CHAPTER 69--S.F.No. 3878

An act relating to transportation; providing for deposit of certain revenues and security for certain federal loans; establishing an account; appropriating money; amending Minnesota Statutes 2019 Supplement, section 169.86, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 174; repealing Laws 2010, chapter 351, section 69.

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

Section 1. Minnesota Statutes 2019 Supplement, section 169.86, subdivision 5, is amended to read:

Subd. 5. **Fees; proceeds deposited; appropriation.** The commissioner, with respect to highways under the commissioner's jurisdiction, may charge a fee for each permit issued. The fee for an annual permit that expires by law on the date of the vehicle registration expiration must be based on the proportion of the year that remains until the expiration date. ~~Unless otherwise specified,~~ All fees for permits issued by the commissioner of transportation must be deposited ~~in the state treasury and credited to the trunk highway fund~~ as provided in paragraph (i) and in section 174.525. Except for those annual permits for which the permit fees are specified elsewhere in this chapter, the fees are:

(a) $15 for each single trip permit.

(b) $36 for each job permit. A job permit may be issued for like loads carried on a specific route for a period not to exceed two months. "Like loads" means loads of the same product, weight, and dimension.

(c) $60 for an annual permit to be issued for a period not to exceed 12 consecutive months. Annual permits may be issued for:

(1) motor vehicles used to alleviate a temporary crisis adversely affecting the safety or well-being of the public;

(2) motor vehicles that travel on interstate highways and carry loads authorized under subdivision 1a;

(3) motor vehicles operating with gross weights authorized under section 169.826, subdivision 1a;

(4) special pulpwood vehicles described in section 169.863;

(5) motor vehicles bearing snowplow blades not exceeding ten feet in width;

(6) noncommercial transportation of a boat by the owner or user of the boat; and

(7) motor vehicles carrying bales of agricultural products authorized under section 169.862.

(d) $120 for an oversize annual permit to be issued for a period not to exceed 12 consecutive months. Annual permits may be issued for:

(1) mobile cranes;

(2) construction equipment, machinery, and supplies;

(3) manufactured homes and manufactured storage buildings;

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(4) implements of husbandry;

(5) double-deck buses;

(6) commercial boat hauling and transporting waterfront structures, including, but not limited to, portable boat docks and boat lifts; and

(7) three-vehicle combinations consisting of two empty, newly manufactured trailers for cargo, horses, or livestock, not to exceed 28-1/2 feet per trailer; provided, however, the permit allows the vehicles to be moved from a trailer manufacturer to a trailer dealer only while operating on twin-trailer routes designated under section 169.81, subdivision 3, paragraph (c).

(e) For vehicles that have axle weights exceeding the weight limitations of sections 169.823 to 169.829, an additional cost added to the fees listed above. However, this paragraph applies to any vehicle described in section 168.013, subdivision 3, paragraph (b), but only when the vehicle exceeds its gross weight allowance set forth in that paragraph, and then the additional cost is for all weight, including the allowance weight, in excess of the permitted maximum axle weight. The additional cost is equal to the product of the distance traveled times the sum of the overweight axle group cost factors shown in the following chart:

Overweight Axle Group Cost Factors

Weight (pounds)	Cost Per Mile For Each Group Of:		
exceeding weight limitations on axles	Two consecutive axles spaced within 8 feet or less	Three consecutive axles spaced within 9 feet or less	Four consecutive axles spaced within 14 feet or less
0-2,000	.12	.05	.04
2,001-4,000	.14	.06	.05
4,001-6,000	.18	.07	.06
6,001-8,000	.21	.09	.07
8,001-10,000	.26	.10	.08
10,001-12,000	.30	.12	.09
12,001-14,000	Not permitted	.14	.11
14,001-16,000	Not permitted	.17	.12
16,001-18,000	Not permitted	.19	.15
18,001-20,000	Not permitted	Not permitted	.16
20,001-22,000	Not permitted	Not permitted	.20

The amounts added are rounded to the nearest cent for each axle or axle group. The additional cost does not apply to paragraph (c), clauses (1) and (3).

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For a vehicle found to exceed the appropriate maximum permitted weight, a cost-per-mile fee of 22 cents per ton, or fraction of a ton, over the permitted maximum weight is imposed in addition to the normal permit fee. Miles must be calculated based on the distance already traveled in the state plus the distance from the point of detection to a transportation loading site or unloading site within the state or to the point of exit from the state.

(f) As an alternative to paragraph (e), an annual permit may be issued for overweight, or oversize and overweight, mobile cranes; construction equipment, machinery, and supplies; implements of husbandry; and commercial boat hauling. The fees for the permit are as follows:

Gross Weight (pounds) of Vehicle	Annual Permit Fee
90,000 or less	$200
90,001 - 100,000	$300
100,001 - 110,000	$400
110,001 - 120,000	$500
120,001 - 130,000	$600
130,001 - 140,000	$700
140,001 - 145,000	$800
145,001 - 155,000	$900

If the gross weight of the vehicle is more than 155,000 pounds the permit fee is determined under paragraph (e).

(g) For vehicles which exceed the width limitations set forth in section 169.80 by more than 72 inches, an additional cost equal to $120 added to the amount in paragraph (a) when the permit is issued while seasonal load restrictions pursuant to section 169.87 are in effect.

(h) $85 for an annual permit to be issued for a period not to exceed 12 months, for refuse-compactor vehicles that carry a gross weight of not more than: 22,000 pounds on a single rear axle; 38,000 pounds on a tandem rear axle; or, subject to section 169.828, subdivision 2, 46,000 pounds on a tridem rear axle. A permit issued for up to 46,000 pounds on a tridem rear axle must limit the gross vehicle weight to not more than 62,000 pounds.

(i) $300 for a motor vehicle described in section 169.8261. The fee under this paragraph must be deposited as follows:

(1) the first $50,000 in each fiscal year must be deposited in the trunk highway fund for costs related to administering the permit program and inspecting and posting bridges; and

(2) all remaining money in each fiscal year must be deposited in the bridge inspection and signing account as provided under subdivision 5b.

(j) Beginning August 1, 2006, $200 for an annual permit for a vehicle operating under authority of section 169.824, subdivision 2, clause (2).

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

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Sec. 2. **[174.525] TRANSPORTATION LOAN PILOT PROGRAM.**

Subdivision 1. **Pilot program authorized.** (a) The commissioner of transportation may conduct a pilot program to apply for and receive financial assistance under the Transportation Infrastructure Finance and Innovation Act of 1998 (TIFIA), United States Code, title 23, chapter 6, or through other federal transportation loan, grant, or credit assistance programs. The assistance may include but is not limited to loans, loan guarantees, and lines of credit.

(b) The commissioner may enter into agreements to repay the financial assistance as provided in this section, with the approval of the commissioner of management and budget.

(c) The pilot program under this section is available for a project in Nicollet County to expand a trunk highway from two lanes to four lanes and that was the subject of an Infrastructure for Rebuilding America (INFRA) grant application submitted by the commissioner of transportation to the United States Department of Transportation on February 24, 2020.

Subd. 2. **Security for federal loan agreement.** A loan entered into by the commissioners of transportation and management and budget pursuant to subdivision 1 and any interest thereon shall be payable solely from and secured by the revenues appropriated and transferred to the federal transportation loan account established for this purpose in subdivision 4 and investment income thereon and any reserve established for the loan. The loan is not public debt, and the full faith, credit, and taxing powers of the state are not pledged for its payment. The loan and the interest thereon shall not be paid, directly or indirectly, in whole or in part, from a tax of statewide application on any class of property, income, transaction, or privilege.

Subd. 3. **Deposit of revenue.** (a) During any fiscal year in which a loan under this section is being applied for or is entered into and remains outstanding, the commissioner of transportation must deposit all fees collected from the permits issued under section 169.86, subdivision 5, excluding the fee under section 169.86, subdivision 5, paragraph (i), into the federal transportation loan account under subdivision 4.

(b) During any fiscal year in which paragraph (a) does not apply, the commissioner of transportation must deposit all fees collected from the permits issued under section 169.86, subdivision 5, into the trunk highway fund.

Subd. 4. **Federal transportation loan account.** (a) A federal transportation loan account is established in the special revenue fund. The account consists of revenue as provided in subdivision 3, and any other money donated, allotted, transferred, or otherwise provided to the account. The account is administered by the commissioner of management and budget.

(b) Money in the federal transportation loan account, including any investment income, is irrevocably appropriated to the commissioner of management and budget for the payment of the principal and interest on a loan authorized under this section when due, costs of issuance, any reserve, refinancing costs, and necessary administrative expenses associated with the loan. The commissioner of management and budget must consult with the commissioner of transportation regarding expenditures under this paragraph.

(c) In each fiscal year, the commissioner of management and budget must transfer money in the federal transportation loan account to the trunk highway fund if the commissioners of transportation and management and budget determine that the money is not necessary for the purposes specified in paragraph (b).

Subd. 5. **Covenants and agreements.** (a) The commissioners of transportation and management and budget may, for and on behalf of the state, enter into such covenants and agreements not inconsistent with this section as may be necessary or desirable to facilitate the execution and delivery of a loan agreement authorized under subdivision 1, on terms favorable to the state, including but not limited to covenants and

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agreements relating to the payment of and security for the loan agreement and disclosure of information required by the federal government and federal and state securities laws.

(b) Such covenants and agreements of the commissioners of transportation and management and budget constitute an enforceable contract of the state, and the state shall pledge and agree with the holders of any loan agreement that the state will not limit or alter the rights vested in the commissioners of transportation and management and budget to fulfill the terms of any such covenants or agreements made with the holders of the loan agreement or in any way impair the rights and remedies of the holders until the loan agreement, together with the interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of such holders, are fully met and discharged. The commissioners of transportation and management and budget are authorized to include this pledge and agreement of the state in any covenant or agreement with the holders of such loan agreement.

(c) Such covenants may also include covenants to seek increased fees under section 169.86, subdivision 5, so long as any loan agreement issued pursuant to this section is outstanding.

(d) A loan entered into pursuant to this section must be treated like certificates of indebtedness under sections 16A.672 and 16A.675.

Subd. 6. **Applicability.** Subdivision 3 does not apply to any permit described in section 169.86, subdivision 5, that is determined by the attorney general or a court of competent jurisdiction to be a tax, provided that nothing in section 645.44, subdivision 19, prevents a deposit under subdivision 3.

Subd. 7. **Waiver of immunity.** The waiver of immunity by the state provided for by section 3.751, subdivision 1, applies to the loan, any certificates of indebtedness, and any ancillary contracts to which the commissioners of transportation and management and budget are parties under this section.

Subd. 8. **Reports.** (a) Upon completion of the transportation project under the pilot program, the commissioner of transportation must submit a report on the pilot program to the chairs and ranking minority members of the legislative committees having jurisdiction over transportation policy and finance. At a minimum, the report must: describe the transportation project undertaken and each financing mechanism utilized; analyze the effectiveness of each financing mechanism; evaluate the costs, risks, and benefits of additional participation in federal financial assistance programs; and provide any recommendations for related legislative changes.

(b) Annually by December 1, the commissioners of transportation and management and budget must submit a report on the loan entered into pursuant to this section to the chairs and ranking minority members of the legislative committees having jurisdiction over transportation policy and finance. The report must include the following information for the previous fiscal year:

(1) the amount of funds deposited into the federal transportation loan account and the source of the funds;

(2) the amount of funds transferred to the trunk highway fund and the date of the transfer;

(3) the amount in the account at the close of the most recent fiscal year;

(4) the amount and timing of payments made on the loan entered into pursuant to this section; and

(5) the amount held in reserve in the account.

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The report must also include a recommendation of the necessary reserve amount for the current fiscal year and for the next fiscal year. A report is only required under this paragraph if a loan entered into pursuant to this section was outstanding in the previous fiscal year.

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

Sec. 3. **REPEALER.**

Laws 2010, chapter 351, section 69, is repealed.

Presented to the governor March 17, 2020

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