subdivision 3, is amended to read:

Subd. 3. **Connections with other bikeways.** (a) The commissioner, in cooperation with road and trail authorities including the commissioner of natural resources, ~~shall~~ must:

(1) identify existing bikeways of regional significance that are in reasonable proximity but not connected to the ~~bikeway~~ state bicycle routes established ~~in~~ under this section, ~~including but not limited to the Lake Wobegon Trail in the counties of Stearns and Todd~~; and

(2) support development of linkages between ~~bikeways identified under clause (1) and the bikeway~~ state bicycle routes established ~~in~~ under this section.

(b) The requirements of this subdivision are a secondary priority for use of funds available under this section following establishment and enhancement of ~~the bikeway~~ state bicycle routes under ~~subdivision 1~~ this section.

Sec. 14. Minnesota Statutes 2016, section 160.266, subdivision 4, is amended to read:

Subd. 4. **Cooperation with other entities.** The commissioner may contract and enter into agreements with federal agencies, other state agencies, local governments, ~~and tribal governments~~, or private entities to establish, develop, maintain, and operate ~~the bikeway~~ state bicycle routes and to interpret associated natural and cultural resources.

Sec. 15. Minnesota Statutes 2016, section 160.266, subdivision 5, is amended to read:

Subd. 5. **Funding.** ~~Bicycle~~ Shared use paths included within ~~the bikeway~~ state bicycle routes and not administered by the commissioner of natural resources are eligible for funding from the environment and natural resources trust fund under chapter 116P, from the parks and trails grant program under section 85.535, from the local recreation grants program under section 85.019, subdivision 4b, and from other sources.

Sec. 16. Minnesota Statutes 2016, section 160.266, is amended by adding a subdivision to read:

Subd. 6. **Mississippi River Trail.** The Mississippi River Trail bikeway must originate at Itasca State Park in Clearwater, Beltrami, and Hubbard Counties, then generally parallel the Mississippi River through

the cities of Bemidji in Beltrami County, Grand Rapids in Itasca County, Brainerd in Crow Wing County, Little Falls in Morrison County, Sauk Rapids in Benton County, St. Cloud in Stearns County, Minneapolis in Hennepin County, St. Paul in Ramsey County, Hastings in Dakota County, Red Wing in Goodhue County, Wabasha in Wabasha County, Winona in Winona County, and La Crescent in Houston County to Minnesota's boundary with Iowa and there terminate. Where opportunities exist, the bikeway may be designated on both sides of the Mississippi River.

Sec. 17. **[160.801] HIGHWAY SPONSORSHIP PROGRAM.**

Subdivision 1. **Sponsorship program.** (a) The commissioner is authorized to establish a program designed to encourage businesses, civic groups, or individuals to voluntarily assist with the improvement and maintenance of real property comprising the trunk highway system, including bicycle and pedestrian trails, roadside monuments, and historic sites.

(b) All support provided by volunteers or vendors must be carried out in a manner consistent with construction and maintenance plans approved by the commissioner after consultation with the volunteers.

(c) The commissioner may provide assistance to (1) enhance volunteer safety, and (2) facilitate the implementation and administration of the sponsorship program.

Subd. 2. **Agreements.** The commissioner may enter into volunteer agreements with businesses, civic groups, or individuals to support, maintain, and make improvements to real property included in the trunk highway system. Agreements under this section are not subject to section 161.32.

Subd. 3. **Support activities.** (a) The volunteer support activities include but are not limited to:

(1) work to create, protect, and enhance pollinator habitat along highway rights-of-way;

(2) work to pick up litter along roadsides;

(3) work to install enhancements, including landscaping materials, on trunk highway property;

(4) financial support provided to the department for specific roadside improvements;

(5) financial support consisting of the sponsor hiring a professional landscape contractor to install vegetation, maintain landscape plantings, or pick up litter, or for other similar activities along a selected area of highway right-of-way; or

(6) installation of features that enhance the aesthetics of trunk highway property or the amenities available to highway users.

(b) All volunteer support activities must have prior commissioner approval.

Subd. 4. **Acknowledgment of sponsors.** The commissioner may erect signs to publicly recognize and express appreciation to businesses, civic groups, and individuals that provide volunteer funding or services under the sponsorship program.

Subd. 5. **Highway sponsorship program account; appropriation.** Funds received under this section must be deposited in the highway sponsorship program account, which is created in the special revenue fund. The account consists of funds as provided by law, and any other money donated, allotted, transferred, or otherwise provided to the account. Funds in the account are annually appropriated to the commissioner for the purpose specified in the volunteer agreement.

Subd. 6. **Prohibition.** The commissioner must not take action under this section that would result in the loss of federal highway funds or require payment of highway funds to the federal government.

Sec. 18. Minnesota Statutes 2016, section 161.04, subdivision 5, is amended to read:

Subd. 5. **Trunk highway emergency relief account.** (a) The trunk highway emergency relief account is created in the trunk highway fund. Money in the account is appropriated to the commissioner to be used to fund relief activities related to an emergency, as defined in section 161.32, subdivision 3, or under section 12A.16, subdivision 1.

(b) Reimbursements by the Federal Highway Administration for emergency relief payments made from the trunk highway emergency relief account must be credited to the account. Notwithstanding section 16A.28, money in the account is available until spent. If the balance of the account at the end of a fiscal year is greater than \$10,000,000, the amount above \$10,000,000 must be canceled to the trunk highway fund.

~~(c) By September 1, 2012, and in every subsequent even-numbered year by September 1, the commissioner shall submit a report to the chairs and ranking minority members of the senate and house of representatives committees having jurisdiction over transportation policy and finance. The report must include the balance, as well as details of payments made from and deposits made to the trunk highway emergency relief account since the last report.~~

Sec. 19. Minnesota Statutes 2016, section 161.081, subdivision 3, is amended to read:

Subd. 3. **Flexible highway account; turnback accounts.** (a) The flexible highway account is created in the state treasury. Money in the account ~~shall be used~~ must be allocated as follows:

~~(1) in fiscal years 2009 and 2010, 100 percent of the excess sum, as calculated in paragraph (i), and in fiscal years 2011 and thereafter, 50~~ 16 percent of the excess sum, as calculated in paragraph (i), amount available in the flexible highway account for counties in the metropolitan area, as defined in section 473.121, subdivision 4, ~~but for the purposes of the calculation cities of the first class will be excluded in the metropolitan area~~ distributed proportionally based on the most recent estimate of county population excluding the population of any city of the first class; and

(2) of the amount available in the flexible highway account less the amount under clause (1), as determined by the commissioner under this section for:

(i) restoration of former trunk highways that have reverted to counties or to statutory or home rule charter cities, or for trunk highways that will be restored and subsequently turned back by agreement between the commissioner and the local road authority;

(ii) safety improvements on county highways, municipal highways, streets, or town roads; and

(iii) routes of regional significance.

(b) For purposes of this subdivision, "restoration" means the level of effort required to improve the route that will be turned back to an acceptable condition as determined by agreement made between the commissioner and the county or city before the route is turned back.

(c) The commissioner shall review the need for funds to restore highways that have been or will be turned back. The commissioner shall determine, on a biennial basis, the percentage of funds in the flexible highway account to be distributed to each district, and within each district the percentage to be used for each of the purposes specified in paragraph (a). Money in the account may be used for safety improvements and routes of regional significance only after money is set aside to restore the identified turnbacks. The commissioner shall make these determinations only after meeting and holding discussions with committees selected by the statewide associations of both county commissioners and municipal officials. The commissioner shall, to the extent feasible, annually allocate 50 percent of the funds in the flexible highway account to the department's metropolitan district, and 50 percent to districts in greater Minnesota.

(d) Money that will be used for the restoration of trunk highways that have reverted or that will revert to cities must be deposited in the municipal turnback account, which is created in the state treasury.

(e) Money that will be used for the restoration of trunk highways that have reverted or that will revert to counties must be deposited in the county turnback account, which is created in the state treasury.

(f) Money that will be used for safety improvements must be deposited in the highway safety improvement account, which is created in the state treasury to be used as grants to statutory or home rule charter cities, towns, and counties to assist in paying the costs of constructing or reconstructing city streets, county highways, or town roads to reduce crashes, deaths, injuries, and property damage.

(g) Money that will be used for routes of regional significance must be deposited in the routes of regional significance account, which is created in the state treasury, and used as grants to statutory or home rule charter cities, towns, and counties to assist in paying the costs of constructing or reconstructing city streets, county highways, or town roads with statewide or regional significance that have not been fully funded through other state, federal, or local funding sources.

(h) As part of each biennial budget submission to the legislature, the commissioner ~~shall~~ must: (1) describe how the money in the flexible highway account will be apportioned among the county turnback account, the municipal turnback account, the trunk highway fund for routes turned back to local governments by agreement, the highway safety improvement account, and the routes of regional significance account; and (2) specify the turnback projects likely to be funded with the amounts available in the county turnback account and municipal turnback account, and provide the cost associated with each project.

~~(i) The excess sum is calculated as the sum of revenue within the flexible highway account:~~

~~(1) attributed to that portion of the gasoline excise tax rate under section 296A.07, subdivision 3, in excess of 20 cents per gallon, and to that portion of the excise tax rates in excess of the energy equivalent of a gasoline excise tax rate of 20 cents per gallon for E85 and M85 under section 296A.07, subdivision 3, and special fuel under section 296A.08, subdivision 2;~~

~~(2) attributed to a change in the passenger vehicle registration tax under section 168.013, imposed on or after July 1, 2008, that exceeds (i) the amount collected in fiscal year 2008, multiplied by (ii) the annual average United States Consumer Price Index for the calendar year previous to the current calendar year, divided by the annual average United States Consumer Price Index for calendar year 2007; and~~

~~(3) attributed to that portion of the motor vehicle sales tax revenue in excess of the percentage allocated to the flexible highway account in fiscal year 2007.~~

~~(j) For purposes of this subdivision, the United States Consumer Price Index identified in paragraph (i), clause (2), is for all urban consumers, United States city average, as determined by the United States Department of Labor.~~

Sec. 20. Minnesota Statutes 2016, section 161.088, subdivision 4, is amended to read:

Subd. 4. **Project eligibility.** (a) The commissioner ~~shall establish~~ eligibility requirements for projects that can be funded under the program. Eligibility must include are:

(1) consistency with the statewide multimodal transportation plan under section 174.03;

(2) location of the project on an interregional corridor, for a project located outside of the Department of Transportation metropolitan district;

(3) placement into at least one project classification under subdivision 3;

(4) a maximum project construction work will commence within three years, or a longer length of time, as determined by the commissioner, until commencement of construction work on the project; and

(5) for each type of project classification under subdivision 3, a maximum allowable amount for the total project cost estimate, as determined by the commissioner with available data.

(b) A project whose construction is programmed in the state transportation improvement program is not eligible for funding under the program. This paragraph does not apply to a project that is programmed as result of selection under this section.

(c) A project may be, but is not required to be, identified in the 20-year state highway ~~capital~~ investment plan under section 174.03.

(d) For each project, the commissioner must consider all of the eligibility requirements under paragraph (a). ~~The commissioner is prohibited from considering any eligibility requirement not specified under paragraph (a).~~

Sec. 21. Minnesota Statutes 2016, section 161.088, subdivision 5, is amended to read:

Subd. 5. **Project selection process; criteria.** (a) The commissioner ~~shall~~ must establish a process ~~for identification, evaluation, and selection of~~ to identify, evaluate, and select projects under the program. The process must be consistent with the requirements of this subdivision and must not include any additional evaluation criteria.

(b) As part of the project selection process, the commissioner ~~shall~~ must annually accept recommendations on candidate projects from area transportation partnerships and other interested stakeholders in each Department of Transportation district. The commissioner must determine the eligibility for each candidate project identified under this paragraph, the commissioner shall determine eligibility, classify, and if appropriate, evaluate the project for the program. For each eligible project, the commissioner must classify and evaluate the project for the program, using all of the criteria established under paragraph (c).

(c) ~~Project evaluation and prioritization must be performed on the basis of objective criteria, which must include~~ Projects must be evaluated using all of the following criteria:

(1) a return on investment measure that provides for comparison across eligible projects;

(2) measurable impacts on commerce and economic competitiveness;

(3) efficiency in the movement of freight, including but not limited to:

(i) measures of annual average daily traffic and commercial vehicle miles traveled, which may include data near the project location on that trunk highway or on connecting trunk and local highways; and

(ii) measures of congestion or travel time reliability, which may be within or near the project limits, or both;

(4) improvements to traffic safety;

(5) connections to regional trade centers, local highway systems, and other transportation modes;

(6) the extent to which the project addresses multiple transportation system policy objectives and principles; ~~and~~

(7) support and consensus for the project among members of the surrounding community; and

(8) regional balance throughout the state.

(d) The list of all projects evaluated must be made public and must include the score of each project.

(e) As part of the project selection process, the commissioner may divide funding to be separately available among projects within each classification under subdivision 3, and may apply separate or modified criteria among those projects falling within each classification.

Sec. 22. Minnesota Statutes 2016, section 161.088, subdivision 7, is amended to read:

Subd. 7. **Legislative report; evaluation.** (a) ~~Starting in 2014,~~ Annually by November 1, the commissioner ~~shall~~ must electronically submit a report on the corridors of commerce program to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance. At a minimum, the report must include:

(1) a summary of the program, including a review of ~~the~~ the:

(i) project selection process details that address program design and implementation, decision-making procedures, and eligibility and criteria; evaluation;

(ii) criteria measurement methodologies and criteria weighting used in project selection; and

(iii) the policy that provides the weight given each criterion;

(2) a summary of program finance, including funds expended in the previous selection cycle, any future operating costs assigned under subdivision 6, and total funds expended since program inception;

~~(2)~~ (3) a listing list of projects funded under the program in the previous selection cycle, including:

(i) project classification;

(ii) a breakdown of project costs and funding sources; and

~~(iii) any future operating costs assigned under subdivision 6; and~~

~~(iv)~~ a brief project description that is comprehensible to a lay audience;

~~(3)~~ (4) a listing comprehensive list of evaluated projects and candidate project recommendations as required under subdivision 5, paragraph (b), including that identifies for each project: eligibility, classification, evaluation results for each criterion, score, and disposition in the selection process; and

~~(4)~~ (5) any recommendations for changes to statutory requirements of the program.

(b) ~~Starting in 2016, and~~ In every even-numbered year ~~thereafter,~~ the commissioner ~~shall~~ must incorporate into the report the results of an independent evaluation of impacts and effectiveness of the program. The evaluation must be performed by agency staff or a consultant. The individual or individuals performing the evaluation must have experience in program evaluation, but must not be regularly involved in the program's implementation.

(c) Notwithstanding paragraph (a), a report is not required in a year in which:

(1) no project selection was completed during the preceding 12 months; and

(2) an evaluation under paragraph (b) is not due.

Sec. 23. Minnesota Statutes 2016, section 161.115, subdivision 190, is amended to read:

Subd. 190. **Route No. 259.** Beginning at a point on Statutory Route No. 100, at or near Henderson; thence extending in a general southeasterly direction to a point ~~on Statutory Route No. 123,~~ at or near Le Sueur.

EFFECTIVE DATE. This section is effective the day after the commissioner of transportation receives a copy of the agreement between the commissioner of transportation and the governing body of Le Sueur County to transfer jurisdiction of Legislative Route No. 123 and after the commissioner notifies the revisor of statutes under section 141, paragraph (b).

Sec. 24. Minnesota Statutes 2016, section 161.14, is amended by adding a subdivision to read:

Subd. 86. **Senator Jim Metzen Memorial Highway.** That segment of marked U.S. Highway 52 located within Dakota County is designated as "Senator Jim Metzen Memorial Highway." Notwithstanding section 161.139, the commissioner shall adopt a suitable design to mark this highway and erect appropriate signs.

Sec. 25. Minnesota Statutes 2016, section 161.21, subdivision 1, is amended to read:

Subdivision 1. **Location and design of highways.** The commissioner may make or cause to be made such studies and investigations as the commissioner deems necessary for the purpose of determining the most advantageous location and design of trunk highways from the standpoint of both present and future traffic needs, and in making such determinations the commissioner may take into consideration the probable future development of both urban and rural areas and the effect of such development on future traffic needs as indicated by such studies and investigations and the location and design with respect to ~~recreational vehicle lane~~ bikeway establishment.

Sec. 26. Minnesota Statutes 2016, section 161.321, subdivision 6, is amended to read:

Subd. 6. **Rules; eligibility.** ~~(a)~~ The rules adopted by the commissioner of administration to define small businesses and to set time and other eligibility requirements for participation in programs under sections 16C.16 to 16C.19 apply to this section. The commissioner may promulgate other rules necessary to carry out this section.

~~(b) In addition to other eligibility requirements, a small targeted group business or veteran-owned small business is eligible for the bid preferences under this section only for eight years following the latest of:~~

~~(1) May 1, 2012;~~

~~(2) for a targeted group business, the date of initial certification by the commissioner of administration, as provided under section 16C.19;~~

~~(3) for a veteran-owned small business, the date of initial certification by the United States Department of Veterans Affairs, as provided under section 16C.19, paragraph (d); or~~

~~(4) for a veteran-owned small business, the release or discharge of any one of the owners from military active service, as defined in section 190.05, subdivision 5, lasting for a period of 179 days or longer.~~

Sec. 27. Minnesota Statutes 2016, section 161.38, is amended by adding a subdivision to read:

Subd. 8. **Spending on trunk highway system.** The commissioner must maintain information on expenditures by local road authorities from local funding sources for trunk highway system projects.

Sec. 28. Minnesota Statutes 2016, section 161.44, subdivision 5, is amended to read:

Subd. 5. **Conveyance to highest bidder in certain cases.** If the larger tract has been platted into lots or divided into smaller tracts and the commissioner elects to proceed under this subdivision, ~~or if the lands constituted an entire tract and the person from whom the lands were acquired and the person's spouse are deceased, or if the offers as provided for are not accepted and the amount of money not tendered within the~~

time prescribed, the lands may be sold and conveyed to the owner of the land abutting upon the lands in the same manner and under the same terms provided under subdivision 2, or the commissioner may sell the lands to the highest responsible bidder upon three weeks' published notice of such sale in a newspaper or other periodical of general circulation in the general area where the lands are located. All bids may be rejected and new bids received upon like advertisement.

Sec. 29. Minnesota Statutes 2016, section 161.44, subdivision 6a, is amended to read:

Subd. 6a. **Services of licensed real estate broker.** If the lands ~~remain unsold after being offered for sale to the highest bidder~~ are withdrawn from sale under subdivision 6b, the commissioner may retain the services of a licensed real estate broker to find a buyer. The sale price may be negotiated by the broker, but must not be less than 90 percent of the appraised market value as determined by the commissioner. The broker's fee must be established by prior agreement between the commissioner and the broker, and must not exceed ten percent of the sale price for sales of \$10,000 or more. The broker's fee must be paid to the broker from the proceeds of the sale.

Sec. 30. Minnesota Statutes 2016, section 161.44, is amended by adding a subdivision to read:

Subd. 6b. **Unsold lands.** If lands remain unsold after being offered for sale to the highest bidder, the commissioner may offer the remaining lands to any person who agrees to pay the minimum bid established for the public sale. The sale must continue until all eligible lands have been sold or the commissioner withdraws the remaining lands from sale. The lands to be sold must be listed on the department's Unsold Property Inventory list.

Sec. 31. Minnesota Statutes 2016, section 168.013, subdivision 1a, is amended to read:

Subd. 1a. **Passenger automobile; hearse.** (a) On passenger automobiles as defined in section 168.002, subdivision 24, and hearses, except as otherwise provided, the tax ~~shall be~~ is \$10 plus an additional tax equal to 1.25 percent of the base value.

(b) Subject to the classification provisions herein, "base value" means the manufacturer's suggested retail price of the vehicle including destination charge using list price information published by the manufacturer or determined by the registrar if no suggested retail price exists, and shall not include the cost of each accessory or item of optional equipment separately added to the vehicle and the suggested retail price.

(c) If the manufacturer's list price information contains a single vehicle identification number followed by various descriptions and suggested retail prices, the registrar shall select from those listings only the lowest price for determining base value.

(d) If unable to determine the base value because the vehicle is specially constructed, or for any other reason, the registrar may establish such value upon the cost price to the purchaser or owner as evidenced by a certificate of cost but not including Minnesota sales or use tax or any local sales or other local tax.

(e) The registrar shall classify every vehicle in its proper base value class as follows:

FROM	TO
\$ 0	\$ 199.99
\$ 200	\$ 399.99

and thereafter a series of classes successively set in brackets having a spread of \$200 consisting of such number of classes as will permit classification of all vehicles.

(f) The base value for purposes of this section shall be the middle point between the extremes of its class.

(g) The registrar shall establish the base value, when new, of every passenger automobile and hearse registered prior to the effective date of Extra Session Laws 1971, chapter 31, using list price information published by the manufacturer or any nationally recognized firm or association compiling such data for the automotive industry. If unable to ascertain the base value of any registered vehicle in the foregoing manner, the registrar may use any other available source or method. The registrar shall calculate tax using base value information available to dealers and deputy registrars at the time the application for registration is submitted. The tax on all previously registered vehicles shall be computed upon the base value thus determined taking into account the depreciation provisions of paragraph (h).

(h) The annual additional tax must be computed upon a percentage of the base value as follows: during the first year of vehicle life, upon 100 percent of the base value; for the second year, 90 percent of such value; for the third year, 80 percent of such value; for the fourth year, 70 percent of such value; for the fifth year, 60 percent of such value; for the sixth year, 50 percent of such value; for the seventh year, 40 percent of such value; for the eighth year, 30 percent of such value; for the ninth year, 20 percent of such value; for the tenth year, ten percent of such value; for the 11th and each succeeding year, the sum of \$25.

(i) In no event shall the annual additional tax be less than \$25.

(j) For any vehicle previously registered in Minnesota and regardless of prior ownership, the ~~annual additional tax total amount~~ due under this subdivision and subdivision 1m must not exceed the smallest total amount of annual additional tax previously paid or due on the vehicle.

EFFECTIVE DATE. This section is effective the day following final enactment, and applies to taxes payable for a registration period starting on or after January 1, 2018.

Sec. 32. Minnesota Statutes 2016, section 168.013, is amended by adding a subdivision to read:

Subd. 1m. **Electric vehicle.** In addition to the tax under subdivision 1a, a surcharge of \$75 is imposed for an all-electric vehicle, as defined in section 169.011, subdivision 1a. Notwithstanding subdivision 8, revenue from the fee imposed under this subdivision must be deposited in the highway user tax distribution fund.

EFFECTIVE DATE. This section is effective the day following final enactment, and applies to a registration period starting on or after January 1, 2018.

Sec. 33. Minnesota Statutes 2016, section 168.021, subdivision 1, is amended to read:

Subdivision 1. **Disability plates; application.** (a) When a motor vehicle registered under section 168.017, a motorcycle, a motorized bicycle, a one-ton pickup truck, or a self-propelled recreational vehicle is owned or primarily operated by a permanently physically disabled person or a custodial parent or guardian of a permanently physically disabled ~~minor person~~, the owner may apply for and secure from the commissioner (1) immediately, a temporary permit valid for 30 days if the applicant is eligible for the disability plates issued under this section and (2) two disability plates with attached emblems, one plate to be attached to the front, and one to the rear of the motor vehicle, truck, or recreational vehicle, or, in the case of a motorcycle or a motorized bicycle, one disability plate the same size as a regular motorcycle plate.

(b) The commissioner shall not issue more than one plate to the owner of a motorcycle or a motorized bicycle and not more than one set of plates to any owner of another vehicle described in paragraph (a) at the same time unless the state Council on Disability approves the issuance of a second plate or set of plates to an owner.

(c) When the owner first applies for the disability plate or plates, the owner must submit a medical statement in a format approved by the commissioner under section 169.345, or proof of physical disability provided for in that section.

(d) No medical statement or proof of disability is required when an owner applies for a plate or plates for one or more vehicles listed in paragraph (a) that are specially modified for and used exclusively by permanently physically disabled persons.

(e) The owner of a vehicle listed in paragraph (a) may apply for and secure (i) immediately, a permit valid for 30 days, if the applicant is eligible to receive the disability plate or plates issued under this section, and (ii) a disability plate or plates for the vehicle if:

(1) the owner employs a permanently physically disabled person who would qualify for the disability plate or plates under this section; and

(2) the owner furnishes the motor vehicle to the physically disabled person for the exclusive use of that person in the course of employment.

EFFECTIVE DATE. This section is effective January 1, 2018.

Sec. 34. Minnesota Statutes 2016, section 168.021, subdivision 2, is amended to read:

Subd. 2. **Plate design; furnished by commissioner.** The commissioner shall design and furnish two disability plates, or one disability plate for a motorcycle or a motorized bicycle that is the same size as a regular motorcycle plate, with attached emblem or emblems to an eligible owner. The emblem must bear the internationally accepted wheelchair symbol, as designated in section 326B.106, subdivision 9, approximately three inches square. The emblem must be large enough to be visible plainly from a distance of 50 feet. An applicant eligible for a disability plate or plates shall pay the motor vehicle registration fee authorized by sections 168.013 and 168.09.

EFFECTIVE DATE. This section is effective January 1, 2018.

Sec. 35. Minnesota Statutes 2016, section 168.021, subdivision 2a, is amended to read:

Subd. 2a. **Plate transfer.** (a) When ownership of a vehicle described in subdivision 1, is transferred, the owner of the vehicle shall remove the disability plate or plates. The buyer of the motor vehicle is entitled to receive a regular plate or plates for the vehicle without further cost for the remainder of the registration period.

(b) Notwithstanding section 168.12, subdivision 1, the disability plate or plates may be transferred to a replacement vehicle on notification to the commissioner. However, the disability plate or plates may not be transferred unless the replacement vehicle (1) is listed under section 168.012, subdivision 1, and, in case of a single plate for a motorcycle or a motorized bicycle, the replacement vehicle is a motorcycle or a motorized bicycle, and (2) is owned or primarily operated by the permanently physically disabled person.

EFFECTIVE DATE. This section is effective January 1, 2018.

Sec. 36. **[168.1256] RETIRED LAW ENFORCEMENT SPECIAL PLATES.**

Subdivision 1. Issuance of plates. The commissioner shall issue retired law enforcement license special plates or a single motorcycle plate to an applicant who:

(1) is a registered owner of a passenger automobile, noncommercial one-ton pickup truck, motorcycle, or recreational vehicle;

(2) is a retired peace officer as defined in section 626.84, subdivision 1, paragraph (c) or (d);

(3) provides a letter from the chief law enforcement officer affirming that the applicant is a retired peace officer who served ten or more years and separated in good standing;

(4) pays a fee of \$10 for each set of plates, along with any other fees required by this chapter;

(5) pays the registration tax as required under section 168.013; and

(6) complies with this chapter and rules governing registration of motor vehicles and licensing of drivers.

Subd. 2. **Design.** The commissioner shall design an emblem and inscription for the special plates, in consultation with interested law enforcement agencies and organizations.

Subd. 3. **Plates transfer.** On application to the commissioner and payment of a transfer fee of \$5, special plates issued under this section may be transferred to another motor vehicle if the subsequent vehicle is:

(1) qualified under subdivision 1, clause (1), to bear the special plates; and

(2) registered to the same individual to whom the special plates were originally issued.

Subd. 4. **Exemption.** Special plates issued under this section are not subject to section 168.1293, subdivision 2.

EFFECTIVE DATE. This section is effective January 1, 2018, for special retired law enforcement plates issued on or after that date.

Sec. 37. [168.1282] "START SEEING MOTORCYCLES" SPECIAL PLATES.

Subdivision 1. **Issuance of plates.** The commissioner must issue "Start Seeing Motorcycles" special license plates or a single motorcycle plate to an applicant who:

(1) is a registered owner of a passenger automobile, noncommercial one-ton pickup truck, motorcycle, or recreational vehicle;

(2) pays a fee of \$10 for each set of plates;

(3) pays the registration tax as required under section 168.013, along with any other fees required by this chapter;

(4) contributes a minimum of \$10 annually to the motorcycle safety fund, created under section 171.06, subdivision 2a, paragraph (a), clause (1); and

(5) complies with this chapter and rules governing registration of motor vehicles and licensing of drivers.

Subd. 2. **Design.** The representatives of American Bikers for Awareness, Training, and Education of Minnesota must design the special plate to contain the inscription "Start Seeing Motorcycles" between the bolt holes on the bottom of the plate with a design area on the left side of the plate, subject to the approval of the commissioner.

Subd. 3. **Plates transfer.** On application to the commissioner and payment of a transfer fee of \$5, special plates issued under this section may be transferred to another motor vehicle if the subsequent vehicle is:

(1) qualified under subdivision 1, clause (1), to bear the special plates; and

(2) registered to the same individual to whom the special plates were originally issued.

Subd. 4. **Exemption.** Special plates issued under this section are not subject to section 168.1293, subdivision 2.

Subd. 5. **Fees.** Fees collected under subdivision 1, clause (2), and subdivision 3 are credited to the vehicle services operating account in the special revenue fund.

Subd. 6. **No refund.** Contributions under this section must not be refunded.

EFFECTIVE DATE. This section is effective January 1, 2018, for special "Start Seeing Motorcycles" plates issued on or after that date.

Sec. 38. Minnesota Statutes 2016, section 168.27, is amended by adding a subdivision to read:

Subd. 31. **Documentary fee.** (a) A motor vehicle dealer may not charge a documentary fee or document administration fee in excess of the amounts provided under paragraph (b) for services actually rendered to, for, or on behalf of the retail buyer or lessee to prepare, handle, and process documents for the closing of a motor vehicle retail sale or lease. The fee must be separately stated on the sales agreement maintained under Minnesota Rules, part 7400.5200, and may be excluded from the dealer's advertised price.

(b) For motor vehicle sales or leases made on or after July 1, 2017, through June 30, 2020, the maximum fee is \$100. For motor vehicle sales or leases made on or after July 1, 2020, the maximum fee is \$125.

(c) "Documentary fee" and "document administration fee" do not include an optional electronic transfer fee as defined under section 53C.01, subdivision 14.

Sec. 39. Minnesota Statutes 2016, section 168.33, subdivision 2, is amended to read:

Subd. 2. Deputy registrars. (a) The commissioner may appoint, and for cause discontinue, a deputy registrar for any statutory or home rule charter city as the public interest and convenience may require, without regard to whether the county auditor of the county in which the city is situated has been appointed as the deputy registrar for the county or has been discontinued as the deputy registrar for the county, and without regard to whether the county in which the city is situated has established a county license bureau that issues motor vehicle licenses as provided in section 373.32.

(b) The commissioner may appoint, and for cause discontinue, a deputy registrar for any statutory or home rule charter city as the public interest and convenience may require, if the auditor for the county in which the city is situated chooses not to accept appointment as the deputy registrar for the county or is discontinued as a deputy registrar, or if the county in which the city is situated has not established a county license bureau that issues motor vehicle licenses as provided in section 373.32.

(c) The commissioner may appoint, and for cause discontinue, the county auditor of each county as a deputy registrar.

(d) Despite any other provision, a person other than a county auditor or a director of a county license bureau, who was appointed by the registrar before August 1, 1976, as a deputy registrar for any statutory or home rule charter city, may continue to serve as deputy registrar and may be discontinued for cause only by the commissioner. The county auditor who appointed the deputy registrars is responsible for the acts of deputy registrars appointed by the auditor.

(e) Each deputy, before entering upon the discharge of duties, shall take and subscribe an oath to faithfully discharge the duties and to uphold the laws of the state.

(f) If a deputy registrar appointed under this subdivision is not an officer or employee of a county or statutory or home rule charter city, the deputy shall in addition give bond to the state in the sum of \$10,000, or a larger sum as may be required by the commissioner, conditioned upon the faithful discharge of duties as deputy registrar.

(g) A corporation governed by chapter 302A or 317A may be appointed a deputy registrar. Upon application by an individual serving as a deputy registrar and the giving of the requisite bond as provided

in this subdivision, personally assured by the individual or another individual approved by the commissioner, a corporation named in an application then becomes the duly appointed and qualified successor to the deputy registrar.

(h) Each deputy registrar appointed under this subdivision shall keep and maintain office locations approved by the commissioner for the registration of vehicles and the collection of taxes and fees on vehicles.

(i) The deputy registrar shall keep records and make reports to the commissioner as the commissioner requires. The records must be maintained at the offices of the deputy registrar in a manner that complies with sections 13.05, subdivision 5, and 13.055. As an alternative to paper copy storage, a deputy registrar may retain records and documents in a secure electronic medium that complies with the security requirements under the United States Federal Bureau of Investigation, Criminal Justice Information Services Division, Policy 5.4 or any successor policy, provided 60 days have elapsed since the transaction and subject to standards established by the commissioner. The deputy registrar is responsible for all costs associated with the conversion to electronic records and maintenance of the electronic storage medium, including the destruction of existing paper records after conversion to the electronic format. All queries and responses in the secure electronic medium, and all actions in which data are entered, updated, accessed, or shared or disseminated by the deputy registrar must be contained in a data audit trail. Data contained in the audit trail are public to the extent the data are not otherwise classified under this section. The records and offices of the deputy registrar must at all times be open to the inspection of the commissioner or the commissioner's agents. The deputy registrar shall report to the commissioner by the next working day following receipt all registrations made and taxes and fees collected by the deputy registrar.

(j) The filing fee imposed under subdivision 7 must be deposited in the treasury of the place for which appointed or, if not a public official, a deputy shall retain the filing fee, but the registration tax and any additional fees for delayed registration the deputy registrar has collected the deputy registrar shall deposit by the next working day following receipt in an approved state depository to the credit of the state through the commissioner of management and budget. The place for which the deputy registrar is appointed through its governing body must provide the deputy registrar with facilities and personnel to carry out the duties imposed by this subdivision if the deputy is a public official. In all other cases, the deputy shall maintain a suitable facility for serving the public.

Sec. 40. Minnesota Statutes 2016, section 168A.09, subdivision 1, is amended to read:

Subdivision 1. **Application, issuance, form, bond, and notice.** (a) In the event a certificate of title is lost, stolen, mutilated, ~~or~~ destroyed, or becomes illegible, the owner or legal representative of the owner named in the certificate may ~~make~~ submit an application to the department or a deputy registrar for a duplicate in a format prescribed by the department. The department ~~shall~~ or deputy registrar must issue a duplicate certificate of title if satisfied that the applicant is entitled ~~thereto~~ to the duplicate certificate of title. The duplicate certificate of title ~~shall~~ must be plainly marked as a duplicate and mailed or delivered to the owner. The department ~~shall~~ or deputy registrar must indicate in ~~its~~ the driver and vehicle information system records that a duplicate certificate of title has been issued. As a condition to issuing a duplicate certificate of title, the department may require a bond from the applicant in the manner and format prescribed in section 168A.07, subdivision 1, clause (2). The duplicate certificate of title ~~shall~~ must contain the legend: "This duplicate certificate of title may be subject to the rights of a person under the original certificate."

(b) On and after the effective date of this section, the commissioner must allow duplicate certificate of title issuance by a deputy registrar, subject to procedures established by the commissioner.

EFFECTIVE DATE. This section is effective August 1, 2018.

Sec. 41. [168A.125] TRANSFER-ON-DEATH TITLE TO MOTOR VEHICLE.

Subdivision 1. **Titled as transfer-on-death.** A natural person who is the owner of a motor vehicle may have the motor vehicle titled in transfer-on-death or TOD form by including in the application for the certificate of title a designation of a beneficiary or beneficiaries to whom the motor vehicle must be transferred on death of the owner or the last survivor of joint owners with rights of survivorship, subject to the rights of secured parties.

Subd. 2. **Designation of beneficiary.** A motor vehicle is registered in transfer-on-death form by designating on the certificate of title the name of the owner and the names of joint owners with identification of rights of survivorship, followed by the words "transfer-on-death to (name of beneficiary or beneficiaries)." The designation "TOD" may be used instead of "transfer-on-death." A title in transfer-on-death form is not required to be supported by consideration, and the certificate of title in which the designation is made is not required to be delivered to the beneficiary or beneficiaries in order for the designation to be effective. If the owner of the motor vehicle is married at the time of the designation, the designation of a beneficiary other than the owner's spouse requires the spouse's written consent.

Subd. 3. **Interest of beneficiary.** The transfer-on-death beneficiary or beneficiaries have no interest in the motor vehicle until the death of the owner or the last survivor of joint owners with rights of survivorship. A beneficiary designation may be changed at any time by the owner or by all joint owners with rights of survivorship, without the consent of the beneficiary or beneficiaries, by filing an application for a new certificate of title.

Subd. 4. **Vesting of ownership in beneficiary.** Ownership of a motor vehicle titled in transfer-on-death form vests in the designated beneficiary or beneficiaries on the death of the owner or the last of the joint owners with rights of survivorship, subject to the rights of secured parties. The transfer-on-death beneficiary or beneficiaries who survive the owner may apply for a new certificate of title to the motor vehicle upon submitting a certified death record of the owner of the motor vehicle. If no transfer-on-death beneficiary or beneficiaries survive the owner of a motor vehicle, the motor vehicle must be included in the probate estate of the deceased owner. A transfer of a motor vehicle to a transfer-on-death beneficiary or beneficiaries is not a testamentary transfer.

Subd. 5. **Rights of creditors.** (a) This section does not limit the rights of any secured party or creditor of the owner of a motor vehicle against a transfer-on-death beneficiary or beneficiaries.

(b) The state or a county agency with a claim or lien authorized by section 246.53, 256B.15, 261.04, or 270C.63 is a creditor for purposes of this subdivision. A claim authorized by section 256B.15 against the estate of an owner of a motor vehicle titled in transfer-on-death form voids any transfer-on-death conveyance of a motor vehicle as described in this section. A claim or lien under section 246.53, 261.04, or 270C.63 continues to apply against the designated beneficiary or beneficiaries after the transfer under this section if other assets of the deceased owner's estate are insufficient to pay the amount of the claim. The claim or lien continues to apply to the motor vehicle until the designated beneficiary sells or transfers it to a person against whom the claim or lien does not apply and who did not have actual notice or knowledge of the claim or lien.

Sec. 42. Minnesota Statutes 2016, section 168A.141, is amended to read:

168A.141 MANUFACTURED HOME AFFIXED TO REAL PROPERTY.

Subdivision 1. **Certificates surrendered for cancellation.** (a) When a manufactured home is to be affixed or is affixed, as defined in section 273.125, subdivision 8, paragraph (b), to real property, ~~and financed by the giving of a mortgage on the real property,~~ the owner of the manufactured home ~~shall~~ may surrender the manufacturer's certificate of origin or certificate of title to the department for cancellation. ~~The owner of so that the manufactured home shall give the department the address and legal description of the~~ becomes an improvement to real property. The department may require the filing of other information and is no longer titled as personal property. The department must not issue a certificate of title for a manufactured home

under chapter 168A if the manufacturer's certificate of origin is or has been surrendered under this subdivision, except as provided in section 168A.142. Upon surrender of the manufacturer's certificate of origin or the certificate of title, the department ~~shall~~ must issue notice of surrender to the owner, and upon recording an affidavit of affixation, which the county recorder or registrar of titles, as applicable, must accept, the manufactured home is deemed to be an improvement to real property. The notice of surrender may be recorded in the office of the county recorder or with the registrar of titles if the land is registered but need not contain an acknowledgment. An affidavit of affixation by the owner of the manufactured home must include the following information:

(1) the name, residence address, and mailing address of owner or owners of the manufactured home;

(2) the legal description of the real property in which the manufactured home is, or will be, located;

(3) a copy of the surrendered manufacturer's certificate of origin or certificate of title and the notice of surrender;

(4) a written statement from the county auditor or county treasurer of the county where the manufactured home is located stating that all property taxes payable in the current year, as provided under section 273.125, subdivision 8, paragraph (b), have been paid, or are not applicable;

(5) the name and address of the person designated by the applicant to record the original affidavit of affixation with the county recorder or registrar of titles for the county where the real property is located; and

(6) the signature of the person who executes the affidavit, properly executed before a person authorized to authenticate an affidavit in this state.

(b) The person designated in paragraph (a), clause (5), must record, or arrange for the recording of, the affidavit of affixation, accompanied by the fees for recording and for issuing a certified copy of the notice, including all attachments, showing the recording date. Upon obtaining the certified copy of the notice under this paragraph, the person designated in the affidavit must deliver the certified copy to the county auditor of the county in which the real property to which the manufactured home was affixed is located.

(c) The department is not liable for any errors, omissions, misstatements, or other deficiencies or inaccuracies in documents presented to the department under this section, if the documents presented appear to satisfy the requirements of this section. The department has no obligation to investigate the accuracy of statements contained in the documents.

Subd. 1a. **Affidavit form.** An affidavit of affixation must be in substantially the following form and must contain the following information.

MANUFACTURED HOME AFFIDAVIT OF AFFIXATION

PURSUANT TO MINNESOTA STATUTES, SECTION 168A.141

Homeowner, being duly sworn, on his or her oath, states as follows:

1. Homeowner owns the manufactured home ("home") described as follows:

.....

<u>New/Used</u>	<u>Year</u>	<u>Manufacturer's Name</u>	<u>Model Name or Model No.</u>	<u>Manufacturer's Serial No.</u>	<u>Length/Width</u>
-----------------	-------------	----------------------------	--------------------------------	----------------------------------	---------------------

2. A copy of the surrendered manufacturer's certificate of origin or certificate of title is attached.

3. A copy of the notice of surrender issued from the Minnesota Department of Public Safety Driver and Vehicle Services is attached.

.....
.....
.....

Subscribed and sworn to before me this day of,

.....
Signature of Notary Public or Other Official

Notary Stamp or Seal

(optional)

Lender's Statement of Intent:

The undersigned ("lender") intends that the home be immovable and a permanent improvement to the land free of any personal property security interest.

.....
Lender

By:

Authorized Signature

STATE OF

.....) ss:

COUNTY OF

On the day of in the year before me, the undersigned, a Notary Public in and for said state, personally appeared

.....

personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person on behalf of which the individual(s) acted, executed the instrument.

.....
Notary Signature

.....
Notary Printed Name

Notary Public, State of

Qualified in the County of

My commission expires

Official seal:

Subd. 2. **Perfected security interest avoids cancellation prevents surrender.** The department may not cancel a certificate of title if, under this chapter, a security interest has been perfected on the manufactured home. If a security interest has been perfected, the department ~~shall~~ must notify the owner ~~and that each secured party that the~~ must release or satisfy the security interest prior to proceeding with surrender of the manufacturer's certificate of origin or certificate of title and a description of the security interest have been surrendered to the department and that the department will not cancel the certificate of title until the security interest is satisfied for cancellation. Permanent attachment to real property or the recording of an affidavit of affixation does not extinguish an otherwise valid security interest in or tax lien on the manufactured home, unless the requirements of section 168A.141, subdivisions 1, 1a, and 2, including the release of any security interest, have been satisfied.

Subd. 3. **Notice of security interest avoids surrender.** ~~The manufacturer's certificate of origin or the certificate of title need not be surrendered to the department under subdivision 1~~ When a perfected security interest exists, or will exist, on the manufactured home at the time the manufactured home is affixed to real property, ~~if~~ and the owner has not satisfied the requirements of section 168A.141, subdivision 1, the owner of the manufactured home ~~files~~, or its secured party, may record a notice with the county recorder, or with the registrar of titles, if the land is registered, stating that the manufactured home located on the property is encumbered by a perfected security interest and is not an improvement to real property. The notice must state the name and address of the secured party as set forth on the certificate of title, the legal description of the real property, and the name and address of the record fee owner of the real property on which the manufactured home is affixed. When the security interest is released or satisfied, the secured party ~~shall~~ must attach a copy of the release or satisfaction to a notice executed by the secured party containing the county recorder or registrar of titles document number of the notice of security interest. The notice of release or satisfaction must be ~~filed~~ recorded with the county recorder, or registrar of titles, if the land is registered. Neither the notice described in this subdivision nor the security interest on the certificate of title is deemed to be an encumbrance on the real property. The notices provided for in this subdivision need not be acknowledged.

Sec. 43. Minnesota Statutes 2016, section 168A.142, is amended to read:

168A.142 MANUFACTURED HOME UNAFFIXED FROM REALTY.

Subdivision 1. **Certificate of title requirements.** The department ~~shall~~ must issue an initial certificate of title or reissue a previously surrendered certificate of title for a manufactured home to an applicant if:

(1) ~~for the purpose of affixing the manufactured home to real property,~~ the owner of the manufactured home, or a previous owner, surrendered the manufacturer's certificate of origin or certificate of title to the department as provided in section 168A.141, subdivision 1 ~~or 2~~;

(2) the applicant provides the written proof evidence specified in subdivision 2 ~~that the applicant owns (i) the manufactured home and (ii) the real property to which the manufactured home was affixed as provided under section 273.125, subdivision 8, paragraph (b)~~;

(3) ~~the applicant provides proof that no liens exist on the manufactured home, including liens on the real property to which it is affixed; and~~

~~(4)~~ (3) the owner of the manufactured home ~~meets~~ fulfills the applicable application requirements of section 168A.04,; and

(4) the application is accompanied by a written statement from the county auditor or county treasurer of the county in which the manufactured home is then located and affixed, stating that all property taxes payable in the current year, as provided under section 273.125, subdivision 8, paragraph (b), have been paid.

Subd. 2. **Proof Evidence of eligibility for reissuance.** (a) The proof evidence required under subdivision 1, ~~clauses clause (2) and (3)~~, is as follows:

(1) an affidavit of severance recorded in the office of the county recorder or registrar of titles, which they shall accept, and whichever applies to the real property, of the county in which where the affidavit of affixation or notice of surrender was recorded under as required in section 168A.141, subdivision 1, and the affidavit of severance contains:

(i) the name, residence address, and mailing address of the owner or owners of the manufactured home;

(ii) a description of the manufactured home being severed, including the name of the manufacturer; ~~the make, model number, model year, and dimensions, and if available, the make, model year, and manufacturer's serial number of the manufactured home; and whether the manufactured home is new or used,~~ such information as may be available from the previously recorded affidavit of affixation or notice of surrender as required in section 168A.141, subdivision 1; and

(iii) a statement of any facts or information known to the person executing the affidavit that could affect the validity of the title of the manufactured home ~~or, the existence or nonexistence of a security interest in the manufactured home or a lien on it, or,~~ and a statement that no such facts or information are known to the person executing the affidavit;

(2) as an attachment to the affidavit of severance, an opinion by an attorney admitted to practice law in this state, stating:

(i) the nature of the examination of title performed prior to giving this opinion by the person signing the opinion;

(ii) that the manufactured home and the real property on which it is located is not subject to, or pending completion of a refinance, purchase, or sale transaction, and will not be subject to any recorded mortgages, security interests, liens, or other encumbrances of any kind;

(iii) that the person signing the opinion knows of no facts or circumstances that could affect the validity of the title of the manufactured home or the existence or nonexistence of any recorded mortgages, security interests, or other encumbrances of any kind, other than property taxes payable in the year the affidavit is signed;

(iv) the person or persons owning record title to the real property to which the manufactured home has been affixed and the nature and extent of the title owned by each of these persons; and

(v) that the person signing the opinion has reviewed all provisions of the affidavit of severance and certifies that they are correct and complete to the best of the knowledge of the person signing the opinion;

(3) the name and address of the person ~~or, persons~~ designated by the applicant to file ~~a certified copy of the original~~ affidavit of severance with ~~the county auditor of the county in which the real estate is located, after the affidavit has been properly recorded in the office of the county recorder or county registrar of titles,~~ whichever applies to the real property; and

(4) the signature of the person who executes the affidavit, properly executed before a person authorized to authenticate an affidavit in this state.

(b) The person designated in paragraph (a), clause (3), ~~shall~~ must record, or arrange for the recording of, the affidavit of severance as referenced in that item, accompanied by the fees for recording and for issuing a certified copy of the affidavit, including all attachments, showing the recording date.

(c) Upon obtaining the certified copy under paragraph (b), the person designated in the affidavit ~~shall~~ must deliver the certified copy to the county auditor of the county in which the real estate to which it was affixed is located.

(d) The department is not liable for any errors, omissions, misstatements, or other deficiencies or inaccuracies in documents presented to the department under this section, so long as the documents presented

appear to satisfy the requirements of this section. The department has no obligation to investigate the accuracy of statements contained in the documents.

Subd. 3. **Affidavit form.** The affidavit of severance must be in substantially the following form and must contain the following information.

MANUFACTURED HOME AFFIDAVIT OF SEVERANCE

PURSUANT TO MINNESOTA STATUTES, SECTION 168A.142

Homeowner, being duly sworn, on his or her oath, states as follows:

1. Homeowner owns the manufactured home ("home") described as follows:

.....

<u>New/Used</u>	<u>Year</u>	<u>Manufacturer's Name</u>	<u>Model Name or Model No.</u>	<u>Manufacturer's Serial No.</u>	<u>Length/Width</u>
-----------------	-------------	----------------------------	--------------------------------	----------------------------------	---------------------

2. A copy of the previously surrendered manufacturer's certificate of origin or certificate of title is attached (if available).

3. A copy of the notice of surrender issued from the Minnesota Department of Public Safety Driver and Vehicle Services is attached (if available).

4. The home is or will be located at the following "Property Address":

.....

Street or Route City County State Zip Code

5. The legal description of the property address ("land") is as follows or as attached:

.....

.....

.....

6. The homeowner does not know of any facts or information that could affect the validity of title of the manufactured home, except:

.....

.....

7. The homeowner does not know of any such security interest in the manufactured home which has not been satisfied or released.

8. A copy of an opinion by an attorney admitted to practice law in Minnesota is attached, which provides for the required title evidence as set forth in Minnesota Statutes, section 168A.142, subdivision 2, clause (2), items (i) to (v).

9. A copy of the written statement from the county auditor or county treasurer of the county in which the manufactured home is then located, stating that all property taxes payable in the current year (pursuant to Minnesota Statutes, section 273.125, subdivision 8, paragraph (b)), have been paid, or are not applicable, is attached.

10. The name and address of the person designated by the homeowner to record the original affidavit of surrender with the county recorder or registrar of titles of the county in which the real estate is located is:

(ii) certifies the applicant is the owner of the manufactured home, has physical possession of the manufactured home, knows of no facts or circumstances that materially affect the validity of the title of the manufactured home as represented in the application, and provides copies of such ownership documents, so far as the documents exist, including by way of example:

(A) bill of sale;

(B) financing, replevin, or foreclosure documents;

(C) appraisal;

(D) insurance certification;

(E) personal property tax bill;

(F) landlord certification;

(G) affidavit of survivorship or estate documents;

(H) divorce decree; or

(I) court order;

(3) an affidavit by an attorney admitted to practice law in this state stating:

(i) the attorney has performed a search of the Minnesota Department of Public Safety Driver and Vehicles Services records within 120 days of the date of application to obtain a certificate of origin or certificate of title on behalf of the applicant, but was unable to determine the names or locations of one or more owners or prior owners of the manufactured home;

(ii) if applicable, the attorney was unable to successfully contact one or more owners, or prior owners, after providing written notice 45 days prior to the registered and last known owner by certified mail at the address shown on Driver and Vehicles Services records, or if the last known address is different from Driver and Vehicles Services records, then also the last known address as known to the applicant;

(iii) if the attorney is unable to contact one or more owners, or previous owners, by sending a letter by certified mail, then the attorney must present to the department, as an attachment to its affidavit, the returned letter as evidence of the attempted contact, or the acknowledgment of receipt of the letter, together with an affidavit of nonresponse; and

(iv) the attorney knows of no facts or circumstances that materially affect the validity of the title of the manufactured home as represented in the application, other than property taxes payable in the year the affidavit is signed; and

(4) payment for required current year taxes and fees as prescribed by the department.

Subd. 2. Satisfaction of manufactured home security lien; release. A security interest perfected under this chapter may be canceled seven years from the perfection date for a manufactured home, upon the request of the owner of the manufactured home, if the owner has paid the lien in full or the lien has been abandoned and the owner is unable to locate the lienholder to obtain a lien release. The owner must send a letter to the lienholder by certified mail, return receipt requested, stating the reason for the release and requesting a lien release. If the owner is unable to obtain a lien release by sending a letter by certified mail, then the owner must present to the department the returned letter as evidence of the attempted contact, or the acknowledgment of receipt of the letter, together with a copy of the letter and an owner affidavit of nonresponse.

Subd. 3. Suspension or revocation of certificate. (a) Pursuant to section 168A.23, the department may revoke a previously issued certificate of title issued under this section.

(b) The department is not liable for any errors, omissions, misstatements, or other deficiencies or inaccuracies in documents submitted to the department under this section, provided the documents submitted appear to satisfy the requirements of this section. The department is not required to investigate the accuracy of statements contained in submitted documents.

Sec. 45. Minnesota Statutes 2016, section 169.011, is amended by adding a subdivision to read:

Subd. 1a. **All-electric vehicle.** (a) "All-electric vehicle" means an electric vehicle that is solely able to be powered by an electric motor drawing current from rechargeable storage batteries, fuel cells, or other portable sources of electrical current.

(b) All-electric vehicle excludes a plug-in hybrid electric vehicle.

EFFECTIVE DATE. This section is effective the day following final enactment, and applies to a registration period starting on or after January 1, 2018.

Sec. 46. Minnesota Statutes 2016, section 169.011, subdivision 34, is amended to read:

Subd. 34. **Head Start bus.** (a) "Head Start bus" means a motor vehicle used to transport children and parents to or from a Head Start facility, or to or from Head Start-related activities, by the Head Start grantee, or by someone under an agreement with the Head Start grantee. A Head Start bus does not include a motor vehicle transporting children or parents to or from a Head Start facility for which parents or guardians receive direct compensation from a Head Start grantee, a motor coach operating under charter carrier authority, or a transit bus providing services as defined in section 174.22, subdivision 7. A Head Start bus may be a type A, B, C, or D bus ~~or type III vehicle, as described in subdivision 71.~~

(b) A Head Start bus manufactured after December 31, 1994, must meet the same standards as a type A, B, C, or D school bus, except that a Head Start bus is not required to be equipped with the warning signals required for a school bus under section 169.442, subdivision 1. A Head Start bus that is not equipped as a school bus must be painted colors other than national school bus yellow.

Sec. 47. Minnesota Statutes 2016, section 169.011, subdivision 47, is amended to read:

Subd. 47. **Neighborhood electric vehicle.** "Neighborhood electric vehicle" means an electrically powered motor vehicle that has three or four wheels, and has a speed attainable in one mile of at least 20 miles per hour but not more than 25 miles per hour on a paved level surface.

Sec. 48. Minnesota Statutes 2016, section 169.14, is amended by adding a subdivision to read:

Subd. 5h. **St. Louis County Road 128.** Notwithstanding any provision to the contrary in this section, the speed limit on St. Louis County Road 128 in Eagles Nest Township between marked Trunk Highway 169 and County Road 989 is 40 miles per hour. The county engineer must erect appropriate signs displaying the 40 miles per hour speed limit.

EFFECTIVE DATE. This section is effective the day following final enactment. The new speed limit is effective when the required signs are erected.

Sec. 49. Minnesota Statutes 2016, section 169.18, subdivision 5, is amended to read:

Subd. 5. **Driving left of roadway center; exception.** (a) No vehicle shall be driven to the left side of the center of the roadway in overtaking and passing another vehicle proceeding in the same direction unless such left side is clearly visible and is free of oncoming traffic for a sufficient distance ahead to permit such overtaking and passing to be completely made without interfering with the safe operation of any vehicle

approaching from the opposite direction or any vehicle overtaken. In every event the overtaking vehicle must return to the right-hand side of the roadway before coming within 100 feet of any vehicle approaching from the opposite direction.

(b) Except on a one-way roadway, no vehicle shall, in overtaking and passing another vehicle or at any other time, be driven to the left half of the roadway under the following conditions:

(1) when approaching the crest of a grade or upon a curve in the highway where the driver's view along the highway is obstructed within a distance of 700 feet;

(2) when approaching within 100 feet of any underpass or tunnel, railroad grade crossing, intersection within a city, or intersection outside of a city if the presence of the intersection is marked by warning signs; or

(3) where official signs are in place prohibiting passing, or a distinctive centerline is marked, which distinctive line also so prohibits passing, as declared in the Manual on Uniform Traffic Control Devices adopted by the commissioner.

(c) Notwithstanding paragraph (b), clause (3), a motor vehicle may be driven to the left side of the roadway to safely overtake a bicycle under the following circumstances:

(1) the bicycle is proceeding in the same direction as the motor vehicle;

(2) the driver of the motor vehicle either (i) provides a safe clearance distance, in no case less than the greater of three feet or one-half the width of the motor vehicle, or (ii) completely enters the left lane of the highway;

(3) the operator of the bicycle is not (i) making a left turn, or (ii) signaling that the bicycle operator intends to make a left turn; and

(4) the driver of the motor vehicle complies with all other applicable requirements under this section.

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

Sec. 50. Minnesota Statutes 2016, section 169.18, subdivision 7, is amended to read:

Subd. 7. **Laned highway.** When any roadway has been divided into two or more clearly marked lanes for traffic, the following rules, in addition to all others consistent herewith, shall apply:

(a) A vehicle shall be driven as nearly as practicable entirely within a single lane and shall not be moved from such lane until the driver has first ascertained that such movement can be made with safety.

(b) Upon a roadway which is not a one-way roadway and which is divided into three lanes, a vehicle shall not be driven in the center lane except when overtaking and passing another vehicle where the roadway is clearly visible and such center lane is clear of traffic within a safe distance, or in preparation for a left turn or where such center lane is at the time allocated exclusively to traffic moving in the direction the vehicle is proceeding, and is signposted to give notice of such allocation. The left lane of a three-lane roadway which is not a one-way roadway shall not be used for overtaking and passing another vehicle.

(c) Official signs may be erected directing slow-moving traffic to use a designated lane or allocating specified lanes to traffic moving in the same direction, and drivers of vehicles shall obey the directions of every such sign.

(d) Whenever a bicycle lane has been established on a roadway, any person operating a motor vehicle on such roadway shall not drive in the bicycle lane except to perform parking maneuvers in order to park where parking is permitted, to enter or leave the highway, or to prepare for a turn as provided in section 169.19, subdivision 1, or to stop a school bus for the purpose of receiving or discharging any person provided

the school bus is equipped and identified as provided in sections 169.441 and 169.442, subdivision 1, and the flashing red signals are activated and stop-signal arm is extended.

Sec. 51. Minnesota Statutes 2016, section 169.224, subdivision 3, is amended to read:

Subd. 3. **Operation.** (a) A neighborhood electric vehicle or a medium-speed electric vehicle may not be operated on a street or highway with a speed limit greater than 35 miles per hour, except to make a direct crossing of that street or highway.

(b) A person may operate a three-wheeled neighborhood electric vehicle without a two-wheeled vehicle endorsement, provided the person has a valid driver's license issued under chapter 171.

Sec. 52. Minnesota Statutes 2016, section 169.345, subdivision 1, is amended to read:

Subdivision 1. **Scope of privilege.** (a) A vehicle described in section 168.021, subdivision 1, paragraph (a), that prominently displays the certificate authorized by this section or that bears the disability plate or plates issued under section 168.021 may be parked by or solely for the benefit of a physically disabled person:

(1) in a designated parking space for disabled persons, as provided in section 169.346;

(2) in a metered parking space without obligation to pay the meter fee and without time restrictions unless time restrictions are separately posted on official signs; and

(3) without time restrictions in a nonmetered space where parking is otherwise allowed for passenger vehicles but restricted to a maximum period of time and that does not specifically prohibit the exercise of disabled parking privileges in that space.

A person may park the vehicle for a physically disabled person in a parking space described in clause (1) or (2) only when actually transporting the physically disabled person for the sole benefit of that person and when the parking space is within a reasonable distance from the drop-off point.

(b) For purposes of this subdivision, a certificate is prominently displayed if it is displayed so that it may be viewed from the front and rear of the motor vehicle by hanging it from the rearview mirror attached to the front windshield of the motor vehicle or, in the case of a motorcycle or a motorized bicycle, is secured to the vehicle. If there is no rearview mirror or if the certificate holder's disability precludes placing the certificate on the mirror, the certificate must be displayed on the dashboard of the vehicle. No part of the certificate may be obscured.

(c) Notwithstanding paragraph (a), clauses (1), (2), and (3), this section does not permit parking in areas prohibited by sections 169.32 and 169.34, in designated no parking spaces, or in parking spaces reserved for specified purposes or vehicles. A local governmental unit may, by ordinance, prohibit parking on any street or highway to create a fire lane, or to accommodate heavy traffic during morning and afternoon rush hours and these ordinances also apply to physically disabled persons.

EFFECTIVE DATE. This section is effective January 1, 2018.

Sec. 53. Minnesota Statutes 2016, section 169.345, subdivision 3, is amended to read:

Subd. 3. **Identifying certificate.** (a) The commissioner shall issue (1) immediately, a permit valid for 30 days if the person is eligible for the certificate issued under this section and (2) an identifying certificate for a vehicle described in section 168.021, subdivision 1, paragraph (a), when a physically disabled applicant submits proof of physical disability under subdivision 2a. The commissioner shall design separate certificates for persons with permanent and temporary disabilities that can be readily distinguished from each other from outside a vehicle at a distance of 25 feet or, in the case of a motorcycle or a motorized bicycle, can be

readily secured to the motorcycle or motorized bicycle. An applicant may be issued up to two certificates if the applicant has not been issued disability plates under section 168.021.

(b) The operator of a vehicle displaying a certificate has the parking privileges provided in subdivision 1 only while the vehicle is actually parked while transporting a physically disabled person.

(c) The commissioner shall cancel all certificates issued to an applicant who fails to comply with the requirements of this subdivision.

EFFECTIVE DATE. This section is effective January 1, 2018.

Sec. 54. Minnesota Statutes 2016, section 169.442, subdivision 5, is amended to read:

Subd. 5. **White strobe lamps on certain buses transporting children.** ~~(a) Notwithstanding section 169.55, subdivision 1, or 169.57, subdivision 3, paragraph (b), or other law to the contrary, a school bus that is subject to and complies with the equipment requirements of subdivision 1 and section 169.441, subdivision 1, or a Head Start bus that is not a type III vehicle defined in section 169.011, subdivision 71, may be equipped with a flashing strobe lamp. The lamp may be used only as provided in this subdivision.~~

~~(b) The lamp must be permanently mounted on the longitudinal centerline of the bus roof not less than two feet forward of the rear roof edge.~~

~~(c) The strobe lamp may be lighted only when atmospheric conditions or terrain restrict the visibility of school bus lamps and signals or Head Start bus lamps and signals so as to require use of the bright strobe lamp to alert motorists to the presence of the school bus or Head Start bus. A strobe lamp may not be lighted unless the school bus or Head Start bus is actually being used as a school bus or Head Start bus.~~

Sec. 55. Minnesota Statutes 2016, section 169.443, subdivision 2, is amended to read:

Subd. 2. **Use of stop-signal arm.** (a) The stop-signal arm system of a school bus must be used in conjunction with the flashing red signals only when the school bus is stopped on a street or highway to load or unload school children.

(b) A local authority, including the governing body of an Indian tribe, may by ordinance require that a school bus activate the stop-signal arm system and flashing red signals while stopped to unload school children at a location other than a location on a street or highway. The ordinance must designate each location where the requirement is imposed. The requirement is effective only if the local authority has erected signs at or near the location to provide adequate notice that other vehicles are required to obey section 169.444, subdivision 1, when those signals are activated.

(c) A school bus driver is prohibited from loading or unloading passengers in a designated right-turn lane or in a lane immediately adjacent to a designated right-turn lane unless:

(1) a school bus stop designated by the district transportation safety director is located in the right-turn lane;

(2) the driver stops the bus at the extreme right side of the right-turn lane; and

(3) the driver activates the prewarning flashing amber signals, flashing red signals, and stop-signal arm, unless the school board or its designee, based on safety considerations, provides written direction to the driver not to do so.

Sec. 56. Minnesota Statutes 2016, section 169.444, subdivision 2, is amended to read:

Subd. 2. **Violations by drivers; penalties.** (a) A person who fails to stop a vehicle or to keep it stopped, as required in subdivision 1, or who violates subdivision 1a, is guilty of a misdemeanor punishable by a fine of not less than ~~\$300~~ \$500.

(b) A person is guilty of a gross misdemeanor if the person fails to stop a motor vehicle or to keep it stopped, as required in subdivision 1, or who violates subdivision 1a, and commits either or both of the following acts:

(1) passes or attempts to pass the school bus in a motor vehicle on the right-hand, passenger-door side of the bus; or

(2) passes or attempts to pass the school bus in a motor vehicle when a school child is outside of and on the street or highway used by the school bus or on the adjacent sidewalk.

EFFECTIVE DATE. This section is effective August 1, 2017, and applies to violations committed on and after that date.

Sec. 57. Minnesota Statutes 2016, section 169.449, subdivision 1, is amended to read:

Subdivision 1. **Rules.** The commissioner of public safety shall adopt rules governing the operation of school buses used for transportation of school children, when owned or operated by a school or privately owned and operated under a contract with a school, ~~and these rules must be made a part of that contract by reference.~~ Each school, its officers and employees, and each person employed under the contract is subject to these rules.

Sec. 58. Minnesota Statutes 2016, section 169.4501, subdivision 1, is amended to read:

Subdivision 1. **National standards adopted.** Except as provided in sections 169.4502 and 169.4503, the construction, design, equipment, and color of types A, B, C, D school buses and multifunction school activity buses used for the transportation of school children shall meet the requirements of the "bus body and chassis specifications" in the ~~2010~~ most recent edition of the "National School Transportation Specifications and Procedures" adopted by the National Congress on School Transportation. Except as provided in section 169.4504, the construction, design, and equipment of types A, B, C, D school buses and multifunction school activity buses used for the transportation of students with disabilities also shall meet the requirements of the "specially equipped school bus specifications" in the ~~2010~~ National School Transportation Specifications and Procedures. The "bus body and chassis specifications" and "specially equipped school bus specifications" sections of the ~~2010~~ most recent edition of the "National School Transportation Specifications and Procedures," adopted by the ~~Fifteenth~~ National Congress on School Transportation, are incorporated by reference in this chapter.

Sec. 59. Minnesota Statutes 2016, section 169.4501, subdivision 2, is amended to read:

Subd. 2. **Applicability.** (a) The standards adopted in this section and sections 169.4502 and 169.4503, govern the construction, design, equipment, and color of school buses used for the transportation of school children, when owned or leased and operated by a school or privately owned or leased and operated under a contract with a school. Each school, its officers and employees, and each person employed under the contract is subject to these standards.

(b) The standards apply to school buses manufactured after ~~December 31, 2012~~ August 1 of the year following a year in which a revised edition of the National School Transportation Specifications and Procedures is adopted. Buses complying with the standards when manufactured need not comply with standards established later except as specifically provided for by law.

(c) A school bus manufactured on or before ~~December 31, 2012~~, the date provided by paragraph (b) must conform to the Minnesota standards in effect on the date the vehicle was manufactured except as specifically provided for in law.

(d) A new bus body may be remounted on a used chassis provided that the remounted vehicle meets state and federal standards for new buses which are current at the time of the remounting. Permission must be obtained from the commissioner of public safety before the remounting is done. A used bus body may not be remounted on a new or used chassis.

Sec. 60. Minnesota Statutes 2016, section 169.4503, subdivision 4, is amended to read:

Subd. 4. **Certification.** ~~Upon request, a body manufacturer, or school bus dealer, or certified Minnesota commercial vehicle inspector who is also an employee of an organization purchasing a school bus shall~~ must provide preliminary certification to the Department of Public Safety that the product meets Minnesota standards. ~~Final certification will be granted within 30 days upon reinspection by the Department of Public Safety.~~

Sec. 61. Minnesota Statutes 2016, section 169.4503, subdivision 7, is amended to read:

Subd. 7. **Floor construction.** The metal floor ~~shall~~ must be covered with plywood. The plywood ~~shall~~ must be ~~at least 19/32~~ five-ply nominal five-eighths inches thick, and must equal or exceed properties of exterior-type softwood plywood, grade C-D, as specified in ~~product~~ the standard ~~PSI-183~~ issued by the United States Department of Commerce. All of the plywood's exposed edges must be sealed. Type A-I buses must be equipped with nominal one-half inch thick plywood or an equivalent material that meets the requirements of this subdivision. Equivalent material may be used to replace plywood, provided it has insulation R value, deterioration, sound abatement, and moisture resistance properties that are equal to or exceed the properties of the plywood it is replacing. The floor ~~shall~~ must be level from front to back, and side to side, except in wheel housing, toe board, and driver's seat platform areas.

Sec. 62. Minnesota Statutes 2016, section 169.4503, subdivision 14, is amended to read:

Subd. 14. **Insulation.** ~~(a)~~ Thermal insulation is required. It shall be fire-resistant, UL approved, with minimum R-value of 5.5. Insulation shall be installed so as to prevent sagging.

~~(b) Floor insulation is required. It shall be five-ply nominal five-eighths inch thick plywood, and shall equal or exceed properties of the exterior-type softwood plywood, C-D Grade, as specified in the standard issued by United States Department of Commerce. All exposed edges on plywood shall be sealed. Type A-I buses shall be equipped with nominal one-half inch thick plywood or equivalent material meeting the above requirements. Equivalent material may be used to replace plywood, provided it has an equal or greater insulation R value, deterioration, sound abatement, and moisture resistance properties.~~

Sec. 63. Minnesota Statutes 2016, section 169.4503, subdivision 23, is amended to read:

Subd. 23. **Windows.** (a) Windshield, entrance, and rear emergency exit doors must be of approved safety glass. Laminated or tempered glass (AS-2 or AS-3) is permitted in all other windows. All glass shall be federally approved and marked as provided in section 169.74. The windshield may be of uniform tint throughout or may have a horizontal gradient band starting slightly above the line of vision and gradually decreasing in light transmission to 20 percent or less at the top of the windshield.

(b) The use of tinted glass, as approved by section 169.71, is permitted on side windows and rear windows except for the entrance door, ~~the first window behind the service door,~~ and the window to the left of the driver. The window to the left of the driver, ~~and the upper service door windows, and the window immediately behind the entrance door~~ must be thermal glass. Regardless of a bus's date of manufacture, the window

immediately behind the entrance door does not need to be made of thermal glass. The window to the left of the driver for type A buses need not be thermal glass.

Sec. 64. Minnesota Statutes 2016, section 169.4503, subdivision 30, is amended to read:

Subd. 30. **Video or mobile surveillance systems.** Camera heads for video or mobile surveillance may be mounted in the driver compartment area, midbus, or on a rear interior bulkhead in the student passenger area. For buses manufactured or retrofitted with a surveillance system after December 31, 2012, cameras mounted midbus must be parallel to a seat back, must not have any sharp edges, must not extend outward more than ~~three~~ 3-1/2 inches, and must be located within 24 inches of the top of the side window of the bus.

Sec. 65. Minnesota Statutes 2016, section 169.64, subdivision 8, is amended to read:

Subd. 8. **Strobe lamp.** (a) Notwithstanding sections 169.55, subdivision 1; 169.57, subdivision 3, paragraph (b); or any other law to the contrary, a vehicle may be equipped with a 360-degree flashing strobe lamp that emits a white light with a flash rate of 60 to 120 flashes a minute, and the lamp may be used as provided in this subdivision, if the vehicle is:

(1) a school bus that is subject to and complies with the equipment requirements of sections 169.441, subdivision 1, and 169.442, subdivision 1, or a Head Start bus ~~that is not a type III vehicle as defined in section 169.011, subdivision 71.~~ The lamp shall be permanently mounted on the longitudinal centerline of the bus roof not less than two feet nor more than seven feet forward of the rear roof edge. It shall must operate from a separate switch containing an indicator lamp to show when the strobe lamp is in use. ~~The strobe lamp may be lighted only when atmospheric conditions or terrain restrict the visibility of school bus lamps and signals or Head Start bus lamps and signals so as to require use of the bright strobe lamp to alert motorists to the presence of the school bus or Head Start bus. A strobe lamp may not be lighted unless the school bus or Head Start bus is actually being used as a school bus or Head Start bus;~~ or

(2) a road maintenance vehicle owned or under contract to the Department of Transportation or a road authority of a county, home rule or statutory city, or town, but the strobe lamp may only be operated while the vehicle is actually engaged in snow removal during daylight hours.

(b) Notwithstanding sections 169.55, subdivision 1; 169.57, subdivision 3, paragraph (b); or any other law to the contrary, a vehicle may be equipped with a 360-degree flashing strobe lamp that emits an amber light with a flash rate of 60 to 120 flashes a minute, and the lamp may be used as provided in this subdivision, if the vehicle is a rural mail carrier vehicle, provided that the strobe lamp is mounted at the highest practicable point on the vehicle. The strobe lamp may only be operated while the vehicle is actually engaged during daylight hours in the delivery of mail to residents on a rural mail route.

(c) A strobe lamp authorized by this section shall be of a double flash type certified to the commissioner of public safety by the manufacturer as being weatherproof and having a minimum effective light output of 200 candelas as measured by the Blondel-Rey formula.

Sec. 66. Minnesota Statutes 2016, section 169.80, subdivision 1, is amended to read:

Subdivision 1. **Limitations; misdemeanor.** (a) It is a misdemeanor for a person to drive or move, or for the owner to cause or knowingly permit to be driven or moved, on a highway a vehicle or vehicles of a size or weight exceeding the limitations stated in sections 169.80 to 169.88, or otherwise in violation of sections 169.80 to 169.88, other than section 169.81, subdivision 5a, and the maximum size and weight of vehicles as prescribed in sections 169.80 to 169.88 shall be lawful throughout this state, and local authorities shall have no power or authority to alter these limitations except as express authority may be granted in sections 169.80 to 169.88.

(b) When all the axles of a vehicle or combination of vehicles are weighed separately the sum of the weights of the axles so weighed shall be evidence of the total gross weight of the vehicle or combination of vehicles so weighed.

(c) When each of the axles of any group that contains two or more consecutive axles of a vehicle or combination of vehicles have been weighed separately the sum of the weights of the axles so weighed shall be evidence of the total gross weight on the group of axles so weighed.

(d) When, in any group of three or more consecutive axles of a vehicle or combination of vehicles any axles have been weighed separately and two or more axles consecutive to each other in the group have been weighed together, the sum of the weights of the axles weighed separately and the axles weighed together shall be evidence of the total gross weight of the group of axles so weighed.

(e) The provisions of sections 169.80 to 169.88 governing size, weight, and load ~~shall do not apply to a fire apparatus, or to a vehicle operated under the terms of a special permit issued as provided by law.~~

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

Sec. 67. Minnesota Statutes 2016, section 169.829, is amended by adding a subdivision to read:

Subd. 4. **Certain emergency vehicles.** The provisions of sections 169.80 to 169.88 governing size, weight, and load do not apply to a fire apparatus, a law enforcement special response vehicle, or a licensed land emergency ambulance service vehicle.

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

Sec. 68. Minnesota Statutes 2016, section 169.864, is amended by adding a subdivision to read:

Subd. 2a. **Special tire-hauling permit.** (a) The commissioner may issue a permit authorizing a vehicle used exclusively to haul earthmover tires, if the vehicle:

(1) is a combination of vehicles with seven or more axles, consisting of a truck with loader and trailer, which may be equipped with an auxiliary dolly;

(2) has a maximum gross vehicle weight of 108,000 pounds;

(3) has a maximum width of 144 inches;

(4) does not exceed the axle weight limits in sections 169.823, subdivision 1, clause (2), and 169.824, by more than 22 percent;

(5) complies with the tire weight limits in section 169.823, or the tire manufacturer's recommended load, whichever is less; and

(6) is operated only on the highways specified in subdivision 1, clause (5).

(b) The seasonal weight increases authorized under section 169.826, subdivision 1, do not apply to permits issued under this subdivision.

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

Sec. 69. Minnesota Statutes 2016, section 169.864, subdivision 3, is amended to read:

Subd. 3. **Restrictions.** Vehicles issued permits under subdivisions 1 ~~and~~ 2, and 2a, must comply with the following restrictions:

(1) the vehicle must be operated in compliance with seasonal load restrictions under section 169.87;

(2) the vehicle may not be operated on the interstate highway system; and

(3) the vehicle may be operated on streets or highways under the control of local authorities only upon the approval of the local authority; however, vehicles may have reasonable access to terminals and facilities for food, fuel, repairs, and rest and for continuity of route within one mile of the national network as provided by section 169.81, subdivision 3, and by Code of Federal Regulations, title 23, section 658.19.

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

Sec. 70. Minnesota Statutes 2016, section 169.864, subdivision 4, is amended to read:

Subd. 4. **Permit fee; appropriation.** Vehicle permits issued under subdivision 1, clause (1), must be annual permits. The fee is \$850 for each vehicle combination and must be deposited in the trunk highway fund. The fee for annual permits issued under subdivision 2 is \$300 for a 90,000-pound vehicle combination or \$500 for a 97,000-pound vehicle combination. The fee for annual permits issued under subdivision 2a is \$850. An amount sufficient to administer the permit program is appropriated from the trunk highway fund to the commissioner for the costs of administering the permit program.

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

Sec. 71. Minnesota Statutes 2016, section 169.865, subdivision 3, is amended to read:

Subd. 3. **Requirements; restrictions.** (a) A vehicle or combination of vehicles operating under this section:

(1) is subject to axle weight limitations under section 169.824, subdivision 1;

(2) is subject to seasonal load restrictions under section 169.87;

(3) is subject to bridge load limits posted under section 169.84;

(4) may only be operated on paved streets and highways other than interstate highways;

(5) may not be operated with loads that exceed the manufacturer's gross vehicle weight rating as affixed to the vehicle, or other certification of gross vehicle weight rating complying with Code of Federal Regulations, title 49, sections 567.4 to 567.7;

(6) must be issued a permit from each road authority having jurisdiction over a road on which the vehicle is operated, if required;

(7) must comply with the requirements of section 169.851, subdivision 4; and

(8) must have brakes on all wheels.

(b) The percentage allowances for exceeding gross weights if transporting unfinished forest products under section 168.013, subdivision 3, paragraph (b), or for the first haul of unprocessed or raw farm products or unfinished forest products under section 168.013, subdivision 3, paragraph (d), clause (3), do not apply to a vehicle or combination of vehicles operated under this section.

(c) Notwithstanding paragraph (a), clause (4), a vehicle or combination of vehicles hauling fluid milk under a permit issued by the commissioner of transportation may also operate on interstate highways as provided under United States Code, title 23, section 127.

Sec. 72. **[169.869] ROAD CONSTRUCTION MATERIALS SPECIAL PERMIT.**

Subdivision 1. **Definition.** For purposes of this section, "road construction materials" means street or highway construction materials, including but not limited to aggregate material as defined in section 298.75,

subdivision 1, paragraph (a), hot mix asphalt, plastic concrete, cementitious materials, concrete admixtures, asphalt cement, and recycled road materials.

Subd. 2. **Six-axle vehicles.** (a) A road authority may issue an annual permit authorizing a vehicle or combination of vehicles with a total of six or more axles to haul road construction materials and be operated with a gross vehicle weight of up to:

(1) 90,000 pounds; and

(2) 99,000 pounds during the period set by the commissioner under section 169.826, subdivision 1.

(b) The fee for a permit issued under this subdivision is \$300, or a proportional amount as provided in section 169.86, subdivision 5.

Subd. 3. **Seven-axle vehicles.** (a) A road authority may issue an annual permit authorizing a vehicle or combination of vehicles with a total of seven or more axles to haul road construction materials and be operated with a gross vehicle weight of up to:

(1) 97,000 pounds; and

(2) 99,000 pounds during the period set by the commissioner under section 169.826, subdivision 1.

(b) The fee for a permit issued under this subdivision is \$500, or a proportional amount as provided in section 169.86, subdivision 5.

Subd. 4. **Authority; restrictions.** A vehicle or combination of vehicles operating under this section:

(1) may only be operated on paved or unpaved streets and highways, other than interstate highways;

(2) must comply with the requirements and restrictions in section 169.865, subdivision 3, paragraph (a), clauses (1) to (3), (5), (7), and (8); and

(3) must be operated in compliance with truck route requirements and vehicle weight restrictions, as established under section 169.87, subdivision 1, by a local road authority or the commissioner.

Subd. 5. **Revenues.** Revenue from the permits issued by the commissioner under this section must be deposited in the bridge inspection and signing account under section 169.86, subdivision 5b.

Subd. 6. **Expiration date.** Upon request of the permit applicant, the expiration date for a permit issued under this section must be the same as the expiration date of the permitted vehicle's registration.

Subd. 7. **Permit information.** The commissioner must make information available to local road authorities on an Internet Web site that identifies permit issuances under this section and the counties in which a vehicle with a permit is intended to be operated.

Subd. 8. **Local preferred routes.** A local road authority may identify local preferred routes for operating a vehicle on local streets and highways under a permit issued in this section. A holder of a permit issued in this section and any person seeking to apply for a permit are encouraged to:

(1) upon request of a local road authority, provide comment on identification of preferred routes; and

(2) make reasonable efforts to operate a vehicle on the preferred routes when operating under the permit.

EFFECTIVE DATE. This section is effective January 1, 2018.

Sec. 73. Minnesota Statutes 2016, section 171.02, subdivision 2b, is amended to read:

Subd. 2b. **Exception for type III vehicle drivers.** (a) Notwithstanding subdivision 2, the holder of a class A, B, C, or D driver's license, without a school bus endorsement, may operate a type III vehicle described

in section 169.011, subdivision 71, paragraph (h), under the conditions in ~~paragraphs (b) through (e)~~ this subdivision.

(b) The operator is an employee of the entity that owns, leases, or contracts for the school bus.

(c) The operator's employer has adopted and implemented a policy that provides for annual training and certification of the operator in:

(1) safe operation of a type III vehicle;

(2) understanding student behavior, including issues relating to students with disabilities;

(3) encouraging orderly conduct of students on the bus and handling incidents of misconduct appropriately;

(4) knowing and understanding relevant laws, rules of the road, and local school bus safety policies;

(5) handling emergency situations;

(6) proper use of seat belts and child safety restraints;

(7) performance of pretrip vehicle inspections;

(8) safe loading and unloading of students, including, but not limited to:

(i) utilizing a safe location for loading and unloading students at the curb, on the nontraffic side of the roadway, or at off-street loading areas, driveways, yards, and other areas to enable the student to avoid hazardous conditions;

(ii) refraining from loading and unloading students in a vehicular traffic lane, on the shoulder, in a designated turn lane, or a lane adjacent to a designated turn lane;

(iii) avoiding a loading or unloading location that would require a pupil to cross a road, or ensuring that the driver or an aide personally escort the pupil across the road if it is not reasonably feasible to avoid such a location;

(iv) placing the type III vehicle in "park" during loading and unloading; and

(v) escorting a pupil across the road under item (iii) only after the motor is stopped, the ignition key is removed, the brakes are set, and the vehicle is otherwise rendered immobile; and

(9) compliance with paragraph (k), concerning reporting certain convictions to the employer within ten days of the date of conviction.

(d) A background check or background investigation of the operator has been conducted that meets the requirements under section 122A.18, subdivision 8, or 123B.03 for school district employees; section 144.057 or chapter 245C for day care employees; or section 171.321, subdivision 3, for all other persons operating a type III vehicle under this subdivision.

(e) Operators shall submit to a physical examination as required by section 171.321, subdivision 2.

(f) The operator's employer requires preemployment drug testing of applicants for operator positions. Current operators must comply with the employer's policy under section 181.951, subdivisions 2, 4, and 5. Notwithstanding any law to the contrary, the operator's employer may use a Breathalyzer or similar device to fulfill random alcohol testing requirements.

(g) The operator's driver's license is verified annually by the entity that owns, leases, or contracts for the type III vehicle as required under section 171.321, subdivision 5.

(h) A person who sustains a conviction, as defined under section 609.02, of violating section 169A.25, 169A.26, 169A.27, or 169A.31, or whose driver's license is revoked under sections 169A.50 to 169A.53 of the implied consent law, or who is convicted of violating or whose driver's license is revoked under a similar statute or ordinance of another state, is precluded from operating a type III vehicle for five years from the date of conviction.

(i) A person who has ever been convicted of a disqualifying offense as defined in section 171.3215, subdivision 1, paragraph (c), may not operate a type III vehicle under this subdivision.

(j) A person who sustains a conviction, as defined under section 609.02, of a moving offense in violation of chapter 169 within three years of the first of three other moving offenses is precluded from operating a type III vehicle for one year from the date of the last conviction.

(k) An operator who sustains a conviction as described in paragraph (h), (i), or (j) while employed by the entity that owns, leases, or contracts for the school bus, shall report the conviction to the employer within ten days of the date of the conviction.

(l) An operator of a type III vehicle whose driver's license is suspended, revoked, canceled, or disqualified by Minnesota, another state, or another jurisdiction must notify the operator's employer in writing of the suspension, revocation, cancellation, lost privilege, or disqualification. The operator must notify the operator's employer before the end of the business day immediately following the day the operator received notice of the suspension, revocation, cancellation, lost privilege, or disqualification.

(m) Students riding the type III vehicle must have training required under section 123B.90, subdivision 2.

~~(n)~~ (n) Documentation of meeting the requirements listed in this subdivision must be maintained under separate file at the business location for each type III vehicle operator. The business manager, school board, governing body of a nonpublic school, or any other entity that owns, leases, or contracts for the type III vehicle operating under this subdivision is responsible for maintaining these files for inspection.

~~(o)~~ (o) The type III vehicle must bear a current certificate of inspection issued under section 169.451.

~~(p)~~ (p) An employee of a school or of a school district, who is not employed for the sole purpose of operating a type III vehicle, is exempt from paragraphs (e) and (f).

Sec. 74. Minnesota Statutes 2016, section 171.06, subdivision 2a, is amended to read:

Subd. 2a. **Two-wheeled vehicle endorsement fee.** (a) The fee for any duplicate driver's license obtained for the purpose of adding a two-wheeled vehicle endorsement is increased by \$18.50 for each first such duplicate license and \$13 for each renewal thereof. The additional fee must be paid into the state treasury and credited as follows:

(1) \$11 of the additional fee for each first duplicate license, and \$7 of the additional fee for each renewal, must be credited to the motorcycle safety fund, which is hereby created; ~~provided that ten percent of fee receipts in excess of \$750,000 in a fiscal year must be credited to the general fund.~~

(2) The remainder of the additional fee must be credited to the general fund.

(b) All application forms prepared by the commissioner for two-wheeled vehicle endorsements must clearly state the amount of the total fee that is dedicated to the motorcycle safety fund.

Sec. 75. Minnesota Statutes 2016, section 171.061, subdivision 3, as amended by Laws 2017, chapter 76, section 12, is amended to read:

Subd. 3. **Application.** An applicant may file an application with an agent. The agent shall receive and accept applications in accordance with the laws and rules of the Department of Public Safety for a noncompliant driver's license or identification card; an enhanced driver's license or identification card; a REAL ID compliant driver's license or identification card; restricted license; duplicate license; instruction permit; or motorized bicycle operator's permit. Application records must be maintained at the office of the agent in a manner that complies with sections 13.05, subdivision 5, and 13.055. As an alternative to paper copy storage, an agent may retain records and documents in a secure electronic medium that complies with the security requirements under the United States Federal Bureau of Investigation, Criminal Justice Information Services Division, Policy 5.4 or any successor policy, provided 60 days have elapsed since the transaction and subject to standards established by the commissioner. The agent is responsible for all costs associated with the conversion to electronic records and maintenance of the electronic storage medium, including the destruction of existing paper records after conversion to the electronic format. All queries and responses in the secure electronic medium, and all actions in which data are entered, updated, accessed, or shared or disseminated by the agent must be contained in a data audit trail. Data contained in the audit trail are public to the extent the data are not otherwise classified under this section.

Sec. 76. Minnesota Statutes 2016, section 171.12, subdivision 6, is amended to read:

Subd. 6. **Certain convictions not recorded.** (a) Except as provided in paragraph (c), the department ~~shall~~ must not keep on the record of a driver any conviction for a violation of a speed limit of 55 miles per hour unless the violation consisted of a speed greater than ten miles per hour in excess of the speed limit.

(b) Except as provided in paragraph (c), the department ~~shall~~ must not keep on the record of a driver any conviction for a violation of a speed limit of 60 miles per hour unless the violation consisted of a speed greater than:

~~(1) ten miles per hour in excess of the speed limit, for any violation occurring on or after August 1, 2012, and before August 1, 2014; or~~

~~(2) five miles per hour in excess of the speed limit, for any violation occurring on or after August 1, 2014.~~

(c) This subdivision does not apply to (1) a violation that occurs in a commercial motor vehicle, or (2) a violation committed by a holder of a class A, B, or C commercial driver's license or commercial driver learner's permit, without regard to whether the violation was committed in a commercial motor vehicle or another vehicle.

Sec. 77. Minnesota Statutes 2016, section 173.02, is amended by adding a subdivision to read:

Subd. 7a. **Abandoned and discontinued.** "Abandoned and discontinued" means an outdoor advertising device that ceases to display advertising copy for a minimum of one year and is not otherwise being actively marketed to display advertising copy.

Sec. 78. Minnesota Statutes 2016, section 173.02, is amended by adding a subdivision to read:

Subd. 17a. **Conforming.** "Conforming" means an outdoor advertising device that complies with the requirements of this chapter.

Sec. 79. Minnesota Statutes 2016, section 173.02, subdivision 18, is amended to read:

Subd. 18. **Commercial or industrial activity.** (a) "Commercial or industrial activity" for the purposes of unzoned commercial or industrial areas means an activity generally recognized as commercial or industrial by zoning authorities in this state, ~~except that~~.

(b) None of the following activities shall be considered commercial or industrial:

- (1) outdoor advertising devices;
- (2) agricultural, forestry, ranching, grazing, farming and related activities, including, but not limited to, temporary wayside fresh produce stands;
- (3) transient or temporary activities;
- (4) activities not visible from the main-traveled way;
- (5) activities more than 660 feet from the nearest edge of the right-of-way;
- (6) activities conducted in a building principally used as a residence;
- (7) railroad tracks and minor sidings;
- (8) advertising located on vehicles or tractor trailers;
- (9) commercial establishments or businesses that have ceased to exist or operate; or
- (10) a business created to install new outdoor advertising devices.

Sec. 80. Minnesota Statutes 2016, section 173.02, is amended by adding a subdivision to read:

Subd. 21a. **Nonconforming.** "Nonconforming" means an outdoor advertising device that was lawfully erected and has been maintained lawfully but does not comply with the requirements of this chapter. A nonconforming sign is one that remains in substantially the same condition it was on the effective date of this chapter.

Sec. 81. Minnesota Statutes 2016, section 173.02, is amended by adding a subdivision to read:

Subd. 21b. **Off-premise** "Off-premise" means an outdoor advertising device that advertises or pertains to any business, product, person, activity, event, or service that is not primarily conducted, sold, manufactured, offered, or located on the property where the sign is located.

Sec. 82. Minnesota Statutes 2016, section 173.02, subdivision 23, is amended to read:

Subd. 23. **Scenic area.** "Scenic area" means an area within which control and regulation of the erection and maintenance of advertising devices may be exercised to the extent herein provided and such areas shall include only those established as such by the commissioner of transportation. Scenic area includes a scenic byway under United States Code, title 23, section 162.

Sec. 83. Minnesota Statutes 2016, section 173.02, is amended by adding a subdivision to read:

Subd. 23a. **Scenic byways.** "Scenic byways" means roads that recognize outstanding scenic, cultural, historic, natural, recreational, and archaeological qualities and landscapes pursuant to United States Code, title 23, section 162.

Sec. 84. Minnesota Statutes 2016, section 173.06, subdivision 1, is amended to read:

Subdivision 1. **Authority.** The commissioner of transportation ~~shall~~ must adopt and may modify, amend, or repeal rules governing the ~~issuance of permits or renewals thereof for the erection and~~ maintenance of legal nonconforming advertising devices within scenic areas; provided that the commissioner shall not adopt, modify, amend, or repeal any rule that will impair any agreement with between the state and the federal government under this chapter. The commissioner of transportation may limit the application of any rule adopted by the commissioner to exclude or include in whole or in part, specified areas within the scenic area based upon use, nature of the surrounding community, or such other factors as may make separate classification or rule necessary or desirable.

Sec. 85. Minnesota Statutes 2016, section 173.07, subdivision 1, is amended to read:

Subdivision 1. **Forms; content.** Application for permits or renewals thereof for the placement ~~and maintenance~~ of advertising devices ~~within scenic areas shall~~ must be on forms prescribed by the commissioner and ~~shall~~ contain ~~such~~ information as the commissioner may require. No advertising device shall be placed without the consent of the owner or occupant of the land, and adequate proof of such consent shall be submitted to the commissioner at the time application is made for such permits or renewals. A permit is required to access state right-of-way to maintain an advertising device.

Sec. 86. Minnesota Statutes 2016, section 173.08, is amended by adding a subdivision to read:

Subd. 3. **Seed sign exemption.** Crop varietal and seed corn signs adjacent to interstate and primary highways may be erected if the device:

- (1) is located on demonstration plats;
- (2) is located on private property;
- (3) does not violate section 160.27 or 160.2715; and
- (4) does not reference an off-site address where the product may be sold.

Sec. 87. Minnesota Statutes 2016, section 173.08, is amended by adding a subdivision to read:

Subd. 4. **Violations; removal.** The Department of Transportation may remove signs that violate this section using the removal procedures under section 173.13, subdivision 11.

Sec. 88. Minnesota Statutes 2016, section 173.13, subdivision 11, is amended to read:

Subd. 11. **Removal of advertising device for noncompliance.** Advertising devices erected or maintained after June 8, 1971, not complying with ~~Laws 1971, chapter 883, and not otherwise by Laws 1971, chapter 883, permitted to stand~~ this chapter may be removed by the commissioner upon 60 days prior written notice by certified mail to the owner ~~thereof~~ of the advertising device and to the owner of the real property on which ~~such~~ the advertising device is located, ~~provided that~~. No notice ~~shall be~~ is required to be given to the owner of an advertising device whose name is not stated upon the advertising device or the structure on which it is displayed, unless the name of ~~such~~ the owner is otherwise reasonably known to the commissioner. The owner of the removed device is liable to the state for the costs of removal. The period of such notice shall be is computed from the date of mailing; to both the owner of the advertising device and the owner of the real property where the device is located. The department must store a removed outdoor advertising device for a minimum of 30 days prior to disposal. If the outdoor advertising device is not retrieved by the owner within 30 days of removal, the department may dispose of the outdoor advertising device. The state

is not liable for trespass actions or sign costs for outdoor advertising devices removed under this subdivision if proper notice has been served.

Sec. 89. **[173.155] CHANGEABLE ELECTRONIC VARIABLE MESSAGE SIGNS.**

Subdivision 1. **Definition.** For the purposes of this section, "changeable electronic variable message sign" or "CEVMS" means an outdoor advertising device that contains light-emitting diodes or other technology to display copy visible during the day and during the night, with the copy changes initiated electronically.

Subd. 2. **Prohibition.** Intermittent, animated, scrolling, full-motion video elements, or moving lights are prohibited on outdoor advertising devices, including CEVMS.

Subd. 3. **Exceptions.** (a) Notwithstanding subdivision 2, a CEVMS is permissible if:

(1) the message does not change more frequently than once every six seconds;

(2) the transition between messages or copy does not exceed two seconds in duration;

(3) the message brightness does not exceed 0.3 foot-candles over ambient light, as measured using a foot candle meter from the following distances:

(i) for signs with a nominal face size of 12 feet by 25 feet, from 150 feet;

(ii) for signs with a nominal face size of ten feet, six inches, by 36 feet, from 200 feet; and

(iii) for signs with a nominal face size of 14 feet by 48 feet, from 250 feet; and

(4) the sign must not cause beams or rays of light to be directed at the traveled way if the light is of such intensity or brilliance as to cause glare that impairs the vision of the driver of a motor vehicle, or interfere with any driver's operation of a motor vehicle.

(b) The brightness measurement under paragraph (a), clause (3), must be conducted at least 30 minutes after sunset or at least 30 minutes before sunrise. Each CEVMS must have automatic dimming technology that adjusts the device's brightness levels in response to changes in ambient light.

Sec. 90. Minnesota Statutes 2016, section 173.16, is amended by adding a subdivision to read:

Subd. 6. **Stationary structure.** Advertising devices must:

(1) be stationary;

(2) be immobile;

(3) not have wheels; and

(4) be incapable of relocation without a permit.

Sec. 91. Minnesota Statutes 2016, section 173.16, is amended by adding a subdivision to read:

Subd. 7. **Permanent business.** (a) A business that is located in an unzoned commercial or industrial area must be in existence for at least three months before a permit may be issued. An outdoor advertising device erected prior to receiving a permit is subject to removal.

(b) A commercial establishment may demonstrate evidence of its existence by having a Web site, a telephone number that is answered or has an answering machine identifying the business, a storefront, pictorial evidence of the business, a building permit, or a lease.

Sec. 92. **[173.265] OUTDOOR ADVERTISING DEVICES; REMOVAL; MAINTENANCE.**

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

(b) "Destroyed" means that more than 50 percent of a nonconforming outdoor advertising device's upright supports are physically damaged to a degree that normal repair practices would require replacement of broken wooden supports or replacement of broken, bent, or twisted supports for metal sign structures.

(c) "Reasonable repair and maintenance" means customary maintenance and change of a sign's copy or message, and includes replacement of existing light fixtures with energy efficient fixtures or installation of other energy efficiency improvements. Reasonable repair and maintenance does not include:

(1) the addition of illumination;

(2) repair, reinstallation, erection, or maintenance for outdoor advertising devices that are destroyed, as defined under paragraph (b);

(3) enlarging the nonconforming device;

(4) changing the device from a wood structure to a steel or concrete structure; or

(5) any change that would terminate nonconforming status.

(d) "Substantial change" means any action that does not constitute reasonable repair and maintenance.

Subd. 2. **Application.** This section applies only to outdoor advertising devices subject to state and federal regulation under United States Code, title 23, section 131, and any regulations adopted under that law.

Subd. 3. **Removal.** The department may remove a destroyed, abandoned, or discontinued outdoor advertising device, subject to the limitations provided under this chapter.

Subd. 4. **Reasonable repair and maintenance.** (a) The owner of an outdoor advertising device may perform reasonable repair and maintenance on any device, provided the device is not destroyed.

(b) Any action not constituting reasonable repair and maintenance will subject the outdoor advertising device to immediate removal under subdivision 3.

Subd. 5. **Substantial change.** Substantial changes to outdoor advertising devices are prohibited. A substantial change to a nonconforming outdoor advertising device will subject the sign to immediate removal under subdivision 3.

Sec. 93. Minnesota Statutes 2016, section 174.03, subdivision 1a, is amended to read:

Subd. 1a. **Revision of statewide multimodal transportation plan.** (a) The commissioner ~~shall~~ must revise the statewide multimodal transportation plan by January 15, ~~2013~~ 2022, and by January 15 of every ~~four~~ five years thereafter. Before final adoption of a revised plan, the commissioner ~~shall~~ must hold a hearing to receive public comment on the preliminary draft of the revised plan.

(b) Each revised statewide multimodal transportation plan must:

(1) incorporate the goals of the state transportation system in section 174.01;

(2) establish objectives, policies, and strategies for achieving those goals; and

(3) identify performance targets for measuring progress and achievement of transportation system goals, objectives, or policies.

Sec. 94. Minnesota Statutes 2016, section 174.03, subdivision 1c, is amended to read:

Subd. 1c. **Statewide highway 20-year capital investment plan.** ~~By January 15, 2013, and in conjunction with~~ Within one year of each future revision of the statewide multimodal transportation plan under subdivision 1a, the commissioner ~~shall~~ must prepare a 20-year statewide highway ~~capital~~ investment plan that:

(1) incorporates performance measures and targets for assessing progress and achievement of the state's transportation goals, objectives, and policies identified in this chapter for the state trunk highway system, and those goals, objectives, and policies established in the statewide multimodal transportation plan. Performance targets must be based on objectively verifiable measures, and address, at a minimum, preservation and maintenance of the structural condition of state highway bridges and pavements, safety, and mobility;

(2) summarizes trends and impacts for each performance target over the past five years;

(3) summarizes the amount and analyzes the impact of the department's capital investments and priorities over the past five years on each performance target, including a comparison of prior plan projected costs with actual costs;

(4) identifies the investments required to meet the established performance targets over the next 20-year period;

(5) projects available state and federal funding over the 20-year period, including any unique, competitive, time-limited, or focused funding opportunities;

(6) identifies strategies to ensure the most efficient use of existing transportation infrastructure, and to maximize the performance benefits of projected available funding;

(7) establishes investment priorities for projected funding, including a schedule of major projects or improvement programs for the 20-year period together with projected costs and impact on performance targets; and

(8) identifies those performance targets identified under clause (1) not expected to meet the target outcome over the 20-year period together with alternative strategies that could be implemented to meet the targets.

Sec. 95. **[174.38] ACTIVE TRANSPORTATION PROGRAM.**

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

(b) "Active transportation" means bicycling, pedestrian activities, and other forms of nonmotorized transportation.

(c) "Commissioner" means the commissioner of transportation.

Subd. 2. **Program established.** Subject to available funds, the commissioner must establish a program to support active transportation.

Subd. 3. **Active transportation account.** An active transportation account is established in the special revenue fund. The account consists of funds provided by law and any other money donated, allotted, transferred, or otherwise provided to the account. Money in the account must be expended only on a project that receives financial assistance under this section.

Subd. 4. **Program administration.** (a) The commissioner must establish active transportation program requirements, including:

(1) assistance eligibility, subject to the requirements under subdivision 5;

(2) a solicitation and application process that minimizes the burden on applicants; and

(3) procedures to award and pay financial assistance.

(b) The commissioner must annually conduct a solicitation for active transportation projects under the program.

(c) The commissioner must make reasonable efforts to publicize each application solicitation among all eligible recipients. The commissioner must assist applicants to create and submit applications, with an emphasis on providing assistance in communities that are historically and currently underrepresented in local or regional planning, including communities of color, low-income households, people with disabilities, and people with limited English proficiency.

(d) The commissioner may provide grants or other financial assistance for a project.

(e) The commissioner is prohibited from expending more than one percent of available funds in a fiscal year under this section on program administration.

Subd. 5. **Eligibility.** Eligible recipients of financial assistance under this section are:

(1) a political subdivision; and

(2) a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code, as amended.

Subd. 6. **Use of funds.** The commissioner must determine permissible uses of financial assistance under this section, which are limited to:

(1) construction and maintenance of bicycle, trail, and pedestrian infrastructure, including but not limited to safe routes to school infrastructure and bicycle facilities and centers; and

(2) noninfrastructure programming, including activities as specified in section 174.40, subdivision 7a, paragraph (b).

Subd. 7. **Project evaluation and selection.** (a) The commissioner must establish a project evaluation and selection process that is competitive, criteria-based, and objective.

(b) The process must include criteria and prioritization of projects based on:

(1) the project's inclusion in a municipal or regional nonmotorized transportation system plan;

(2) the extent to which policies or practices of the political subdivision encourage and promote complete streets planning, design, and construction;

(3) the extent to which the project supports connections between communities and to key destinations within a community;

(4) identified barriers or deficiencies in the nonmotorized transportation system;

(5) identified safety or health benefits;

(6) geographic equity in project benefits, with an emphasis on communities that are historically and currently underrepresented in local or regional planning; and

(7) ability of a grantee to maintain the active transportation infrastructure following project completion.

Sec. 96. Minnesota Statutes 2016, section 174.50, subdivision 5, is amended to read:

Subd. 5. Certification and disbursement for project of political subdivision. Before disbursement of an appropriation made from the fund to the commissioner of transportation for grants to subdivisions of the state, the commissioner ~~shall~~ must certify that:

~~(1) that the project for which the grant is made has been reviewed as provided in subdivision 4;~~

~~(2) that the project conforms to the program authorized by the appropriation law and rules adopted by the Department of Transportation consistent therewith; and~~

~~(3) that (2) the financing of any estimated cost of the project in excess of the amount of the grant is assured by the appropriation of the proceeds of bonds or other funds of the subdivision, or by a grant from an agency of the federal government, within the amount of funds then appropriated to that agency and allocated by it to projects within the state, and by an irrevocable undertaking, in a resolution of the governing body of the subdivision, to use all funds so made available exclusively for the project, and to pay any additional amount by which the cost exceeds the estimate through appropriation to the construction fund of additional funds or the proceeds of additional bonds to be issued by the subdivision.~~

Sec. 97. Minnesota Statutes 2016, section 174.50, subdivision 6b, is amended to read:

Subd. 6b. **Bridge costs in smaller cities.** (a) The commissioner may make grants from the state transportation fund to a home rule or statutory city with a population of 5,000 or less for design, engineering, and construction of bridges on city streets.

~~(b) Grants under this subdivision are subject to the procedures and criteria established under subdivisions 5, 6, and 7.~~

~~(c)~~ (b) Grants may be used for:

- (1) 100 percent of the design and engineering costs that are in excess of \$10,000;
- (2) 100 percent of the bridge approach work costs that are in excess of \$10,000; and
- (3) 100 percent of the bridge construction work costs.

Sec. 98. Minnesota Statutes 2016, section 174.50, subdivision 6c, is amended to read:

Subd. 6c. **Fracture-critical bridges.** (a) The commissioner may make a grant to any political subdivision for replacement or rehabilitation of a fracture-critical bridge. To be eligible for a grant under this subdivision, the project must produce a bridge structure:

- (1) that is no longer classified as fracture critical, by having alternate load paths; and
- (2) whose failure of a main component will not result in the collapse of the bridge.

~~(b) A grant under this subdivision is subject to the procedures and criteria established under subdivisions 5 and 6.~~

Sec. 99. Minnesota Statutes 2016, section 174.50, is amended by adding a subdivision to read:

Subd. 6d. **Major local bridges.** For an appropriation made specifically for purposes of this subdivision, the commissioner may make a grant under this section to any political subdivision for replacement or rehabilitation of a major local bridge in which the grant award is \$7,000,000 or more. If in any year money appropriated for local bridge replacement and rehabilitation projects under this subdivision remains available after all identified and eligible projects under this subdivision have been funded, the commissioner may use the remaining funds to make grants under this section for less than \$7,000,000.

Sec. 100. Minnesota Statutes 2016, section 174.50, subdivision 7, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

Sec. 101. **[174.53] DEPARTMENT OF TRANSPORTATION EFFICIENCIES.**

(a) Beginning in fiscal years 2018 and 2019, the commissioner of transportation must implement efficiencies equal to at least 15 percent of the appropriations made annually to the commissioner from the trunk highway fund that are above base appropriations for fiscal years 2018 and 2019.

(b) The efficiency savings resulting from the requirements in paragraph (a) are for the construction, maintenance, or rehabilitation of trunk highways, including roads and bridges.

Sec. 102. Minnesota Statutes 2016, section 174.56, is amended by adding a subdivision to read:

Subd. 4. **Availability of information.** The commissioner must maintain an Internet Web site that displays information for each major highway project. At a minimum, the information must include the report contents identified in subdivision 2.

Sec. 103. **[174.57] SNOW AND ICE CONTROL; APPROPRIATION.**

(a) In a fiscal year in which the commissioner expends more than 110 percent of the established biennial expenditure level for snow and ice management, the commissioner may use an additional amount for this purpose that does not exceed 50 percent of the unappropriated balance in the trunk highway fund. The amount identified by the commissioner under this paragraph is appropriated from the trunk highway fund to the commissioner for snow and ice management purposes.

(b) Upon using the appropriation authority in this section, the commissioner must notify the commissioner of management and budget and the chairs, ranking minority members, and staff of the house of representatives and senate committees having jurisdiction over transportation finance. The notification must at a minimum identify the established biennial expenditure level for snow and ice management and the amount appropriated under this section.

(c) In each budget submission to the legislature under section 16A.11, the commissioner must include:

(1) the proposed biennial expenditure level for snow and ice management for the next budget biennium;
and

(2) the total amount expended or estimated to be expended under the appropriation in this section for the budget biennium that is ending.

Sec. 104. Minnesota Statutes 2016, section 174.93, is amended to read:

174.93 GUIDEWAY METROPOLITAN AREA TRANSIT INVESTMENT.

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

~~(b)~~ (b) "Busway" means a form of bus service provided to the public on a regular and ongoing basis, including arterial or highway bus rapid transit, that (1) compared to other regular route bus service, provides reduced travel time and uses distinct bus stop or station amenities, and (2) does not primarily or substantially operate within separated rights-of-way.

(c) "Commissioner" means the commissioner of transportation;

~~(d)~~ (d) "Guideway" means a form of transportation service provided to the public on a regular and ongoing basis; that primarily or substantially operates on exclusive or controlled within separated rights-of-way or operates on rails in whole or in part, and includes:

(1) each line for intercity passenger rail, commuter rail, light rail transit, and streetcars, and;

(2) as applicable, each line for dedicated bus service, which may include arterial or highway bus rapid transit, and, limited stop bus service, and express bus service; and

(3) any intermodal facility serving two or more lines identified in clauses (1) and (2). Guideway does not include a busway.

~~(e)~~ (e) "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.

~~(f)~~ "Separated rights-of-way" includes exclusive, dedicated, or primary use of a right-of-way by the public transportation service. Separated rights-of-way does not include a shoulder, dynamic shoulder lane, or priced lane under section 160.93.

~~(b)~~ For purposes of this section, (g) "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.

~~(e)~~ For purposes of this section, (h) "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. **Guideway 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 even-numbered year thereafter, the commissioner shall~~ council must prepare, in collaboration with the Metropolitan Council commissioner, and a report on comprehensive transit finance in the metropolitan area. The council must submit a the report electronically to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance concerning

(b) The report must be structured to provide financial information in six-month increments corresponding to state and local fiscal years, and must use consistent assumptions and methodologies. The report must comprehensively identify all funding sources and expenditures related to transit in the metropolitan area, including but not limited to:

(1) sources and uses of funds from regional railroad authorities, joint powers agreements, counties, and cities;

(2) expenditures for transit planning, feasibility studies, alternatives analysis, and other transit project development; and

(3) expenditures for guideways, busways, regular route bus service, demand-response service, and special transportation service under section 473.386.

(c) The report must include a section that summarizes the status of (1) guideways in revenue operation, and (2) guideway projects (+) (i) currently in study, planning, development, or construction; (2) (ii) identified in the transportation policy plan under section 473.146; or (3) (iii) identified in the comprehensive statewide freight and passenger rail plan under section 174.03, subdivision 1b.

~~(b)~~ (d) At a minimum, the guideways status section of the report must include, provide for each guideway project wholly or partially in the metropolitan area:

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

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

(3) a timeline that includes (i) project phases or milestones, including any federal approvals; (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;

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

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

(e) The report must include a section that summarizes the status of (1) busways in revenue operation, and (2) busway projects currently in study, planning, development, or construction.

(f) The report must include a section that identifies the total ridership, farebox recovery ratio, and per-passenger operating subsidy for (1) each route and line in revenue operation by a transit provider, including guideways, busways, and regular route bus service; and (2) demand-response service and special transportation service. The section must provide data, as available on a per-passenger mile basis and must provide information for at least the previous three years. The section must identify performance standards for farebox recovery and identify each route and line that does not meet the standards.

~~(e)~~ (g) The report must also include a systemwide capacity analysis for transit operations and 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 and for busways;

(ii) total operations and maintenance expenditures for guideways and for busways;

(iii) total funding available for guideways and for busways, 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 and for busway investments.

~~(d)~~ (h) The ~~projection~~ capacity analysis under paragraph ~~(e)~~, clause (1), (g) must ~~be for~~ include all guideway and busway lines for which state public funds are reasonably expected to be expended in planning, development, construction, ~~or revenue operation,~~ or capital maintenance during the ensuing ten years.

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

EFFECTIVE DATE; APPLICATION. This section is effective January 1, 2018, and applies beginning with the report due by October 15, 2018. This section applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 105. Minnesota Statutes 2016, section 221.031, is amended by adding a subdivision to read:

Subd. 2e. **Exemptions for pipeline welding trucks.** A pipeline welding truck, as defined in Code of Federal Regulations, title 49, section 390.38, paragraph (b), including an individual operating a pipeline welding truck and the employer of the individual, is exempt from any requirement relating to:

(1) registration as a motor carrier, including the requirement to obtain and display a United States Department of Transportation number under subdivision 6 and section 168.185;

(2) driver qualifications under section 221.0314, subdivision 2;

(3) driving of commercial motor vehicles under section 221.0314, subdivision 6;

(4) parts, accessories, and inspection, repair, and maintenance of commercial motor vehicles under section 221.0314, subdivisions 7 and 10; and

(5) hours of service of drivers, including maximum driving and on-duty time under section 221.0314, subdivision 9.

Sec. 106. Minnesota Statutes 2016, section 222.49, is amended to read:

222.49 RAIL SERVICE IMPROVEMENT ACCOUNT; APPROPRIATION.

The rail service improvement account is created in the special revenue fund in the state treasury. ~~The commissioner shall deposit in this account all consists of funds as provided by law, and any other money appropriated to or received by the department for the purpose of rail service improvement donated, allotted, transferred, or otherwise provided to the account, excluding bond proceeds as authorized by article XI, section 5, clause (i), of the Minnesota Constitution. All money so deposited is appropriated to the department for expenditure for rail service improvement in accordance with applicable state and federal law. This appropriation shall not lapse but shall be available until the purpose for which it was appropriated has been accomplished. No money appropriated to the department for the purposes of administering the rail service improvement program shall be deposited in the rail service improvement account nor shall such administrative costs be paid from the account.~~

Sec. 107. Minnesota Statutes 2016, section 222.50, subdivision 6, is amended to read:

Subd. 6. **Grants.** ~~The commissioner may approve grants from the rail service improvement account for payment of up to 50 percent of the nonfederal share of the cost of any rail line project under the federal rail service continuation program~~ freight rail service improvements that support economic development.

Sec. 108. Minnesota Statutes 2016, section 256B.15, subdivision 1a, as amended by Laws 2017, chapter 46, section 2, and Laws 2017, chapter 59, section 11, is amended to read:

Subd. 1a. **Estates subject to claims.** (a) If a person receives medical assistance hereunder, on the person's death, if single, or on the death of the survivor of a married couple, either or both of whom received medical assistance, or as otherwise provided for in this section, the amount paid for medical assistance as limited under subdivision 2 for the person and spouse shall be filed as a claim against the estate of the person or the estate of the surviving spouse in the court having jurisdiction to probate the estate or to issue a decree of descent according to sections 525.31 to 525.313.

(b) For the purposes of this section, the person's estate must consist of:

(1) the person's probate estate;

(2) all of the person's interests or proceeds of those interests in real property the person owned as a life tenant or as a joint tenant with a right of survivorship at the time of the person's death;

(3) all of the person's interests or proceeds of those interests in securities the person owned in beneficiary form as provided under sections 524.6-301 to 524.6-311 at the time of the person's death, to the extent the interests or proceeds of those interests become part of the probate estate under section 524.6-307;

(4) all of the person's interests in joint accounts, multiple-party accounts, and pay-on-death accounts, brokerage accounts, investment accounts, or the proceeds of those accounts, as provided under sections 524.6-201 to 524.6-214 at the time of the person's death to the extent the interests become part of the probate estate under section 524.6-207; and

(5) assets conveyed to a survivor, heir, or assign of the person through survivorship, living trust, transfer-on-death of title or deed, or other arrangements.

(c) For the purpose of this section and recovery in a surviving spouse's estate for medical assistance paid for a predeceased spouse, the estate must consist of all of the legal title and interests the deceased individual's predeceased spouse had in jointly owned or marital property at the time of the spouse's death, as defined in subdivision 2b, and the proceeds of those interests, that passed to the deceased individual or another individual, a survivor, an heir, or an assign of the predeceased spouse through a joint tenancy, tenancy in common, survivorship, life estate, living trust, or other arrangement. A deceased recipient who, at death, owned the property jointly with the surviving spouse shall have an interest in the entire property.

(d) For the purpose of recovery in a single person's estate or the estate of a survivor of a married couple, "other arrangement" includes any other means by which title to all or any part of the jointly owned or marital property or interest passed from the predeceased spouse to another including, but not limited to, transfers between spouses which are permitted, prohibited, or penalized for purposes of medical assistance.

(e) A claim shall be filed if medical assistance was rendered for either or both persons under one of the following circumstances:

(1) the person resided in a medical institution for six months or longer, received services under this chapter, and, at the time of institutionalization or application for medical assistance, whichever is later, the person could not have reasonably been expected to be discharged and returned home, as certified in writing by the person's treating physician, advanced practice registered nurse, or physician assistant. For purposes of this section only, a "medical institution" means a skilled nursing facility, intermediate care facility, intermediate care facility for persons with developmental disabilities, nursing facility, or inpatient hospital;

(2) the person received general assistance medical care services under the program formerly codified under chapter 256D; or

(3) the person was 55 years of age or older and received medical assistance services that consisted of nursing facility services, home and community-based services, or related hospital and prescription drug benefits.

(f) The claim shall be considered an expense of the last illness of the decedent for the purpose of section 524.3-805. Notwithstanding any law or rule to the contrary, a state or county agency with a claim under this section must be a creditor under section 524.6-307. Any statute of limitations that purports to limit any county agency or the state agency, or both, to recover for medical assistance granted hereunder shall not apply to any claim made hereunder for reimbursement for any medical assistance granted hereunder. Notice of the claim shall be given to all heirs and devisees of the decedent, and to other persons with an ownership interest in the real property owned by the decedent at the time of the decedent's death, whose identity can be ascertained with reasonable diligence. The notice must include procedures and instructions for making an application for a hardship waiver under subdivision 5; time frames for submitting an application and determination; and information regarding appeal rights and procedures. Counties are entitled to one-half of the nonfederal share of medical assistance collections from estates that are directly attributable to county

effort. Counties are entitled to ten percent of the collections for alternative care directly attributable to county effort.

Sec. 109. Minnesota Statutes 2016, section 297A.815, subdivision 3, is amended to read:

Subd. 3. **Motor vehicle lease sales tax revenue.** ~~(a) For purposes of this subdivision, "net revenue" means an amount equal to the revenues, including interest and penalties, collected under this section, during the fiscal year; less \$32,000,000 in each fiscal year.~~

~~(b) (a)~~ (a) On or before June 30 of each fiscal year, the commissioner of revenue shall must estimate the amount of the net revenue revenues, including interest and penalties and minus refunds, collected under this section for the current fiscal year.

~~(c) On or after (b) By July + 15~~ By July + 15 of the subsequent fiscal year, the commissioner of management and budget shall must transfer the net revenue as revenues estimated in under paragraph (b) (a) from the general fund; as follows:

- (1) 38 percent to the county state-aid highway fund;
- (2) 38 percent to the greater Minnesota transit account;
- (3) 13 percent to the Minnesota state transportation fund; and
- (4) 11 percent to the highway user tax distribution fund.

~~(1) \$9,000,000 annually until January 1, 2015, and 50 percent annually thereafter to the county state-aid highway fund. (c) Notwithstanding any other law to the contrary, the commissioner of transportation shall must allocate the funds transferred under this paragraph (b), clause (1), to the counties in the metropolitan area, as defined in section 473.121, subdivision 4, excluding the counties of Hennepin and Ramsey, so that each county shall receive of such amount receives the percentage that its population, as defined in section 477A.011, subdivision 3, estimated or established by July 15 of the year prior to the current calendar year, bears to the total population of the counties receiving funds under this clause; and paragraph.~~

~~(2) the remainder to the greater Minnesota transit account. (d) The amount transferred under paragraph (b), clause (3), must be used for the local bridge program under section 174.50, subdivisions 6 to 7.~~

(e) The revenues under this subdivision do not include the revenues, including interest and penalties and minus refunds, generated by the sales tax imposed under section 297A.62, subdivision 1a, which must be deposited as provided under the Minnesota Constitution, article XI, section 15.

EFFECTIVE DATE. This section is effective the day following final enactment, beginning with the estimate that must be completed on or before June 30, 2018, for a transfer that occurs by July 15, 2018.

Sec. 110. Minnesota Statutes 2016, section 297A.94, is amended to read:

297A.94 DEPOSIT OF REVENUES.

(a) Except as provided in this section, the commissioner shall deposit the revenues, including interest and penalties, derived from the taxes imposed by this chapter in the state treasury and credit them to the general fund.

(b) The commissioner shall deposit taxes in the Minnesota agricultural and economic account in the special revenue fund if:

- (1) the taxes are derived from sales and use of property and services purchased for the construction and operation of an agricultural resource project; and

(2) the purchase was made on or after the date on which a conditional commitment was made for a loan guaranty for the project under section 41A.04, subdivision 3.

The commissioner of management and budget shall certify to the commissioner the date on which the project received the conditional commitment. The amount deposited in the loan guaranty account must be reduced by any refunds and by the costs incurred by the Department of Revenue to administer and enforce the assessment and collection of the taxes.

(c) The commissioner shall deposit the revenues, including interest and penalties, derived from the taxes imposed on sales and purchases included in section 297A.61, subdivision 3, paragraph (g), clauses (1) and (4), in the state treasury, and credit them as follows:

(1) first to the general obligation special tax bond debt service account in each fiscal year the amount required by section 16A.661, subdivision 3, paragraph (b); and

(2) after the requirements of clause (1) have been met, the balance to the general fund.

(d) Beginning with sales taxes remitted after July 1, 2017, the commissioner shall deposit in the state treasury the revenues collected under section 297A.64, subdivision 1, including interest and penalties and minus refunds, and credit them to the highway user tax distribution fund.

(e) The commissioner shall deposit the revenues, including interest and penalties, collected under section 297A.64, subdivision 5, in the state treasury and credit them to the general fund. By July 15 of each year the commissioner shall transfer to the highway user tax distribution fund an amount equal to the excess fees collected under section 297A.64, subdivision 5, for the previous calendar year.

~~(e)~~ (f) Beginning with sales taxes remitted after July 1, 2017, in conjunction with the deposit of revenues under paragraph (d), the commissioner shall deposit into the state treasury and credit to the highway user tax distribution fund an amount equal to the estimated revenues derived from the tax rate imposed under section 297A.62, subdivision 1, on the lease or rental for not more than 28 days of rental motor vehicles subject to section 297A.64. The commissioner shall estimate the amount of sales tax revenue deposited under this paragraph based on the amount of revenue deposited under paragraph (d).

(g) Starting after July 1, 2017, the commissioner shall deposit an amount of the remittances monthly into the state treasury and credit them to the highway user tax distribution fund as a portion of the estimated amount of taxes collected from the sale and purchase of motor vehicle repair parts in that month. For the remittances between July 1, 2017, and June 30, 2019, the monthly deposit amount is \$2,628,000. For remittances in each subsequent fiscal year, the monthly deposit amount is \$12,137,000. For purposes of this paragraph, "motor vehicle" has the meaning given in section 297B.01, subdivision 11, and "motor vehicle repair and replacement parts" includes (i) all parts, tires, accessories, and equipment incorporated into or affixed to the motor vehicle as part of the motor vehicle maintenance and repair, and (ii) paint, oil, and other fluids that remain on or in the motor vehicle as part of the motor vehicle maintenance or repair. For purposes of this paragraph, "tire" means any tire of the type used on highway vehicles, if wholly or partially made of rubber and if marked according to federal regulations for highway use.

(h) 72.43 percent of the revenues, including interest and penalties, transmitted to the commissioner under section 297A.65, must be deposited by the commissioner in the state treasury as follows:

(1) 50 percent of the receipts must be deposited in the heritage enhancement account in the game and fish fund, and may be spent only on activities that improve, enhance, or protect fish and wildlife resources, including conservation, restoration, and enhancement of land, water, and other natural resources of the state;

(2) 22.5 percent of the receipts must be deposited in the natural resources fund, and may be spent only for state parks and trails;

(3) 22.5 percent of the receipts must be deposited in the natural resources fund, and may be spent only on metropolitan park and trail grants;

(4) three percent of the receipts must be deposited in the natural resources fund, and may be spent only on local trail grants; and

(5) two percent of the receipts must be deposited in the natural resources fund, and may be spent only for the Minnesota Zoological Garden, the Como Park Zoo and Conservatory, and the Duluth Zoo.

~~(f)~~ (i) The revenue dedicated under paragraph ~~(e)~~ (h) may not be used as a substitute for traditional sources of funding for the purposes specified, but the dedicated revenue shall supplement traditional sources of funding for those purposes. Land acquired with money deposited in the game and fish fund under paragraph ~~(e)~~ (h) must be open to public hunting and fishing during the open season, except that in aquatic management areas or on lands where angling easements have been acquired, fishing may be prohibited during certain times of the year and hunting may be prohibited. At least 87 percent of the money deposited in the game and fish fund for improvement, enhancement, or protection of fish and wildlife resources under paragraph ~~(e)~~ (h) must be allocated for field operations.

~~(g)~~ (j) The revenues deposited under paragraphs (a) to ~~(f)~~ (i) do not include the revenues, including interest and penalties, generated by the sales tax imposed under section 297A.62, subdivision 1a, which must be deposited as provided under the Minnesota Constitution, article XI, section 15.

EFFECTIVE DATE. This section is effective July 1, 2017.

Sec. 111. Minnesota Statutes 2016, section 297A.992, is amended by adding a subdivision to read:

Subd. 10a. **Termination of taxes; use of remaining funds.** If the joint powers agreement under subdivision 3 is terminated, funds received by a county in association with the termination may be used for any of the purposes specified in section 297A.993, subdivision 2.

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

Sec. 112. Minnesota Statutes 2016, section 297B.01, subdivision 16, is amended to read:

Subd. 16. **Sale, sells, selling, purchase, purchased, or acquired.** (a) "Sale," "sells," "selling," "purchase," "purchased," or "acquired" means any transfer of title of any motor vehicle, whether absolutely or conditionally, for a consideration in money or by exchange or barter for any purpose other than resale in the regular course of business.

(b) Any motor vehicle utilized by the owner only by leasing such vehicle to others or by holding it in an effort to so lease it, and which is put to no other use by the owner other than resale after such lease or effort to lease, shall be considered property purchased for resale.

(c) The terms also shall include any transfer of title or ownership of a motor vehicle by other means, for or without consideration, except that these terms shall not include:

(1) the acquisition of a motor vehicle by inheritance from or by bequest of, or transfer-on-death of title by, a decedent who owned it;

(2) the transfer of a motor vehicle which was previously licensed in the names of two or more joint tenants and subsequently transferred without monetary consideration to one or more of the joint tenants;

(3) the transfer of a motor vehicle by way of gift from a limited used vehicle dealer licensed under section 168.27, subdivision 4a, to an individual, when the transfer is with no monetary or other consideration or expectation of consideration and the parties to the transfer submit an affidavit to that effect at the time the title transfer is recorded;

(4) the transfer of a motor vehicle by gift between:

- (i) spouses;
- (ii) parents and a child; or
- (iii) grandparents and a grandchild;

(5) the voluntary or involuntary transfer of a motor vehicle between a husband and wife in a divorce proceeding; or

(6) the transfer of a motor vehicle by way of a gift to an organization that is exempt from federal income taxation under section 501(c)(3) of the Internal Revenue Code when the motor vehicle will be used exclusively for religious, charitable, or educational purposes.

Sec. 113. Minnesota Statutes 2016, section 299D.03, subdivision 6, is amended to read:

Subd. 6. **Training program.** The commissioner of public safety may provide training programs for the purpose of obtaining qualified personnel for the State Patrol. Persons accepted by the commissioner of public safety for training under this training program shall be designated State Patrol trainees and shall receive a salary ~~not to exceed~~ no less than 70 percent of the basic salary for patrol officers as prescribed in subdivision 2, during the period of the training. Nothing contained in this subdivision shall be construed to prevent the commissioner of public safety from providing in-service training programs for State Patrol officers. The commissioner of transportation shall furnish the commissioner of public safety with lands and buildings necessary in providing in-service training programs and the Department of Public Safety shall reimburse the Department of Transportation for all reasonable costs incurred due to the provision of these training facilities.

Sec. 114. Minnesota Statutes 2016, section 398A.10, subdivision 3, is amended to read:

Subd. 3. **Application.** This section only applies to a county that has imposed the metropolitan transportation sales and use tax under section 297A.992 and applies whether or not the tax is currently in effect.

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

Sec. 115. Minnesota Statutes 2016, section 398A.10, subdivision 4, is amended to read:

Subd. 4. **Definition.** For purposes of this section, "project" means the initial construction or extension of a minimum operable segment of a new light rail transit or commuter rail line, but does not include infill stations, project enhancements, ~~extensions~~, or supportive infrastructure, constructed after the rail transit is operational.

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

Sec. 116. Minnesota Statutes 2016, section 473.121, subdivision 2, is amended to read:

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

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

Sec. 117. Minnesota Statutes 2016, section 473.388, subdivision 4, is amended to read:

Subd. 4. **Financial assistance; base allocation.** (a) The council must grant ~~the requested~~ financial assistance if ~~it determines that~~ (1) the proposed service is intended to replace of the statutory or home rule charter city, town, or combination, replaces the council's service to the applying statutory or home rule charter city, or town, or combination thereof by the council, and that (2) the proposed service will meet meets the needs of the ~~applicant~~ recipient at least as efficiently and effectively as the ~~existing~~ council's service.

(b) The amount of assistance which the council must provide to a system under this section ~~may~~ must not be less than the sum of (1) the amounts determined for each municipality comprising the system as follows: calculated under paragraph (c), and (2) the amount calculated under subdivision 4a.

(c) The financial assistance base allocation for each replacement service municipality is calculated as:

(1) an amount equal to 3.74 percent of the total state revenues generated from the taxes imposed under chapter 297B for the current fiscal year; times

(2) the ratio of:

(i) the transit operating assistance grants received under this subdivision by the municipality in calendar year 2001 or the tax revenues for transit services levied by the municipality for taxes payable in 2001, including that portion of the levy derived from the areawide pool under section 473F.08, subdivision 3, clause (a), plus the portion of the municipality's aid under Minnesota Statutes 2002, section 273.1398, subdivision 2, attributable to the transit levy; times

(2) the ratio of (i) an amount equal to 3.74 percent of the state revenues generated from the taxes imposed under chapter 297B for the current fiscal year to (ii) the total transit operating assistance grants received under this subdivision in calendar year 2001 or the tax revenues for transit services levied by all replacement service municipalities under this section for taxes payable in 2001, including that portion of the levy derived from the areawide pool under section 473F.08, subdivision 3, clause (a), plus the portion of homestead and agricultural credit aid under Minnesota Statutes 2002, section 273.1398, subdivision 2, attributable to nondebt transit levies; times

(3) the ratio of:

(i) the municipality's total taxable market value for taxes payable in 2006 divided by the municipality's total taxable market value for taxes payable in 2001; to

(ii) the total taxable market value of all property located in replacement service municipalities for taxes payable in 2006 divided by the total taxable market value of all property located in replacement service municipalities for taxes payable in 2001.

~~(e)~~ (d) The council shall must pay the amount to be provided to the recipient under this subdivision from the funds the council receives in the metropolitan area transit account under section 16A.88.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies for financial assistance provided on or after January 1, 2018. This section applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 118. Minnesota Statutes 2016, section 473.388, is amended by adding a subdivision to read:

Subd. 4a. **Financial assistance; regional allocation.** (a) In addition to the assistance under subdivision 4, paragraph (c), for fiscal years 2018 and 2019 the council must annually provide financial assistance through regional allocation to replacement service municipalities. The amount of financial assistance under this paragraph must equal at least 0.35 percent of the total state revenues generated from the taxes imposed under chapter 297B for the current fiscal year.

(b) The council must establish a process to regionally allocate financial assistance under this subdivision. At a minimum, the council must:

(1) adopt and implement a regional allocation policy that specifies funding priorities, identifies decision-making procedures, and establishes criteria to determine the amount allocated to a replacement service municipality; and

(2) ensure transparency and stakeholder input, which must include publishing on the council's Web site the policy adopted under clause (1), a summary of the regional allocation process, and financial information on the allocations.

(c) The regional allocation policy may specify eligibility requirements based on a replacement service municipality's transit service operating reserves.

(d) The council must provide financial assistance under this subdivision using funds appropriated to the council from the metropolitan area transit account in the transit assistance fund.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies for financial assistance provided on or after January 1, 2018. This section applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 119. Minnesota Statutes 2016, section 473.39, is amended by adding a subdivision to read:

Subd. 6. Limitation on certain debt obligations. The council is prohibited from issuing certificates of participation for light rail transit secured in whole or in part by (1) a pledge of motor vehicle sales tax revenue received under sections 16A.88 and 297B.09, or (2) a pledge of any earnings from the council's investment of motor vehicle sales tax revenues.

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

Sec. 120. Minnesota Statutes 2016, section 473.4051, subdivision 2, is amended to read:

Subd. 2. Operating costs. (a) After operating revenue and federal money have been used to pay for light rail transit operations, 50 percent of the remaining operating costs must be paid by the state.

(b) Notwithstanding paragraph (a), all operating and ongoing capital maintenance costs must be paid from nonstate sources for a segment of a light rail transit line or line extension project that formally entered the engineering phase of the Federal Transit Administration's "New Starts" capital investment grant program between August 1, 2016, and December 31, 2016.

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

Sec. 121. **[473.4052] RIGHT-OF-WAY USE; CONTRACTS; LIABILITY.**

Subdivision 1. Contracts for joint or shared use. (a) The location of light rail transit in a shared corridor that is within or adjacent to right-of-way used for freight rail purposes is a public purpose.

(b) The council, a metropolitan county, or a public entity contracting with the council or county may contract with a railroad for (1) the use of right-of-way for light rail transit and freight rail purposes, or (2) the construction, operation, or maintenance of rail track, facilities, or services for light rail transit and freight rail purposes in a shared corridor that is within or adjacent to the right-of-way.

(c) Notwithstanding any law to the contrary, a contract under paragraph (b) may also provide for the allocation of financial responsibility, indemnification, and the procurement of insurance for the parties for all types of claims or damages.

(d) A contract entered into under this section does not affect rights of employees under the federal Employers' Liability Act (1908) (Railroads), Statutes at Large, volume 35, chapter 149, or the federal Railway Labor Act, Statutes at Large, volume 44, chapter 347.

Subd. 2. **Liability.** Notwithstanding any law to the contrary, a railroad and its employees operating within a shared corridor as described in subdivision 1 has the same limits to liability for all types of claims or damages as provided to a municipality under sections 466.04 and 466.06, in an action arising from or related to an incident occurring within, along, or adjacent to the shared corridor. The liability limits under this paragraph apply when the claims or damages would not have occurred but for light rail transit, including, but not limited to, light rail transit track, facilities, services, construction, improvements, maintenance, and operations.

Subd. 3. **Insurance.** (a) Where the council and the railroad have entered into a contract pursuant to subdivision 1, the council must procure insurance as commercially available that is consistent with the amount of the damages limitation established under United States Code, title 49, section 28103(a)(2), as indexed under Fixing America's Surface Transportation Act, Public Law 114-94, section 11415.

(b) The council must procure insurance required by paragraph (a) so that it is in place and effective when light rail vehicles are operating during prerevenue testing and revenue service. This minimum insurance requirement is satisfied by an overall railroad liability policy covering all of the council's railroad obligations, and a separate policy is not required for each freight railroad or each project.

(c) Procurement of insurance as required by this subdivision constitutes a waiver of the liability limits for the railroad and the council under sections 466.04 and 466.06 only to the extent that the insurance procured by the council pays the claim on an incident that occurred within, along, or adjacent to the shared corridor.

(d) Insurance procured by the railroad itself shall not create or be construed to be a waiver of the liability limits for the railroad established under subdivision 2.

Subd. 4. **Application.** The liability limits under subdivision 2 and the insurance requirements under subdivision 3 apply only for that segment of a light rail transit line or line extension in which the project formally entered the engineering phase of the Federal Transit Administration's "New Starts" capital investment grant program between August 1, 2016, and December 31, 2016.

EFFECTIVE DATE; APPLICATION. This section is effective the earlier of the dates that the council (1) commences construction of a light rail transit line or line extension; or (2) enters into a full funding grant agreement with the Federal Transit Administration for construction of a light rail transit line or line extension, excluding an agreement entered into prior to the date of enactment of this act. This section applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 122. Minnesota Statutes 2016, section 473.857, subdivision 2, is amended to read:

Subd. 2. Within 60 days; report. A hearing shall be conducted within 60 days after the request, provided that the advisory committee or the administrative law judge shall consolidate hearings on related requests. The 60-day period within which the hearing shall be conducted may be extended or suspended by mutual agreement of the council and the local governmental unit. The hearing shall not consider the need for ~~or reasonableness~~ of the metropolitan system plans or parts thereof. The hearing shall afford all interested persons an opportunity to testify and present evidence. The advisory committee or administrative law judge may employ the appropriate technical and professional services of the office of dispute resolution for the purpose of evaluating disputes of fact. The proceedings shall not be deemed a contested case. Within 30

days after the hearing, the advisory committee or the administrative law judge shall report to the council respecting the proposed amendments to the system statements. The report shall contain findings of fact, conclusions, and recommendations and shall apportion the costs of the proceedings among the parties.

EFFECTIVE DATE. This section is effective January 1, 2019, and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 123. **MOTOR VEHICLE PARTS SALES TAXES ESTIMATION.**

(a) By January 15, 2019, the commissioner of revenue must submit a report on state general sales taxes attributable to motor vehicle repair and replacement parts to the chairs and ranking minority members of the legislative committees with jurisdiction over taxes and transportation policy and finance.

(b) The report must provide an estimate, based on federal data and department consumption models, of the percentage of total sales tax revenues collected in a calendar year from the tax rate imposed under Minnesota Statutes, section 297A.62, subdivision 1, that is attributable to sales and purchases of motor vehicle repair and replacement parts.

(c) For purposes of this section, "motor vehicle repair and replacement parts" has the meaning given in Minnesota Statutes, section 297A.94.

Sec. 124. **TRANSPORTATION PROJECT SELECTION PROCESS.**

Subdivision 1. Adoption of policy. (a) The commissioner of transportation, after consultation with the Federal Highway Administration, metropolitan planning organizations, regional development commissions, area transportation partnerships, local governments, the Metropolitan Council, and transportation stakeholders, must develop, adopt, and implement a policy for project evaluation and selection to apply to the project selection process and to special program selection processes, such as corridors of commerce. The commissioner must adopt and implement the policy no later than November 1, 2018, and may update the policy as appropriate. The commissioner must publish the policy and updates on the department's Web site and through other effective means selected by the commissioner.

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

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

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

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

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

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

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

(c) At a minimum, the policy adopted under this subdivision must conform with the criteria for the corridors of commerce program under Minnesota Statutes, section 161.088, and the transportation economic development program under Minnesota Statutes, section 174.12.

Subd. 2. **Report to legislature.** By February 1, 2019, the commissioner must submit a report to the chairs, ranking minority members, and staff of the legislative committees with jurisdiction over transportation policy and finance concerning the adopted policy and how the policy is anticipated to improve the consistency, objectivity, and transparency of the selection process. The report must include information on input from members of the public and the organizations identified in subdivision 1.

Sec. 125. **CORRIDORS OF COMMERCE PROJECT ELIGIBILITY.**

Notwithstanding the requirements of Minnesota Statutes, section 161.088, subdivisions 3 to 5, the commissioner of transportation must include that segment of marked U.S. Highway 212 from Chaska to Montevideo as an eligible highway in the next project solicitation and selection process undertaken for the corridors of commerce program under that section.

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

Sec. 126. **OAK GROVE; COMPREHENSIVE PLAN.**

Subdivision 1. **Oak Grove.** Notwithstanding any law, metropolitan system plan, the 2015 system statement for the city of Oak Grove, or administrative law judge's decision to the contrary, the area of the city that was the subject of the administrative law judge's decision in OAH 5-2106-33226, dated May 10, 2016, is designated "rural residential" for the purposes of the city's comprehensive plan update.

Subd. 2. **Metropolitan Council.** The Metropolitan Council shall conform its metropolitan development guide, system plans, and the system statement for the city of Oak Grove to accommodate the provisions in subdivision 1.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Oak Grove and its chief clerical officer timely complete their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3. This section applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 127. **DRIVER'S LICENSE AGENT IN NEW BRIGHTON.**

(a) The commissioner of public safety must revise the appointment of the city of New Brighton as a driver's license agent to provide authority to operate as a full-service driver licensing office located in New Brighton city hall. This paragraph applies notwithstanding: (1) Minnesota Statutes, section 171.061, subdivision 2; (2) requirements under Minnesota Rules, part 7404.0300, subpart 3; and (3) procedures for county board appointment of a driver's license agent, including under Minnesota Rules, part 7404.0350. All other provisions regarding the appointment and operation of a driver's license agent under Minnesota Statutes, section 171.061, and Minnesota Rules, chapter 7404, apply.

(b) The commissioner must make the appointment under this section within two weeks of receipt of an appointment application pursuant to the commissioner's procedures under Minnesota Rules.

Sec. 128. **ELECTRONIC STORAGE STANDARDS.**

On or before August 1, 2017, the commissioner of public safety must establish standards for the conversion by deputy registrars and driver's license agents to secure electronic storage of certain records under Minnesota Statutes, sections 168.33, subdivision 2, and 171.061, subdivision 3. The standards must specify minimum system security requirements, as well as any procedural requirements for the destruction of existing and new paper-based records, consistent with the requirements of Minnesota Statutes, section 138.17. The authority to establish or amend standards under this section expires August 1, 2018.

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

Sec. 129. **RULE CHANGE ON SCHOOL BUS OPERATION.**

The commissioner of public safety must amend Minnesota Rules, part 7470.1000, subpart 2, so that it is consistent with Minnesota Statutes, section 169.443, subdivision 2, using the good cause procedure under Minnesota Statutes, section 14.388.

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

Sec. 130. **CONVEYANCE FOR HISTORICAL PURPOSES; MCKINSTRY SURPLUS LANDS.**

(a) Notwithstanding any other law to the contrary, the commissioner may convey as provided in Minnesota Statutes, section 161.44, land described in paragraph (b), including any improvements on the lands, owned in fee by the state for trunk highway purposes, but no longer needed, to the Minnesota Historical Society for historical purposes. The conveyance must be without financial consideration. The lands conveyed must become a part of the state's historic sites program under Minnesota Statutes, chapter 138.

(b) The lands that may be conveyed are specifically related to the properties of the McKinstry Mounds and portions of the McKinstry Village site owned by the Department of Transportation, located along Trunk Highway 11 in Koochiching County.

Sec. 131. **DEPARTMENT OF TRANSPORTATION LOAN CONVERSION.**

The commissioner of transportation must (1) convert the remaining balance on Contract No. 82799, originally executed with the Minnesota Valley Regional Rail Authority on January 28, 2002, to a grant, and (2) cancel all future payments under the contract. The commissioner is prohibited from requiring or accepting additional payments under Contract No. 82799 as of the effective date of this section. Notwithstanding the loan conversion and payment cancellation under this section, all other terms and conditions under Contract No. 82799 remain effective for the duration of the period specified in the contract.

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

Sec. 132. **MARKED INTERSTATE HIGHWAY 35 WEIGH STATION; MORATORIUM.**

(a) On or before February 1, 2018, the commissioner of transportation is prohibited from constructing a permanent motor vehicle weigh station for the southbound direction of travel on marked Interstate Highway 35, between the marked Interstate Highways 35W/35E split and two miles northerly of the split. This prohibition does not apply to pavement improvements at the weigh station.

(b) The commissioners of public safety and transportation must monitor crash rates at the location specified under paragraph (a). The commissioners also must explore relocating the weigh station.

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

Sec. 133. **HIGHWAY CONSTRUCTION COSTS AND COST INFLATION STUDY.**

Subdivision 1. **Highway construction cost study; requirements.** (a) The commissioner of transportation must enter into an agreement with an organization or entity having relevant expertise to conduct a study on highway construction costs, inflation, and cost estimating. The study must be designed to identify and analyze the nature of discrepancies in highway construction costs and cost inflation estimates between Minnesota and other federal and national measures.

(b) At a minimum, the study must:

(1) include an overview of highway construction cost and cost estimation issues;

(2) establish benchmarks to compare costs in Minnesota to at least four other states that are comparable based on climate and construction characteristics, including historical state-by-state review of at least the following cost factors: (i) direct input costs associated with highway construction, (ii) cost impacts from construction standards and requirements established in law, and (iii) cost impacts from use of alternative methods of contracting and project management;

(3) identify factors specific to Minnesota, if any, that contribute to cost differences, based on the benchmarks established in clause (2);

(4) evaluate the methodology used for highway construction cost calculation and indexing in Minnesota, including (i) review of associated best practices, (ii) comparison of federal and Minnesota state highway construction cost index methodologies utilizing historical cost data for Minnesota, (iii) identification of the reasons for any past discrepancies or differences between state and federal highway construction cost indexing, and (iv) analysis of the historical accuracy of the Minnesota highway construction cost index compared to actual costs; and

(5) provide specific recommendations for road authorities and legislative changes to reduce highway construction costs.

(c) By February 15, 2018, the commissioner must submit a report on the study to the chairs, ranking minority members, and staff of the legislative committees with jurisdiction over transportation policy and finance.

Subd. 2. **Project cost comparison report.** By February 15, 2018, the commissioner of transportation must report to the chairs, ranking minority members, and staff of the senate and house of representatives committees and divisions with jurisdiction over transportation policy and finance comparing the estimated cost of projects and the actual cost of projects. The report must include all projects completed in whole or in part by MnDOT from July 1, 2012, to July 1, 2017. For each project, the report must list the estimated cost of the project prior to starting the project and the total actual cost for the project after completion. For each project, if the actual cost was less than the estimated cost, the report must explain how the excess funds were expended.

Sec. 134. **VIBRATION MANAGEMENT PLAN ON CALHOUN ISLES PROPERTY.**

(a) Before commencement of Southwest light rail transit construction activities, the Metropolitan Council must develop and implement a project-eligible plan to prevent vibration impacts to the Calhoun Isles property, including the high-rise building, townhomes, and parking ramp, due to Southwest light rail transit project construction activities and operations. The council must develop the plan at its expense.

(b) The plan must include requirements to:

(1) develop a vibration control plan for periods during construction and post construction;

(2) limit vibration levels to those established by the Federal Transit Administration;

(3) conduct pre- and post-construction inspections of buildings;

(4) install and monitor instrumentation to identify ground and building movements on the Calhoun Isles property during construction;

(5) use equipment and methods to minimize vibration during construction and during light rail transit operations; and

(6) conduct equipment tests for all significant vibration-generating equipment used for construction adjacent to the Calhoun Isles property.

(c) The council must categorize the Calhoun Isles property buildings based on criteria established by the Federal Transit Administration.

(d) The council must ensure that (1) monitoring under paragraph (b), clause (4), begins 30 days before commencement of construction activities adjacent to the Calhoun Isles property; and (2) tests under paragraph (b), clause (6), are conducted before commencement of the associated construction activities.

(e) The council must make reasonable efforts to coordinate and cooperate with the Calhoun Isles Condominium Association for (1) pre- and post-construction inspections, instrumentation installation, and monitoring on the Calhoun Isles property; and (2) activities to establish valid categorization of buildings.

(f) Before commencement of Southwest light rail transit construction activities, the council must establish a fair and objective damage claims process to address claims attributable to construction and operations activities.

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

Sec. 135. **REPORT ON DEDICATED FUND EXPENDITURES.**

By February 15, 2018, the commissioners of transportation and public safety, in consultation with the commissioner of management and budget, must jointly submit a report to the members and staff of the legislative committees with jurisdiction over transportation finance. The report must update the information required in the report under Laws 2015, chapter 75, article 2, section 56, including a detailed list of expenditures and transfers from the trunk highway fund and highway user tax distribution fund for fiscal years 2013 through 2017, and information on the purpose of each expenditure.

Sec. 136. **ACTIVE TRANSPORTATION PROGRAM RECOMMENDATIONS.**

(a) By October 1, 2017, the Advisory Committee on Nonmotorized Transportation under Minnesota Statutes, section 174.37, must develop and submit recommendations to the commissioner of transportation regarding the project evaluation and selection processes under Minnesota Statutes, section 174.38, subdivision 7.

(b) The advisory committee is encouraged to consult with representatives from the Bicycle Alliance of Minnesota; Minnesota Chamber of Commerce; Metropolitan Council Transportation Accessibility Advisory Committee; Minnesota Department of Transportation district area transportation partnerships; organizations representing elderly populations; public health organizations with experience in active transportation; the Minnesota State Council on Disability and other Minnesota state councils and commissions, including the Council on Asian-Pacific Minnesotans, the Minnesota Council on Latino Affairs, the Council for Minnesotans of African Heritage, the Minnesota Indian Affairs Council, the Office on the Economic Status of Women, and the Cultural and Ethnic Communities Leadership Council; and other stakeholders with expertise in equitable active transportation.

(c) In its next annual report under Minnesota Statutes, section 174.37, subdivision 4, the advisory committee must include a summary of the recommendations under this section and submit a copy of the report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance. The report is subject to Minnesota Statutes, section 3.195.

Sec. 137. **REPORT BY COMMISSIONER OF TRANSPORTATION ON MNPASS LANES AND TOLLING.**

(a) On or before January 2, 2018, the commissioner of transportation must report to the chairs and ranking minority members of the senate and house of representatives committees and divisions with

jurisdiction over transportation policy and finance concerning MnPASS lanes and tolling to reduce congestion and raise revenue.

(b) At a minimum, the report must, with respect to MnPASS lanes:

(1) for each lane, state the capital costs, maintenance and repair costs, and operation costs;

(2) for each lane, indicate the current condition and the projected life expectancy;

(3) for each lane, list and explain the cost recovery ratio;

(4) list the amounts of the deposit of revenues made each year since pursuant to Minnesota Statutes, section 160.93, subdivisions 2 and 2a, including a breakdown of deposits for each lane for each year the lane has been in existence;

(5) list the cost to participate in the MnPASS program, broken down by each year a lane has been in existence;

(6) for each lane, list the total number of users, including a breakdown of the total number of each type of user; and

(7) provide an explanation of how MnPASS lane regulations are enforced.

(c) At a minimum, the report must, with respect to tolling:

(1) summarize current state and federal laws that affect the use of tolling in this state;

(2) identify any federal pilot projects for which this state is eligible to participate;

(3) discuss the feasibility and cost of expanding use of tolling, the possibility of private investment in toll roads, and projected costs and cost recovery in establishing, operating, and maintaining toll roads;

(4) review tolling models and technology options;

(5) summarize the experience of other states that have widely implemented tolling;

(6) identify and evaluate the feasibility of toll implementation for specific corridors;

(7) project the likely range of revenues that could be generated by wider implementation of tolling and identify the percentage of revenues that are projected to be paid by nonresidents of the state;

(8) discuss options for use of tolling revenue and measures to ensure compliance with laws governing operation of toll roads and use of revenues;

(9) recommend and discuss possible ways to reduce cost to Minnesotans, such as tax deductions or credits, or types of discounts; and

(10) provide recommendations for needed statutory or rule changes that would facilitate wider implementation of tolling and achieve maximum revenues for the state and equity for its residents.

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

Sec. 138. REPORT BY COMMISSIONER OF TRANSPORTATION ON TURNBACKS.

By February 15, 2018, the commissioner of transportation must report to the chairs and ranking minority members of the senate and house of representatives committees having jurisdiction over transportation policy and finance concerning turnbacks. At a minimum, the report must include:

(1) a current list of proposed turnback projects, including a description of each segment of highway that is to be turned back; a description of the restoration work to be completed; estimated cost of restoration

work; to which entity the highway will be turned back; and the total estimated cost related to all aspects of the turnback;

(2) the amount that the commissioner of transportation anticipates will be needed for turnbacks during the next two fiscal years and a list of the turnbacks that will be accomplished with the anticipated funds;

(3) a description of the turnback process, including an explanation of how turnback projects are selected; and

(4) for each of the past five years:

(i) the amount of money that accrued to the county turnback account and to the municipal turnback account;

(ii) a description of each segment of highway that was restored and turned back, including what restoration work was completed; total cost of restoration work; to which entity the highway was turned back; and the total cost related to all aspects of the turnback;

(iii) the amount of surplus funds, if any, that were transferred to the county state-aid highway fund or to the municipal state-aid street fund pursuant to Minnesota Statutes, section 161.084; and

(iv) each payment made to a local government for future restoration after the road is turned back, a description of the work to be completed with the funds, and a schedule detailing when the work was completed or will be completed.

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

Sec. 139. **WORKING GROUP FOR INTERSECTION IN WILKIN COUNTY; REPORT.**

(a) By September 1, 2017, the commissioner of transportation must convene a working group to consider potential options for Wilkin County Road 19 between marked Trunk Highway 55 and the railroad tracks north of marked Trunk Highway 55. The working group must consist of the commissioner, or designee, and one representative from each of the following: Minn-Dak Farmers Cooperative; the Wilkin County Board; the town board of Champion; and the city council of Nashua. By December 15, 2017, the working group must identify project options to address safety concerns of local residents at this location. For each identified project, the commissioner must include an estimated cost and the estimated date by which the project would be completed. The working group must then identify a preferred option. Based on that preferred option, the responsible parties must develop funding strategies and a delivery schedule with the goal that the project be completed by December 31, 2019.

(b) By January 1, 2018, the commissioner must report to the chairs, ranking minority members, and staff of the senate and house of representatives committees or divisions with jurisdiction over transportation policy and finance. The report must, at a minimum, include: a summary of the meetings held by the working group; the project options identified and the commissioner estimates associated with each option; and, if identified, the preferred option and the funding and delivery schedule for that option.

Sec. 140. **METRO MOBILITY TASK FORCE.**

Subdivision 1. **Task force established.** A Metro Mobility Task Force is established to examine the Metro Mobility program under Minnesota Statutes, section 473.386. The goal of the task force is to identify options and methods to increase program effectiveness and efficiency, minimize program costs, and improve service including through potential partnership with taxi service providers and transportation network companies, as defined in Minnesota Statutes, section 65B.472, subdivision 1, paragraph (e).

Subd. 2. **Membership.** (a) The task force consists of the following members:

(1) one representative from Metro Mobility, appointed by the Metropolitan Council;

(2) one elected official from each metropolitan county, as defined in Minnesota Statutes, section 473.121, subdivision 4, each of whom must be from a district or unit of government that is located within the Metro Mobility service area, appointed by the respective county board in consultation with cities in that county;

(3) at least one and no more than three individuals representing transportation network companies, as defined in Minnesota Statutes, section 65B.472, subdivision 1, appointed as provided under paragraph (b);

(4) at least one and no more than three individuals representing taxi service providers, appointed as provided in paragraph (c);

(5) one representative appointed by the Transportation Accessibility Advisory Committee established under Minnesota Statutes, section 473.375, subdivision 9a;

(6) one representative appointed by the Council on Disability;

(7) one representative appointed by the commissioner of human services;

(8) one representative appointed by the commissioner of management and budget;

(9) one individual appointed by the Association of Residential Resources of Minnesota; and

(10) one individual appointed by the Center for Transportation Studies at the University of Minnesota.

(b) An interested transportation network company may appoint no more than one person as a task force member. Appointment under this paragraph is on a first-come, first-appointed basis by written notification to the Metropolitan Council.

(c) An interested taxi service provider may appoint no more than one person as a task force member. Appointment under this paragraph is on a first-come, first-appointed basis by written notification to the Metropolitan Council.

(d) The task force members specified under paragraph (a), clauses (1), (3), and (4), are nonvoting members of the task force.

Subd. 3. **Task force duties.** (a) The task force must evaluate the Metro Mobility program, which must include but is not limited to analysis of customer service, program costs and expenditures, service coverage area and hours, reservation and scheduling, and buses and equipment.

(b) The task force must identify and analyze options to improve Metro Mobility program service, limit costs, and improve efficiency.

(c) At a minimum, the task force must consider:

(1) availability of transit, transportation network company, and taxi service throughout the Metro Mobility service area;

(2) demand responsiveness and service levels;

(3) share of trips in which specially equipped vehicles that comply with the Americans with Disabilities Act are necessary;

(4) technology accessibility for Metro Mobility customers;

(5) liability considerations;

(6) integration with regional transit service;

(7) integration with Department of Human Services programs and services;

(8) partnerships with transportation network companies and taxi providers, including methods to integrate billing or fare collection;

(9) potential to use transportation network companies or taxi services to provide an enhanced service option in which riders pay a higher fare than other users of Metro Mobility Services; and

(10) proposals and models from other service areas for incorporating transportation network companies and taxi service providers into transit systems.

Subd. 4. **Administration.** (a) Each appointing entity under subdivision 2 must make appointments and notify the Metropolitan Council by August 1, 2017.

(b) The Metropolitan Council representative appointed to the task force must convene the initial meeting of the task force no later than September 1, 2017. At the initial meeting, the members of the task force must elect a chair or cochairs from among the task force members.

(c) Upon request of the task force, the council must use existing resources to provide data, information, meeting space, and administrative services.

(d) Members of the task force serve without compensation or payment of expenses.

(e) The task force may accept gifts and grants, which are accepted on behalf of the state and constitute donations to the Metropolitan Council. Funds received under this paragraph are appropriated to the Metropolitan Council for purposes of the task force.

Subd. 5. **Legislative report.** (a) By February 15, 2018, the task force must submit a report to the chairs, ranking minority members, and staff of the legislative committees with jurisdiction over transportation policy and finance.

(b) At a minimum, the report must:

(1) describe the current Metro Mobility program;

(2) summarize the work of the task force and its findings;

(3) identify options for reducing program costs and improving efficiency;

(4) identify at least three potential service level approaches that involve partnering with and incorporating transportation network companies, taxi service providers, or both; and

(5) provide any recommendations for program and legislative changes.

Subd. 6. **Expiration.** The task force under this section expires February 15, 2018, or upon submission of the report required under subdivision 5, whichever is earlier.

Sec. 141. **LEGISLATIVE ROUTE NO. 123 REMOVED.**

(a) Minnesota Statutes, section 161.115, subdivision 54, is repealed effective the day after the commissioner of transportation receives a copy of the agreement between the commissioner and the governing body of Le Sueur County to transfer jurisdiction of Legislative Route No. 123 and after the commissioner notifies the revisor of statutes under paragraph (b).

(b) The revisor of statutes shall delete the route identified in paragraph (a) from Minnesota Statutes when the commissioner of transportation sends notice to the revisor electronically or in writing that the conditions required to transfer the route have been satisfied.

Sec. 142. **LEGISLATIVE ROUTE NO. 225 REMOVED.**

(a) Minnesota Statutes, section 161.115, subdivision 156, is repealed effective the day after the commissioner of transportation receives a copy of the agreement between the commissioner and the governing body of Becker County to transfer jurisdiction of Legislative Route No. 225 and after the commissioner notifies the revisor of statutes under paragraph (b).

(b) The revisor of statutes shall delete the route identified in paragraph (a) from Minnesota Statutes when the commissioner of transportation sends notice to the revisor electronically or in writing that the conditions required to transfer the route have been satisfied.

Sec. 143. **REVISOR'S INSTRUCTION.**

The revisor of statutes shall recodify Minnesota Statutes, section 174.93, as Minnesota Statutes, section 473.4485. The revisor shall correct any cross-references made necessary by the recodification.

Sec. 144. **REPEALER.**

(a) Minnesota Statutes 2016, sections 160.262, subdivision 2; 160.265; and 160.266, subdivisions 1 and 2, are repealed.

(b) Minnesota Statutes 2016, section 161.115, subdivision 32, is repealed.

(c) Minnesota Statutes 2016, sections 165.15, subdivision 8; and 219.375, subdivision 4, are repealed.

(d) Minnesota Statutes 2016, section 169.4502, subdivision 5, is repealed.

(e) Minnesota Rules, parts 8810.0800, subpart 3; and 8810.1300, subpart 4, are repealed.

(f) Minnesota Rules, parts 8810.6000; 8810.6100; 8810.6300; 8810.6400; 8810.6500; 8810.6600; 8810.6700; 8810.6800; 8810.6900; 8810.7000; 8810.9910; 8810.9911; 8810.9912; and 8810.9913, are repealed.

Presented to the governor May 26, 2017

Signed by the governor May 30, 2017, 4:24 p.m.