

CHAPTER 8--H.F.No. 14

An act relating to transportation; establishing a budget for transportation; appropriating money for transportation purposes, including Department of Transportation, Department of Public Safety, and Metropolitan Council activities; modifying various transportation finance and policy provisions; imposing and modifying certain taxes, including to establish a per-kilowatt hour tax on public electric vehicle charging, modify calculation of electric vehicle surcharge, and establish surcharge on plug-in hybrid electric vehicles; establishing electricity as vehicle fuel working group; requiring rulemaking; requiring various transportation and transit-related studies; requiring reports; transferring money; making technical and conforming changes; amending Minnesota Statutes 2024, sections 4.076, subdivisions 4, 5, by adding a subdivision; 13.6905, subdivision 8; 16A.88, subdivision 1a; 161.088, subdivision 4a; 161.115, subdivision 177; 161.14, by adding subdivisions; 161.178, subdivision 4; 168.002, subdivision 6; 168.013, subdivisions 1a, 1m, by adding a subdivision; 168.091; 168.27, subdivisions 8, 11, 16, 22; 168.33, by adding a subdivision; 168A.11, subdivision 1; 168E.01, by adding subdivisions; 168E.05, subdivision 1; 169.011, subdivision 36; 169.06, subdivision 5; 169.686, subdivision 1; 169.865, subdivisions 1a, 3; 169.974, subdivision 5; 171.01, by adding subdivisions; 171.05, subdivision 1; 171.0605, subdivision 2, by adding a subdivision; 171.061, by adding a subdivision; 171.0701, by adding a subdivision; 171.0705, by adding a subdivision; 171.071, subdivision 2; 171.13, subdivisions 1, 7, 8; 171.17, subdivision 1; 171.2405, subdivision 1; 171.301, subdivisions 1, as amended, 5, 6; 171.306, subdivisions 1, as amended, 4, as amended, 8; 174.07, subdivision 3; 174.38, subdivision 4; 174.49, subdivision 6, by adding a subdivision; 174.634, subdivision 2; 289A.51, subdivisions 1, 3, 4; 296A.01, by adding subdivisions; 296A.02, subdivision 3; 296A.06, subdivision 2; 296A.061; 296A.19; 296A.22, subdivision 3; 297A.94; 297A.9915, subdivisions 1, 4; 297A.993, subdivision 2a; 299A.55, subdivisions 2, 4; 360.511, by adding subdivisions; 360.55, subdivisions 4, 4a, 8, by adding a subdivision; 398A.04, by adding a subdivision; 473.129, by adding a subdivision; 473.13, subdivisions 1, 6; 473.142; 473.1425; 473.386, subdivision 10; 473.39, subdivision 6, by adding subdivisions; 473.408, by adding a subdivision; 473.412, subdivision 3; 473.4465, subdivisions 1, 2, 4, by adding subdivisions; Laws 2021, First Special Session chapter 5, article 1, section 2, subdivision 2, as amended; Laws 2021, First Special Session chapter 14, article 11, section 45; Laws 2023, chapter 60, article 10, section 9; Laws 2023, chapter 68, article 1, sections 2, subdivisions 2, 3; 17, subdivision 13; article 2, section 2, subdivision 9, as amended; article 4, section 109; Laws 2024, chapter 127, article 1, section 2, subdivision 3; Laws 2025, chapter 29, section 13, subdivisions 5, 6; proposing coding for new law in Minnesota Statutes, chapters 137; 162; 168; 168A; 171; 174; 296A; repealing Minnesota Statutes 2024, section 473.452.

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 fiscal year 2027 under "Appropriations by Fund" show the base within the meaning of Minnesota Statutes, section 16A.11, subdivision 3, by fund. The figures "2026" and "2027" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2026, or June 30, 2027, respectively. "Each year" is each of fiscal years 2026 and 2027. "The biennium" is fiscal years 2026 and 2027. "C.S.A.H." is the county state-aid highway fund. "M.S.A.S." is the municipal state-aid street fund. "H.U.T.D." is the highway user tax distribution fund.

<u>APPROPRIATIONS</u> <u>Available for the Year</u> <u>Ending June 30</u>	
2026	2027

Sec. 2. DEPARTMENT OF TRANSPORTATION

Subdivision 1. Total Appropriation	\$	4,929,145,000	\$	4,013,528,000
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<u>Appropriations by Fund</u>		
	<u>2026</u>	<u>2027</u>
<u>General</u>	<u>28,513,000</u>	<u>28,618,000</u>
<u>Airports</u>	<u>35,318,000</u>	<u>35,168,000</u>
<u>C.S.A.H.</u>	<u>1,112,067,000</u>	<u>1,144,590,000</u>
<u>M.S.A.S.</u>	<u>282,281,000</u>	<u>288,852,000</u>
Trunk Highway	3,470,966,000	2,516,300,000

The appropriations in this section are to the commissioner of transportation.

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

Subd. 2. Multimodal Systems

(a) Aeronautics

(1) Airport Development and Assistance	27,398,000	27,248,000
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This appropriation is from the state airports fund and must be spent according to Minnesota Statutes, section 360.305, subdivision 4.

\$5,000,000 in each year is for a grant to the Duluth Airport Authority to design, construct, furnish, and

equip a new air traffic control tower base building at the Duluth International Airport, including associated site preparation, building demolition, and utility and stormwater retention system improvements. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner must not use any amount of this appropriation for administrative costs. This is a onetime appropriation and is available until June 30, 2028.

\$150,000 in fiscal year 2026 is for a grant to the city of McGregor to relocate the automated weather station at the McGregor Isedor Iverson Airport. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner must not use any amount of this appropriation for administrative costs.

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

If the commissioner of transportation determines that a balance remains in the state airports fund following the appropriations made in this article and that the appropriations made are insufficient for advancing airport development and assistance projects, an amount necessary to advance the projects, not to exceed the balance in the state airports fund, is appropriated in each year to the commissioner and must be spent according to Minnesota Statutes, section 360.305, subdivision 4. Within two weeks of a determination under this contingent appropriation, the commissioner of transportation must notify the commissioner of management and budget and the chairs and ranking minority members 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 2028 and 2029.

The base is \$22,248,000 in each of fiscal years 2028 and 2029.

(2) Aviation Support Services

9,583,000

9,733,000

Appropriations by Fund

	<u>2026</u>	<u>2027</u>
<u>General</u>	<u>1,843,000</u>	<u>1,993,000</u>
<u>Airports</u>	<u>7,740,000</u>	<u>7,740,000</u>

The base from the state airports fund is \$7,790,000 in each of fiscal years 2028 and 2029.

<u>(3) Civil Air Patrol</u>	<u>180,000</u>	<u>180,000</u>
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This appropriation is from the state airports fund for the Civil Air Patrol.

<u>(b) Transit and Active Transportation</u>	<u>7,421,000</u>	<u>7,376,000</u>
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This appropriation is from the general fund.

\$45,000 in fiscal year 2026 is for a grant to the city of Chatfield for the next phase of development of a transportation management organization in southeastern Minnesota. This appropriation is for: (1) the development of organizational structure, including staffing, an oversight committee, and responsibilities of the host organization; and (2) community outreach and education. Up to \$1,000 of the appropriation is for related administrative costs for the city of Chatfield. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner must not use any amount of this appropriation for administrative costs. This is a onetime appropriation and is available until June 30, 2027.

The base is \$18,376,000 in each of fiscal years 2028 and 2029.

<u>(c) Safe Routes to School</u>	<u>1,500,000</u>	<u>1,500,000</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.

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

<u>(d) Passenger Rail</u>	<u>5,743,000</u>	<u>5,743,000</u>
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This appropriation is from the general fund for passenger rail activities under Minnesota Statutes, sections 174.632 to 174.636.

<u>(e) Freight</u>	<u>9,115,000</u>	<u>9,184,000</u>
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Appropriations by Fund

	<u>2026</u>	<u>2027</u>
<u>General</u>	<u>2,303,000</u>	<u>2,303,000</u>
<u>Trunk Highway</u>	<u>6,812,000</u>	<u>6,881,000</u>

\$900,000 in each year is from the general fund for staff, operating costs, and maintenance related to weight and safety enforcement systems.

Subd. 3. State Roads

<u>(a) Operations and Maintenance</u>	<u>441,805,000</u>	<u>445,274,000</u>
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The base is \$450,274,000 in each of fiscal years 2028 and 2029.

(b) Program Planning and Delivery

<u>(1) Planning and Research</u>	<u>37,156,000</u>	<u>37,244,000</u>
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The commissioner may use any balance remaining in this appropriation for program delivery under clause (2).

\$3,000,000 in each year is for statewide trunk highway corridor planning.

\$150,000 in fiscal year 2026 is to conduct autonomous mowing research and to purchase an autonomous mower. The mower must be purchased from a company based in Minnesota.

\$134,000 in fiscal year 2026 and \$135,000 in fiscal year 2027 are for administrative costs of the targeted group business program.

\$300,000 in each year is for grants to metropolitan planning organizations outside the seven-county metropolitan area.

\$900,000 in each year is for grants for transportation studies outside the metropolitan area to identify critical concerns, problems, and issues. These grants are

available: (i) to regional development commissions; (ii) 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 (iii) in regions where no regional development commission or joint powers board is functioning, to the Department of Transportation district office for that region.

<u>(2) Program Delivery</u>	<u>280,588,000</u>	<u>283,701,000</u>
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Appropriations by Fund

	<u>2026</u>	<u>2027</u>
<u>General</u>	<u>2,000,000</u>	<u>2,000,000</u>
<u>Trunk Highway</u>	<u>278,588,000</u>	<u>281,701,000</u>

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

\$2,000,000 in each year is from the general fund for implementation of climate-related programs as provided under the federal Infrastructure Investment and Jobs Act, Public Law 117-58, or any subsequent federal appropriations acts.

\$1,003,000 in fiscal year 2026 and \$1,005,000 in fiscal year 2027 are from the trunk highway fund 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.

<u>(c) State Road Construction</u>	<u>2,247,807,000</u>	<u>1,264,407,000</u>
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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 of transportation must notify the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance of any significant events that cause the estimates of federal aid to change.

\$650,000,000 in fiscal year 2026 is for the John A. Blatnik Bridge between Duluth, Minnesota, and Superior, Wisconsin. The commissioner may use up to 17 percent of the amount for program delivery. This is a onetime appropriation and is available until June 30, 2033.

\$33,250,000 in each year is for priority trunk highway construction projects, which may include but are not limited to predesign; preliminary and final design; engineering; environmental analysis; right-of-way acquisition, including easements; construction; and associated infrastructure improvements. This is a onetime appropriation and is available until June 30, 2029.

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 in 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 \$1,286,546,000 in each of fiscal years 2028 and 2029.

(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 in each year for program delivery.

The base is \$20,000,000 in fiscal year 2028, \$20,000,000 in fiscal year 2029, and \$25,000,000 in fiscal year 2030 and each year thereafter.

(e) Highway Debt Service297,306,000315,549,000

\$294,306,000 in fiscal year 2026 and \$312,549,000 in fiscal year 2027 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 as provided under Minnesota Statutes, section 16A.641, and notify the chairs and ranking minority members 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 Communications7,052,0007,121,000Appropriations by Fund

	<u>2026</u>	<u>2027</u>
<u>General</u>	<u>3,000</u>	<u>3,000</u>
<u>Trunk Highway</u>	<u>7,049,000</u>	<u>7,118,000</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 Highways**1,112,067,0001,144,590,000

This appropriation is from the county state-aid highway fund under Minnesota Statutes, sections 161.081, 174.49, and 297A.815, subdivision 3, and chapter 162, and is available until June 30, 2035.

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 must notify the commissioner of management and budget and the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance concerning funds appropriated. The governor must 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 Streets

282,281,000

288,852,000

This appropriation is from the municipal state-aid street fund under Minnesota Statutes, chapter 162, and is available until June 30, 2035.

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

(c) Other Local Roads

(1) Local Transportation Disaster Support

1,000,000

1,000,000

This appropriation is from the general fund to provide:

(i) a cost-share for federal assistance from the Federal Highway Administration for the emergency relief program under United States Code, title 23, section 125; and

(ii) assistance for roadway damage on the state-aid or federal-aid system associated with state or federally declared disasters ineligible for assistance from existing state and federal disaster programs.

(2) Traffic Calming Infrastructure Improvements

500,000

500,000

This appropriation is from the general fund for grants to cities of the first class for traffic calming infrastructure improvements, which may include horizontal and vertical deflection elements, intersection improvements, paint, curb bump-outs, bollards, raised crosswalks, and other improvements to improve traffic safety in the right-of-way. Improvements made on nonmunicipal state-aid streets do not need to meet municipal state-aid streets standards. These are onetime appropriations. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner must not use any amount of this appropriation for administrative costs. The commissioner must distribute the grant aid as follows:

(i) 50 percent of the funds proportionally based on each city's share of population, according to the last federal decennial census, compared to the total population of all cities of the first class; and

(ii) 50 percent of the funds proportionally based on each city's share of money needs, as determined under Minnesota Statutes, section 162.13, subdivision 2, compared to the total money needs of all cities of the first class.

Subd. 5. Agency Management

(a) Agency Services

91,533,000

95,124,000

Appropriations by Fund

	<u>2026</u>	<u>2027</u>
<u>General</u>	<u>6,200,000</u>	<u>6,200,000</u>
<u>Trunk Highway</u>	<u>85,333,000</u>	<u>88,924,000</u>

(b) Buildings

43,510,000

43,602,000

\$2,000,000 in each year is for maintenance, improvements, and modernization of Department of

Transportation facilities, including truck stations and excluding the central office building.

Any money appropriated to the commissioner of transportation for building construction for any fiscal year before fiscal year 2026 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) Tort Claims

600,000

600,000

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

Subd. 6. Transfers; General Authority

(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 and ranking minority members 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 subdivision.

Subd. 7. Transfers; Flexible Highway Account

The commissioner of transportation must transfer from the flexible highway account in the county state-aid highway fund:

(1) \$21,800,000 in fiscal year 2026 to the trunk highway fund;

(2) \$22,230,000 in fiscal year 2026 to the municipal turnback account in the municipal state-aid street fund; and

(3) the remainder in each year to the county turnback account in the county state-aid highway fund.

The money transferred under clause (1) is appropriated in fiscal year 2026 from the trunk highway fund for highway turnback purposes as provided under Minnesota Statutes, section 161.081, subdivision 3.

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

Sec. 3. METROPOLITAN COUNCIL

<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>114,258,000</u>	<u>\$</u>	<u>120,091,000</u>
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The appropriations in this section are from the general fund to the Metropolitan Council.

Subd. 2. <u>Transit System Operations</u>	<u>1,751,000</u>	<u>1,751,000</u>
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This appropriation is for transit system operations under Minnesota Statutes, sections 473.371 to 473.449.

The base is \$20,014,000 in each of fiscal years 2028 and 2029.

Subd. 3. <u>Special Transportation Service</u>	<u>112,507,000</u>	<u>118,340,000</u>
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This appropriation is for special transportation service under Minnesota Statutes, section 473.386, including Metro Mobility and Metro Move.

Sec. 4. DEPARTMENT OF PUBLIC SAFETY

Subdivision 1. <u>Total Appropriation</u>	\$	<u>297,718,000</u>	\$	<u>299,229,000</u>
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Appropriations by Fund

	<u>2026</u>	<u>2027</u>
<u>General</u>	<u>37,129,000</u>	<u>37,163,000</u>
<u>H.U.T.D.</u>	<u>1,382,000</u>	<u>1,395,000</u>
<u>Special Revenue</u>	<u>81,287,000</u>	<u>80,754,000</u>
<u>Trunk Highway</u>	<u>177,920,000</u>	<u>179,917,000</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. The commissioner must spend appropriations from the trunk highway fund in subdivision 3 only for State Patrol purposes.

Subd. 2. Administration and Related Services

(a) <u>Office of Communications</u>	<u>1,198,000</u>	<u>1,232,000</u>
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This appropriation is from the general fund.

(b) <u>Public Safety Support</u>	<u>11,429,000</u>	<u>11,473,000</u>
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Appropriations by Fund

<u>2026</u>	<u>2027</u>
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<u>General</u>	<u>6,001,000</u>	<u>6,001,000</u>
<u>Trunk Highway</u>	<u>5,428,000</u>	<u>5,472,000</u>

<u>(c) Public Safety Officer Survivor Benefits</u>	<u>1,640,000</u>	<u>1,640,000</u>
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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.

<u>(d) Public Safety Officer Reimbursements</u>	<u>1,367,000</u>	<u>1,367,000</u>
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This appropriation is from the general fund for transfer to the public safety officer's benefit account. This appropriation is available for reimbursements under Minnesota Statutes, section 299A.465.

<u>(e) Soft Body Armor Reimbursements</u>	<u>745,000</u>	<u>745,000</u>
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This appropriation is from the general fund for soft body armor reimbursements under Minnesota Statutes, section 299A.38.

<u>(f) Technology and Support Services</u>	<u>7,130,000</u>	<u>7,130,000</u>
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Appropriations by Fund

	<u>2026</u>	<u>2027</u>
<u>General</u>	<u>1,743,000</u>	<u>1,743,000</u>
<u>Trunk Highway</u>	<u>5,387,000</u>	<u>5,387,000</u>

Subd. 3. State Patrol

<u>(a) Patrolling Highways</u>	<u>147,013,000</u>	<u>148,960,000</u>
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Appropriations by Fund

	<u>2026</u>	<u>2027</u>
<u>General</u>	<u>37,000</u>	<u>37,000</u>
<u>H.U.T.D.</u>	<u>92,000</u>	<u>92,000</u>
<u>Trunk Highway</u>	<u>146,884,000</u>	<u>148,831,000</u>

\$1,045,000 in each year is from the trunk highway fund for recruitment and hiring initiatives. Of the base from the trunk highway fund, \$10,365,000 in each of fiscal years 2028 and 2029 is for this purpose, which includes funding to conduct an additional annual trooper academy.

The base from the trunk highway fund is \$158,151,000 in each of fiscal years 2028 and 2029.

<u>(b) Commercial Vehicle Enforcement</u>	<u>18,861,000</u>	<u>18,861,000</u>
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<u>(c) Capitol Security</u>	<u>19,243,000</u>	<u>19,243,000</u>
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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>1,290,000</u>	<u>1,303,000</u>
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This appropriation is from the highway user tax distribution fund 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) Driver Services</u>	<u>47,665,000</u>	<u>47,132,000</u>
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This appropriation is from the driver and vehicle services operating account under Minnesota Statutes, section 299A.705.

\$317,000 in fiscal year 2026 is for rulemaking costs for the ignition interlock device program under Minnesota Statutes, section 171.306.

\$218,000 in fiscal year 2026 is for costs of adding work zone safety information into the driver's manual and written examination and related rulemaking.

(b) Vehicle Services

32,179,000

32,179,000

This appropriation is from the driver and vehicle services operating account under Minnesota Statutes, section 299A.705.

\$2,500,000 in each year is for payments to deputy registrars under Minnesota Statutes, section 168.33, subdivision 7a, and to driver's license agents under Minnesota Statutes, section 171.061, subdivision 4a.

Subd. 5. Traffic Safety

5,955,000

5,961,000

Appropriations by Fund

	<u>2026</u>	<u>2027</u>
<u>General</u>	<u>4,595,000</u>	<u>4,595,000</u>
<u>Trunk Highway</u>	<u>1,360,000</u>	<u>1,366,000</u>

\$1,100,000 in each year is from the general fund for operations and traffic safety projects, grants, and other activities of the Advisory Council on Traffic Safety under Minnesota Statutes, section 4.076.

\$485,000 in each year is from the trunk highway fund for federal match funding related to planning and administration of highway safety activities.

\$2,000,000 in each year is from the general fund for the drug evaluation and classification program for drug recognition evaluator training; phlebotomists; drug recognition training for peace officers, as defined in Minnesota Statutes, section 626.84, subdivision 1, paragraph (c); required continuing education training for drug recognition experts; program administration; grants to local law enforcement divisions; and grants to eligible employers for drug evaluation and classification training costs of their staff. The commissioner must make reasonable efforts to reflect the geographic diversity of the state in making

expenditures. Any balance in the first year does not cancel but is available in the second year.

Subd. 6. <u>Pipeline Safety</u>	<u>2,003,000</u>	<u>2,003,000</u>
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Appropriations by Fund

	<u>2026</u>	<u>2027</u>
<u>General</u>	<u>560,000</u>	<u>560,000</u>
<u>Special Revenue</u>	<u>1,443,000</u>	<u>1,443,000</u>

The appropriation from the special revenue fund is from the pipeline safety account under Minnesota Statutes, section 299J.18.

\$560,000 in each year is from the general fund for staff and operating costs related to oversight of the excavation notice system under Minnesota Statutes, chapter 216D, including education, investigation, and enforcement activities.

Sec. 5. APPROPRIATION; BOARD OF WATER AND SOIL RESOURCES.

\$3,000,000 in fiscal year 2026 is appropriated from the general fund to the Board of Water and Soil Resources to acquire land or permanent easements and to restore, create, enhance, and preserve wetlands to replace those wetlands drained or filled as a result of the repair, reconstruction, replacement, or rehabilitation of existing public roads as required by Minnesota Statutes, section 103G.222, subdivision 1, paragraphs (l) and (m). The board may vary the priority order of Minnesota Statutes, section 103G.222, subdivision 3, paragraph (a), to implement an in-lieu fee agreement approved by the United States Army Corps of Engineers under section 404 of the federal Clean Water Act. The purchase price paid for acquisition of land or permanent easement must be a fair market value as determined by the board. The board may enter into agreements with the federal government, other state agencies, political subdivisions, nonprofit organizations, fee title owners, or other qualified private entities to acquire wetland replacement credits in accordance with Minnesota Rules, chapter 8420.

Sec. 6. APPROPRIATION; DEPARTMENT OF ADMINISTRATION.

\$48,513,000 in fiscal year 2026 and \$48,513,000 in fiscal year 2027 are appropriated from the trunk highway fund to the commissioner of administration to design, construct, remodel, equip, and furnish a central headquarters building and support facilities for the State Patrol. This is a onetime appropriation and is available until June 30, 2030.

Sec. 7. APPROPRIATION; DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT.

(a) For purposes of this section, unless otherwise specified, "commissioner" means the commissioner of employment and economic development.

(b) \$250,000 in fiscal year 2026 is appropriated from the general fund to the commissioner for a grant award as provided in this section.

(c) The commissioner, in consultation with the commissioner of transportation, must award a grant to the East Side Neighborhood Development Company (ESNDC) to provide onetime financial assistance in equal amounts of up to \$5,000 to qualified businesses adversely affected by the Department of Transportation's redesign and construction project along marked Trunk Highway 61, also known as Arcade Street, from East 7th Street to Roselawn Avenue East. The ESNDC must consult with the East Side Area Business Association when providing financial assistance under this section.

(d) A qualified business must:

(1) employ no more than 25 full-time equivalent employees;

(2) be located within 300 feet of the construction project under paragraph (c); and

(3) experience impairment of road access, parking, or visibility as a result of the project.

(e) The commissioner may establish requirements in addition to the qualifications under paragraph (d) as necessary to efficiently and equitably provide financial assistance under this section.

(f) Financial assistance provided under this section may be used for employee payroll expenses, operating expenses, or facilities expenses and must not be used for bonuses; new equipment, furniture, or capital improvements; or construction or expansion.

(g) Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, of the appropriation in paragraph (b), the commissioner may use up to one percent for administrative costs and the East Side Neighborhood Development Company may retain up to four percent for administrative costs.

(h) By January 15, 2026, the commissioner must submit a report on the grants awarded under this section to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance and policy. At a minimum, the report must include a complete list of grants awarded, including business names and addresses, types of businesses, and the amount of each award.

Sec. 8. APPROPRIATION; UNIVERSITY OF MINNESOTA.

\$2,000,000 in fiscal year 2026 and \$2,000,000 in fiscal year 2027 are appropriated from the general fund to the Board of Regents of the University of Minnesota for the empowering small Minnesota communities program under Minnesota Statutes, section 137.345. This is a onetime appropriation.

Sec. 9. APPROPRIATION CANCELLATIONS.

(a) \$3,130,000 of the appropriation in fiscal year 2023 from the general fund for rail corridor service analysis under Laws 2023, chapter 68, article 1, section 10, is canceled to the general fund.

(b) \$3,000,000 of the appropriation in fiscal year 2024 from the general fund for matching federal aid and related state investments for the electric vehicle infrastructure program under Laws 2023, chapter 68, article 1, section 2, subdivision 5, paragraph (a), is canceled to the general fund.

(c) \$45,000 of the appropriation in fiscal year 2024 from the general fund for grants to the city of Chatfield to develop a transportation management organization in southeastern Minnesota under Laws 2023, chapter 68, article 1, section 9, paragraph (d), is canceled to the general fund.

(d) \$3,250,000 of the appropriation in fiscal years 2024 and 2025 from the general fund for projects and activities of the Advisory Council on Traffic Safety under Laws 2023, chapter 68, article 1, section 4, subdivision 5, is canceled to the general fund.

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

Sec. 10. Laws 2021, First Special Session chapter 5, article 1, section 2, subdivision 2, as amended by Laws 2024, chapter 127, article 1, section 10, is amended to read:

Subd. 2. Multimodal Systems

(a) Aeronautics

(1) Airport Development and Assistance	24,198,000	18,598,000
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Appropriations by Fund

	2022	2023
General	5,600,000	-0-
Airports	18,598,000	18,598,000

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

\$5,600,000 in fiscal year 2022 is from the general fund for a grant to the city of Karlstad for the acquisition of land, predesign, design, engineering, and construction of a primary airport runway. This appropriation is for Phase 1 of the project.

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

If the commissioner of transportation determines that a balance remains in the state airports fund following the appropriations made in this article and that the appropriations made are insufficient for advancing airport development and assistance projects, an amount necessary to advance the projects, not to exceed the balance in the state airports fund, is appropriated in each year to the commissioner and must be spent according to Minnesota Statutes, section 360.305, subdivision 4. Within two weeks of a determination under this contingent appropriation, the commissioner

of transportation 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 2024 and 2025.

(2) Aviation Support Services	8,332,000	8,340,000
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Appropriations by Fund

	2022	2023
General	1,650,000	1,650,000
Airports	6,682,000	6,690,000

\$28,000 in fiscal year 2022 and \$36,000 in fiscal year 2023 are from the state airports fund for costs related to regulating unmanned aircraft systems.

(3) Civil Air Patrol	80,000	80,000
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This appropriation is from the state airports fund for the Civil Air Patrol.

(b) Transit and Active Transportation	23,501,000	18,201,000
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This appropriation is from the general fund.

\$5,000,000 in fiscal year 2022 is for the active transportation program under Minnesota Statutes, section 174.38. This is a onetime appropriation and is available until June 30, 2025.

\$300,000 in fiscal year 2022 is for a grant to the 494 Corridor Commission. The commissioner must not retain any portion of the funds appropriated under this section. The commissioner must make grant payments in full by December 31, 2021. Funds under this grant are for programming and service expansion to assist companies and commuters in telecommuting efforts and promotion of best practices. A grant recipient must provide telework resources, assistance, information, and related activities on a statewide basis. This is a onetime appropriation.

(c) Safe Routes to School	5,500,000	500,000
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This appropriation is from the general fund for the safe routes to school program under Minnesota Statutes, section 174.40.

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

(d) Passenger Rail	10,500,000	500,000
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This appropriation is from the general fund for passenger rail activities under Minnesota Statutes, sections 174.632 to 174.636.

\$10,000,000 in fiscal year 2022 is for final design and construction to provide for a second daily Amtrak train service between Minneapolis and St. Paul and Chicago. The commissioner may expend funds for program delivery and administration from this amount. This is a onetime appropriation and is available until June 30, ~~2025~~ 2028.

(e) Freight	8,342,000	7,323,000
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Appropriations by Fund

	2022	2023
General	2,464,000	1,445,000
Trunk Highway	5,878,000	5,878,000

\$1,000,000 in fiscal year 2022 is from the general fund for procurement costs of a statewide freight network optimization tool. This is a onetime appropriation and is available until June 30, 2023.

\$350,000 in fiscal year 2022 and \$287,000 in fiscal year 2023 are from the general fund for two additional rail safety inspectors in the state rail safety inspection program under Minnesota Statutes, section 219.015. In each year, the commissioner must not increase the total assessment amount under Minnesota Statutes, section 219.015, subdivision 2, from the most recent assessment amount.

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

Sec. 11. Laws 2021, First Special Session chapter 14, article 11, section 45, is amended to read:

Sec. 45. APPROPRIATION; DEPARTMENT OF TRANSPORTATION.

\$6,200,000 in fiscal year 2022 is appropriated from the general fund to the commissioner of transportation for project development of a land bridge freeway lid over marked Interstate Highway 94 in a portion of the segment from Lexington Avenue to Rice Street in St. Paul. This amount is available to match federal funds and for project planning and development, including area planning, community and land use planning, economic development planning, design, and project management and analysis. From this amount, the commissioner may make grants to Reconnect Rondo to perform any eligible project development activities. This is a onetime appropriation and is available until June 30, ~~2025~~ 2026.

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

Sec. 12. Laws 2023, chapter 60, article 10, section 9, is amended to read:

Sec. 9. DEPARTMENT OF TRANSPORTATION	\$	310,000	\$	-0-
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\$310,000 the first year is ~~for awarding grants~~ to assist manufacturers to obtain environmental product declarations for certain construction materials used to build roads and other transportation infrastructure under Minnesota Statutes, section 16B.312. Of this amount, up to \$10,000 is for the reasonable costs of the department to administer that section. This appropriation is available until June 30, 2027.

Sec. 13. Laws 2023, chapter 68, article 1, section 2, subdivision 2, is amended to read:

Subd. 2. Multimodal Systems

(a) Aeronautics

(1) Airport Development and Assistance	69,598,000	18,598,000
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Appropriations by Fund

	2024	2025
General	36,000,000	-0-
Airports	33,598,000	18,598,000

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

\$36,000,000 in fiscal year 2024 is from the general fund for matches to federal aid and state investments related to airport infrastructure projects. This is a

onetime appropriation and is available until June 30, 2027.

\$15,000,000 in fiscal year 2024 is from the state airports fund for system maintenance of critical airport safety systems, equipment, and essential airfield technology.

Notwithstanding Minnesota Statutes, section 16A.28, subdivision 6, the appropriation from the state airports fund is available for five years after the year of the appropriation. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

If the commissioner of transportation determines that a balance remains in the state airports fund following the appropriations made in this article and that the appropriations made are insufficient for advancing airport development and assistance projects, an amount necessary to advance the projects, not to exceed the balance in the state airports fund, is appropriated in each year to the commissioner and must be spent according to Minnesota Statutes, section 360.305, subdivision 4. Within two weeks of a determination under this contingent appropriation, the commissioner of transportation 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 2026 and 2027.

(2) Aviation Support Services	15,397,000	8,431,000
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Appropriations by Fund

	2024	2025
General	8,707,000	1,741,000
Airports	6,690,000	6,690,000

\$7,000,000 in fiscal year 2024 is from the general fund to purchase two utility aircraft for the Department of Transportation.

(3) Civil Air Patrol	80,000	80,000
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This appropriation is from the state airports fund for the Civil Air Patrol.

(b) Transit and Active Transportation	58,478,000	18,374,000
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This appropriation is from the general fund.

\$200,000 in fiscal year 2024 and \$50,000 in fiscal year 2025 are for a grant to the city of Rochester to implement demand response transit service using electric transit vehicles. The money is available for mobile software application development; vehicles and equipment, including accessible vehicles; associated charging infrastructure; and capital and operating costs.

\$40,000,000 in fiscal year 2024 is for matches to federal aid and state investments related to transit and active transportation projects. This is a onetime appropriation and is available until June 30, 2027.

(c) Safe Routes to School	15,297,000	10,500,000
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This appropriation is from the general fund for the safe routes to school program under Minnesota Statutes, section 174.40.

If the appropriation for either year is insufficient, the appropriation for the other year is available for it. The appropriations in each year are available until June 30, 2027.

The base for this appropriation is \$1,500,000 in each of fiscal years 2026 and 2027.

(d) Passenger Rail	197,521,000	4,226,000
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This appropriation is from the general fund for passenger rail activities under Minnesota Statutes, sections 174.632 to 174.636.

\$194,700,000 in fiscal year 2024 is for capital improvements and betterments for the Minneapolis-Duluth Northern Lights Express intercity passenger rail project, including preliminary engineering, design, engineering, environmental analysis and mitigation, acquisition of land and right-of-way, equipment and rolling stock, and construction. From this appropriation, the amount necessary is for: (1) Coon Rapids station improvements

to establish a joint station that provides for Amtrak train service on the Empire Builder line between Chicago and Seattle; and (2) acquisition of equipment and rolling stock for purposes of participation in the Midwest fleet pool to provide for service on Northern Lights Express and expanded Amtrak train service between Minneapolis and St. Paul and Chicago. The commissioner of transportation must not approve additional stops or stations beyond those included in the Federal Railroad Administration's January 2018 Finding of No Significant Impact and Section 4(f) Determination if the commissioner determines that the resulting speed reduction would negatively impact total ridership. This appropriation is onetime and is available until June 30, 2028.

\$1,833,000 in fiscal year 2024 and \$3,238,000 in fiscal year 2025 are for a match to federal aid for capital and operating costs for expanded Amtrak train service between Minneapolis and St. Paul and Chicago. These amounts are available until June 30, 2028.

The base from the general fund is \$5,742,000 in each of fiscal years 2026 and 2027.

(e) Freight	14,650,000	9,066,000
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Appropriations by Fund

	2024	2025
General	8,283,000	2,400,000
Trunk Highway	6,367,000	6,666,000

\$5,000,000 in fiscal year 2024 is from the general fund for matching federal aid grants for improvements, engineering, and administrative costs for the Stone Arch Bridge in Minneapolis. This is a onetime appropriation and is available until June 30, 2027.

\$1,000,000 in each year is from the general fund for staff, operating costs, and maintenance related to weight and safety enforcement systems.

\$974,000 in fiscal year 2024 is from the general fund for procurement costs of a statewide freight network optimization tool under Laws 2021, First Special Session chapter 5, article 4, section 133. This is a

onetime appropriation and is available until June 30, 2025.

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

Sec. 14. Laws 2023, chapter 68, article 1, section 2, subdivision 3, is amended to read:

Subd. 3. State Roads

(a) Operations and Maintenance	414,220,000	425,341,000
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Appropriations by Fund

	2024	2025
General	2,000,000	-0-
Trunk Highway	412,220,000	425,341,000

\$1,000,000 in fiscal year 2024 is from the general fund for the highways for habitat program under Minnesota Statutes, section 160.2325. This amount is available until June 30, 2027.

\$248,000 in each year is from the trunk highway fund for living snow fence implementation and maintenance activities.

\$1,000,000 in fiscal year 2024 is from the general fund for safe road zones under Minnesota Statutes, section 169.065, including development and delivery of public awareness and education campaigns about safe road zones.

(b) Program Planning and Delivery

(1) Planning and Research	32,679,000	33,465,000
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The commissioner may use any balance remaining in this appropriation for program delivery under clause (2).

\$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: (i) to regional development commissions; (ii) 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 (iii) in regions where no regional development commission or joint powers board is functioning, to the Department of Transportation district office for that region.

(2) Program Delivery	274,451,000	273,985,000
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Appropriations by Fund

	2024	2025
General	2,250,000	2,000,000
Trunk Highway	272,201,000	271,985,000

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

\$10,000,000 in fiscal year 2024 is from the trunk highway fund for roadway design and related improvements that reduce speeds and eliminate intersection interactions on rural high-risk roadways. The commissioner must identify roadways based on crash information and in consultation with the Advisory Council on Traffic Safety under Minnesota Statutes, section 4.076, and local traffic safety partners. This is a onetime appropriation and is available until June 30, 2026.

\$2,000,000 in each year is from the general fund for implementation of climate-related programs as provided under the federal Infrastructure Investment and Jobs Act, Public Law 117-58.

\$1,193,000 in fiscal year 2024 is from the trunk highway fund for costs related to the property conveyance to the Upper Sioux Community of state-owned land within the boundaries of Upper Sioux Agency State Park, including fee purchase, property purchase, appraisals, and road and bridge demolition and related engineering. This amount is available until June 30, 2027.

\$250,000 in fiscal year 2024 is from the general fund for costs related to the Clean Transportation Fuel Standard Working Group established under article 4, section 124.

\$1,000,000 in each year is available from the trunk highway fund 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.

(c) State Road Construction	1,207,013,000	1,174,045,000
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Appropriations by Fund

	2024	2025
General	1,800,000	-0-
Trunk Highway	1,205,213,000	1,174,045,000

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 of transportation must notify the chairs, ranking minority members, and staff of the legislative committees with jurisdiction over transportation finance of any significant events that cause the estimates of federal aid to change.

\$1,500,000 in fiscal year 2024 is from the general fund for living snow fence implementation, including: acquiring and planting trees, shrubs, native grasses, and wildflowers that are climate adaptive to Minnesota; improvements; contracts; easements; rental agreements; and program delivery.

\$300,000 in fiscal year 2024 is from the general fund for additions and modifications to work zone design or layout to reduce vehicle speeds in a work zone. This appropriation is available following a determination by the commissioner that the initial work zone design or layout insufficiently provides for reduced vehicle speeds.

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 in 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 from the trunk highway fund is \$1,161,813,000 in each of fiscal years 2026 and 2027.

(d) Corridors of Commerce	25,000,000	25,000,000
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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 in each year for program delivery.

(e) Highway Debt Service	268,336,000	291,394,000
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\$265,336,000 in fiscal year 2024 and \$288,394,000 in fiscal year 2025 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 as provided under Minnesota Statutes, section 16A.641, 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	8,653,000	6,907,000
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Appropriations by Fund

	2024	2025
General	2,003,000	3,000
Trunk Highway	6,650,000	6,904,000

\$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.

\$2,000,000 in fiscal year 2024 is from the general fund for Allied Radio Matrix for Emergency Response (ARMER) tower building improvements and replacement.

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

Sec. 15. Laws 2023, chapter 68, article 1, section 17, subdivision 13, is amended to read:

Subd. 13. **Trunk Highway 5; Chanhassen and Victoria.** \$20,000,000 in fiscal year 2024 is appropriated from the general fund to the commissioner of transportation for a grant to Carver County to complete the preliminary engineering, environmental documentation, final design, right-of-way acquisition, and construction of improvements to marked Trunk Highway 5 from ~~Minnewashta Parkway to marked Trunk Highway 41~~ 80th Street in the city of Victoria to Century Boulevard in the city of Chanhassen, including mainline highway expansion, cross streets, off-street trails, a bridge over Lake Minnewashta wetlands, utility relocations, and installations. This is a onetime appropriation and is available until June 30, 2027.

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

Sec. 16. Laws 2023, chapter 68, article 2, section 2, subdivision 9, as amended by Laws 2024, chapter 104, article 1, section 105, is amended to read:

Subd. 9. **U.S. Highway 8; Chisago County** 42,000,000

This appropriation is for predesign, design, engineering, and reconstruction of marked U.S. Highway 8 from Karmel Avenue in Chisago City to marked Interstate Highway 35, including pedestrian and bike trails along and crossings of this segment of marked U.S. Highway 8. The reconstruction project may include expanding segments of marked U.S. Highway 8 to four lanes, constructing or reconstructing frontage roads and backage roads, and realigning local roads to consolidate, remove, and relocate access onto and off of U.S. Highway 8. This appropriation is for the portion of the project that is eligible for use of proceeds of trunk highway bonds. Notwithstanding Minnesota Statutes, section 16A.642, the bond sale

authorization and appropriation of bond sale proceeds
for this project are available until December 31, 2029.

Sec. 17. Laws 2024, chapter 127, article 1, section 2, subdivision 3, is amended to read:

Subd. 3. State Roads

(a) Operations and Maintenance

-0-

2,405,000

\$300,000 in fiscal year 2025 is for rumble strips under Minnesota Statutes, section 161.1258.

\$1,000,000 in fiscal year 2025 is for landscaping improvements located within trunk highway rights-of-way ~~under the Department of Transportation's community roadside landscape partnership program,~~ with prioritization of tree planting as feasible.

\$1,000,000 is from the general fund for the traffic safety camera pilot program under Minnesota Statutes, section 169.147, and the evaluation and legislative report under article 3, sections 116 and 117. With the approval of the commissioner of transportation, any portion of this appropriation is available to the commissioner of public safety. This is a onetime appropriation and is available until June 30, 2029.

\$105,000 in fiscal year 2025 is for the cost of staff time to coordinate with the Public Utilities Commission relating to placement of high voltage transmission lines along trunk highways.

(b) Program Planning and Delivery

-0-

5,800,000

\$3,000,000 in fiscal year 2025 is for implementation and development of statewide and regional travel demand modeling related to the requirements under Minnesota Statutes, section 161.178. This is a onetime appropriation and is available until June 30, 2026.

\$800,000 in fiscal year 2025 is for one or more grants to metropolitan planning organizations outside the metropolitan area, as defined in Minnesota Statutes, section 473.121, subdivision 2, for modeling activities related to the requirements under Minnesota Statutes, section 161.178. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner must not use any amount of this appropriation for

administrative costs. This is a onetime appropriation and is available until June 30, 2026.

\$2,000,000 in fiscal year 2025 is to complete environmental documentation and for preliminary engineering and design for the reconstruction of marked Trunk Highway 55 from Hennepin County State-Aid Highway 19, north of the city of Loretto to Hennepin County Road 118 near the city of Medina. This is a onetime appropriation and is available until June 30, 2027.

(c) State Road Construction

-0-

10,900,000

\$8,900,000 in fiscal year 2025 is for the acquisition, environmental analysis, predesign, design, engineering, construction, reconstruction, and improvement of trunk highway bridges, including design-build contracts, program delivery, consultant usage to support these activities, and the cost of payments to landowners for lands acquired for highway rights-of-way. Projects under this appropriation must follow eligible investment priorities identified in the Minnesota state highway investment plan under Minnesota Statutes, section 174.03, subdivision 1c. The commissioner may use up to 17 percent of this appropriation for program delivery. This is a onetime appropriation and is available until June 30, 2028.

\$1,000,000 in fiscal year 2025 is for predesign and design of intersection safety improvements along marked Trunk Highway 65 from the interchange with marked U.S. Highway 10 to 99th Avenue Northeast in the city of Blaine. This is a onetime appropriation and is available until June 30, 2028.

\$1,000,000 in fiscal year 2025 is to design and construct trunk highway improvements associated with an interchange at U.S. Highway 169, marked Trunk Highway 282, and Scott County State-Aid Highway 9 in the city of Jordan, including accommodations for bicycles and pedestrians and for bridge and road construction. This is a onetime appropriation and is available until June 30, 2027.

(d) Highway Debt Service

-0-

468,000

This appropriation is 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 as provided under Minnesota Statutes, section 16A.641, and notify the chairs and ranking minority members 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.

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

Sec. 18. **TRANSFERS.**

(a) \$2,655,000 in fiscal year 2026 and \$2,784,000 in fiscal year 2027 are transferred from the general fund to the active transportation account under Minnesota Statutes, section 174.38. In each forecast prepared under Minnesota Statutes, section 16A.103, from the effective date of this section through the February 2027 forecast, the commissioner of management and budget must include a transfer of \$8,284,000 in fiscal year 2028 and in each fiscal year thereafter from the general fund to the active transportation account.

(b) \$250,000 in fiscal year 2026 is transferred from the general fund to the local government road funding gap assistance account under Minnesota Statutes, section 162.175.

Sec. 19. **ALLOCATION; RUM RIVER DAM PEDESTRIAN BRIDGE.**

(a) Of the allocation otherwise apportioned to Anoka County under Minnesota Statutes, section 297A.9915, subdivision 4, paragraph (a), clause (2), and available under Minnesota Statutes, section 174.49, subdivision 6, paragraph (a), clause (1), the commissioner of transportation must provide one or more grants that total \$6,200,000 to the city of Anoka. The amount under this paragraph is in fiscal year 2026 and, to the extent necessary, in fiscal year 2027.

(b) The grant under paragraph (a) is for predesign, design, engineering, environmental analysis, right-of-way acquisition including easements, and construction of a pedestrian bridge over the Rum River Dam and associated Rum River Dam improvements in the city of Anoka.

(c) Notwithstanding internal Department of Transportation guidelines, policies, or documents relating to grant management, the commissioner must disburse the grant under this section directly to the city of Anoka and may do so without complying with Minnesota laws and policies regarding grant management, including but not limited to the requirement to have an agreement.

(d) This section applies notwithstanding the provisions of Minnesota Statutes, section 297A.9915, subdivision 4.

(e) Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner of transportation must not use any of the amount distributed under paragraph (a) for grant administrative costs.

Sec. 20. ALLOCATIONS; METROPOLITAN COUNCIL; HENNEPIN COUNTY; WASHINGTON AVENUE PEDESTRIAN BRIDGE.

(a) Of the money allocated to the Metropolitan Council under Minnesota Statutes, section 473.4465, subdivision 2, paragraph (a), clause (1), the Metropolitan Council must provide a grant of \$2,000,000 in fiscal year 2026 to the Board of Regents of the University of Minnesota. This paragraph applies notwithstanding the provisions of Minnesota Statutes, section 473.4465, subdivision 3.

(b) Of the money apportioned to Hennepin County under Minnesota Statutes, section 297A.9915, subdivision 4, paragraph (a), clause (2), and available under Minnesota Statutes, section 174.49, subdivision 6, paragraph (a), clause (1), Hennepin County must provide a grant of \$6,000,000 in fiscal year 2026 to the Board of Regents of the University of Minnesota. This paragraph applies notwithstanding the provisions of Minnesota Statutes, section 473.4465, subdivision 4.

(c) The grants under paragraphs (a) and (b) must be used to design and construct pedestrian enclosure and suicide deterrent barriers on the Washington Avenue pedestrian bridge on the Twin Cities campus, which may include a new railing system, improved integrated lighting, surveillance, signage, and related site and utility improvements. The board must consult with persons affected by suicide at this bridge, suicide prevention organizations, and experts in the field of suicide prevention in designing the project. This money may also be used for improvements to existing temporary barriers on the bridge.

(d) Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the council must not use any amount of the grant award under paragraph (a) for grant administrative costs.

APPLICATION. Paragraph (a) applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 21. ALLOCATION; METROPOLITAN COUNCIL; TRANSPORTATION MANAGEMENT ORGANIZATIONS.

(a) Of the money allocated to the Metropolitan Council under Minnesota Statutes, section 473.4465, subdivision 2, paragraph (a), clause (2), the Metropolitan Council must provide grants that total \$1,400,000 in fiscal year 2026 to transportation management organizations in the metropolitan area. This section applies notwithstanding the provisions of Minnesota Statutes, section 473.4465, subdivision 2.

(b) The grants must be allocated as follows:

(1) \$350,000 to the I-494 Corridor Commission;

(2) \$350,000 to the St. Paul transportation management organization;

(3) \$350,000 to the downtown Minneapolis transportation management organization; and

(4) \$350,000 to the Anoka County transportation management organization.

(c) Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the council must not use any amount of the grant awards under this section for grant administrative costs.

APPLICATION. This section applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

ARTICLE 2**TRANSPORTATION FINANCE AND POLICY**

Section 1. Minnesota Statutes 2024, section 4.076, subdivision 4, is amended to read:

Subd. 4. **Duties.** The advisory council must:

(1) advise the governor and heads of state departments and agencies on policies, programs, and services affecting traffic safety;

(2) advise the appropriate representatives of state departments on the activities of the Toward Zero Deaths program, including but not limited to educating the public about traffic safety;

(3) encourage state departments and other agencies to conduct needed research in the field of traffic safety;

(4) review recommendations of the subcommittees and working groups;

(5) review and comment on ~~all grants dealing with traffic safety and on~~ the development and implementation of state and local traffic safety plans; ~~and~~

(6) advise the commissioner of public safety on grant agreements for projects under subdivision 6, paragraph (b); and

(7) make recommendations on safe road zone safety measures under section 169.065.

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

Sec. 2. Minnesota Statutes 2024, section 4.076, subdivision 5, is amended to read:

Subd. 5. **Administration.** (a) The Office of Traffic Safety in the Department of Public Safety, in cooperation with the Departments of Transportation and Health, must serve as the host agency for the advisory council and must manage the administrative and operational aspects of the advisory council's activities. The commissioner of public safety must perform financial management on behalf of the council.

(b) The advisory council must meet no less than four times per year, or more frequently as determined by the chair, a vice chair, or a majority of the council members. The advisory council is subject to chapter 13D. The advisory council may host an annual state traffic safety conference.

(c) The chair must regularly report to the respective commissioners on the activities of the advisory council and on the state of traffic safety in Minnesota.

(d) The terms, compensation, and appointment of members are governed by section 15.059.

(e) The advisory council may appoint subcommittees and working groups. Subcommittees must consist of council members. Working groups may include nonmembers. Nonmembers on working groups must be compensated pursuant to section 15.059, subdivision 3, only for expenses incurred for working group activities.

(f) The commissioner of public safety may enter into contracts and interagency agreements for data, expertise, and research projects to inform the advisory council.

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

Sec. 3. Minnesota Statutes 2024, section 4.076, is amended by adding a subdivision to read:

Subd. 6. **Grant agreements for safety projects.** (a) For purposes of this section, "projects that reduce serious and fatal injury crashes" include but are not limited to the following:

(1) improvements to rural high-risk roads;

(2) traffic safety training for law enforcement;

(3) safe and sober rides home programming;

(4) the study of motorcycle operation rules under the circumstances specified in section 169.974, subdivision 5, paragraph (g);

(5) work zone safety and work zone redesign activities; and

(6) safe work zones.

(b) The commissioner of public safety, in consultation with the advisory council, may enter into grant agreements for projects that reduce serious and fatal injury crashes. Eligible recipients of a grant award are a local traffic safety coalition, local unit of government, nonprofit organization, law enforcement agency, or an educational institution. The commissioner must give priority to local traffic safety coalitions.

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

Sec. 4. Minnesota Statutes 2024, section 13.6905, subdivision 8, is amended to read:

Subd. 8. **Driver's license photograph; exceptions.** Allowing headwear or a medically required covering in a driver's license photograph or allowing driver's license identification other than a photograph, under certain circumstances, are governed under section 171.071.

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

Sec. 5. Minnesota Statutes 2024, section 16A.88, subdivision 1a, is amended to read:

Subd. 1a. **Greater Minnesota transit account.** The greater Minnesota transit account is established within the transit assistance fund in the state treasury. Money in the account is annually appropriated to the commissioner of transportation for assistance to transit systems outside the metropolitan area under section 174.24. The commissioner may use up to two percent of the available revenues in the account in each fiscal year for administration of the transit program. The commissioner ~~shall~~ must use the account for transit operations as provided in section 174.24 and related program administration. The commissioner may maintain a reserved balance in the account of no more than five percent of the total annual transit assistance fund balance forward from the previous fiscal year.

Sec. 6. **[137.345] EMPOWERING SMALL MINNESOTA COMMUNITIES PROGRAM.**

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

(b) "Program" means the empowering small Minnesota communities program established by the Board of Regents of the University of Minnesota.

(c) "Small community" means a local unit of government having a population of fewer than 15,000 or a collaboration of more than one local unit of government each having a population of fewer than 15,000.

Subd. 2. **Program assistance.** (a) An appropriation under the program is for small community partnerships on infrastructure project analysis and development as provided in this section.

(b) Support and assistance under the program must be prioritized for political subdivisions and federally recognized Tribal governments based on insufficient capacity to undertake project development and apply for state or federal infrastructure grants.

Subd. 3. **Uses.** (a) An appropriation under the program is available for:

(1) project partnership activities in the Regional Sustainable Development Partnerships, the Center for Transportation Studies, the Minnesota Design Center, the Humphrey School of Public Affairs, the Center for Urban and Regional Affairs, or other related entities; and

(2) support and assistance to small communities that includes:

(i) methods to incorporate consideration of sustainability, resiliency, and adaptation to the impacts of climate change; and

(ii) identification and cross-sector analysis of any potential associated projects and efficiencies through coordinated investments in other infrastructure or assets.

(b) An agreement with a small community may provide for infrastructure project analysis and development activities that include but are not limited to planning, scoping, analysis, predesign, and design.

Subd. 4. **Program information.** From an appropriation under the program, the regents must maintain information about the program on a website that, at a minimum, must include:

(1) a review of the program and implementation;

(2) a summary of projects under the program;

(3) financial information that identifies sources and uses of funds; and

(4) direction on applications for partnership assistance.

Sec. 7. Minnesota Statutes 2024, section 161.088, subdivision 4a, is amended to read:

Subd. 4a. **Project funding; regional balance.** ~~(a)~~ To ensure regional balance throughout the state, the commissioner must distribute all available funds under the program in each project selection round according to the following regional allocations:

(1) Metro Projects: at least 25 percent and no more than 27.5 percent of the funds are for projects that are located within, on, or directly adjacent to an area bounded by marked Interstate Highways 494 and 694;

(2) Metro Connector Projects: at least 35 percent and no more than 37.5 percent of the funds are for projects that:

(i) are not included in clause (1); and

(ii) are located wholly or primarily within a greater metropolitan county; and

(3) Regional Center Projects: at least 35 percent and no more than 40 percent of the funds are for projects that are not included in clause (1) or (2).

~~(b) The commissioner must calculate the percentages under paragraph (a) using total funds under the program over the current and prior two consecutive project selection rounds. The calculations must include readiness development projects funded under subdivision 4b.~~

EFFECTIVE DATE. This section is effective the day following final enactment and applies to funds awarded on or after that date regardless of the date of a solicitation.

Sec. 8. Minnesota Statutes 2024, section 161.115, subdivision 177, is amended to read:

Subd. 177. **Route No. 246.** Beginning at a point in or adjacent to Nerstrand; thence extending in a general northerly direction to a point westerly of Dennison; thence continuing in a general northwesterly direction to a point ~~on Route No. 1 at or near 110th Street East near Northfield.~~

EFFECTIVE DATE. This section is effective the day after the commissioner of transportation notifies the revisor of statutes electronically or in writing of the effective date.

Sec. 9. Minnesota Statutes 2024, section 161.14, is amended by adding a subdivision to read:

Subd. 108. **Officer Jason B. Meyer Memorial Highway.** The segment of marked U.S. Highway 63 from the intersection with marked Trunk Highway 16 to the southerly city limit of Racine is designated as "Officer Jason B. Meyer Memorial Highway." Subject to section 161.139, the commissioner must adopt a suitable design to mark this highway and erect appropriate signs.

Sec. 10. Minnesota Statutes 2024, section 161.14, is amended by adding a subdivision to read:

Subd. 109. **Elmstrand * Finseth * Ruge Heroes Memorial Bridge.** The bridge on Burnsville Parkway over marked Interstate Highway 35W in the city of Burnsville is designated as "Elmstrand * Finseth * Ruge Heroes Memorial Bridge." Subject to section 161.139, the commissioner must adopt a suitable design to mark this highway and erect appropriate signs.

Sec. 11. Minnesota Statutes 2024, section 161.14, is amended by adding a subdivision to read:

Subd. 110. **Sergeant Joshua A. Schmit Memorial Highway.** That segment of marked Trunk Highway 23 in Kandiyohi County from the interchange with marked U.S. Highway 71 north of Willmar to Lake Avenue South in Spicer is designated as "Sergeant Joshua A. Schmit Memorial Highway." Subject to section 161.139, the commissioner must adopt a suitable design to mark this highway and erect appropriate signs.

Sec. 12. Minnesota Statutes 2024, section 161.178, subdivision 4, is amended to read:

Subd. 4. **Impact mitigation; interlinking.** (a) To provide for impact mitigation, the applicable entity must interlink the project or portfolio as provided in this subdivision.

(b) Impact mitigation is sufficient under subdivision 2, paragraph (b), if the project or portfolio is interlinked to offset actions such that the total greenhouse gas emissions reduction from the offset actions, after accounting for the greenhouse gas emissions otherwise resulting from the project or portfolio, is consistent with meeting the targets specified under subdivision 2, paragraph (a). Each comparison under this paragraph must be performed over equal comparison periods.

(c) An offset action consists of a project, program, operations modification, or mitigation plan in one or more of the following areas:

(1) transit expansion, including but not limited to regular route bus, arterial bus rapid transit, highway bus rapid transit, rail transit, and intercity passenger rail;

(2) transit service improvements, including but not limited to increased service level, transit fare reduction, and transit priority treatments;

(3) active transportation infrastructure;

(4) micromobility infrastructure and service, including but not limited to shared vehicle services;

(5) transportation demand management, including but not limited to vanpool and shared vehicle programs, remote work, and broadband access expansion;

(6) parking management, including but not limited to parking requirements reduction or elimination and parking cost adjustments;

(7) land use, including but not limited to residential and other density increases, mixed-use development, and transit-oriented development;

(8) infrastructure improvements related to traffic operations, including but not limited to roundabouts and reduced conflict intersections;

(9) natural systems improvements, including but not limited to ecosystem restoration, prairie restoration, reforestation, afforestation, wetland conservation, restorative agriculture practices, and urban green space;
~~and~~

(10) land acquisition including easements, restoration, and enhancement for: (i) the outdoor recreation system under section 86A.04, excluding state rest areas; and (ii) regional parks; and

(11) as specified by the commissioner in the manner provided under paragraph (e).

(d) An offset action may be identified as interlinked to the project or portfolio if:

(1) there is a specified project, program, modification, or mitigation plan;

(2) the necessary funding sources are identified and sufficient amounts are committed;

(3) the mitigation is localized as provided in subdivision 5; and

(4) procedures are established to ensure that the mitigation action remains in substantially the same form or a revised form that continues to meet the calculation under paragraph (b).

(e) The commissioner may authorize additional offset actions under paragraph (c) if:

(1) the offset action is reviewed and recommended by the technical advisory committee under section 161.1782; and

(2) the commissioner determines that the offset action is directly related to reduction in the transportation sector of greenhouse gas emissions or vehicle miles traveled.

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

Sec. 13. [162.175] LOCAL GOVERNMENT ROAD FUNDING GAP ASSISTANCE.

Subdivision 1. Definitions. For purposes of this section, "eligible recipient" or "recipient" means a political subdivision that:

- (1) has a directly elected governing board;
- (2) maintains sole jurisdiction over a roadway system;
- (3) does not receive direct dedicated funding under section 16A.88, 162.07, 162.13, 162.145, 162.146, or 297A.9915; and
- (4) either:
 - (i) has a population greater than 10,000 according to the last two federal decennial censuses; or
 - (ii) is contained within a city of the first class.

Subd. 2. Local government road funding gap assistance account. A local government road funding gap assistance account is created in the special revenue fund. The account consists of money donated, allotted, transferred, or otherwise provided to the account. Money in the account is annually appropriated to the commissioner of transportation and may only be expended as provided under this section. Notwithstanding section 16B.98, subdivision 14, the commissioner must not use any amount of this appropriation for administrative costs.

Subd. 3. Distribution. The commissioner must annually distribute, transfer, or grant the available money in the local government road funding gap assistance account equally among all eligible recipients.

Subd. 4. Use of funds. Money distributed under this section is available only for design, engineering, construction, reconstruction, and maintenance of roads solely under the jurisdiction of the recipient.

Sec. 14. Minnesota Statutes 2024, section 168.002, subdivision 6, is amended to read:

Subd. 6. Dealer. "Dealer" means any person, firm, or corporation regularly engaged in the business of manufacturing, or selling, purchasing, and generally dealing in new and unused motor vehicles having an established place of business for the sale, trade, and display of new and unused motor vehicles and having in possession new and unused motor vehicles for the purposes of sale or trade. "Dealer" also includes any person, firm or corporation regularly engaged in the business of manufacturing or selling, purchasing, and generally dealing in new and unused motor vehicle bodies, chassis mounted or not, and having an established place of business for the sale, trade and display of such new and unused motor vehicle bodies, and having in possession new and unused motor vehicle bodies for the purposes of sale or trade. For the purposes of sections 168.27, subdivision 28; 168.33, subdivision 8a; 168.345; and 168.346, the commissioner may designate a motor vehicle dealer licensed under the laws of a contiguous state as a dealer or licensed dealer.

EFFECTIVE DATE. This section is effective October 1, 2025.

Sec. 15. Minnesota Statutes 2024, 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 registration tax is calculated as \$10 plus:

(1) for a vehicle initially registered in Minnesota prior to November 16, 2020, 1.54 percent of the manufacturer's suggested retail price of the vehicle and the destination charge, subject to the adjustments in paragraphs (e) and (f); or

(2) for a vehicle initially registered in Minnesota on or after November 16, 2020, 1.575 percent of the manufacturer's suggested retail price of the vehicle, subject to the adjustments in paragraphs (e) and (f).

(b) The registration tax calculation must not include the cost of each accessory or item of optional equipment separately added to the vehicle and the manufacturer's suggested retail price. The registration tax calculation must not include a destination charge, except for a vehicle previously registered in Minnesota prior to November 16, 2020.

(c) The registrar must determine the manufacturer's suggested retail price:

(1) using list price information published by the manufacturer or any nationally recognized firm or association compiling such data for the automotive industry;

(2) if a dealer does not determine the amount, using the retail price label as provided by the manufacturer under United States Code, title 15, section 1232; or

(3) if the retail price label is not available, using the actual sales price of the vehicle.

If the registrar is unable to ascertain the manufacturer's suggested retail price of any registered vehicle in the foregoing manner, the registrar may use any other available source or method.

(d) The registrar must calculate the registration tax using information available to dealers and deputy registrars at the time the initial application for registration is submitted.

(e) The amount under paragraph (a), clauses (1) and (2), must be calculated based on a percentage of the manufacturer's suggested retail price, as follows:

(1) during the first year of vehicle life, upon 100 percent of the price;

(2) for the second year, 95 percent of the price;

(3) for the third year, 90 percent of the price;

(4) for the fourth year, 80 percent of the price;

(5) for the fifth year, 70 percent of the price;

(6) for the sixth year, 60 percent of the price;

(7) for the seventh year, 50 percent of the price;

(8) for the eighth year, 40 percent of the price;

(9) for the ninth year, 25 percent of the price; and

(10) for the tenth year, ten percent of the price.

(f) For the 11th and each succeeding year, the amount under paragraph (a), clauses (1) and (2), must be calculated as \$20.

(g) Except as provided in subdivision 23, for any vehicle previously registered in Minnesota and regardless of prior ownership, the total amount due under this subdivision ~~and subdivision 1m~~ must not exceed the smallest total amount 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, 2026.

Sec. 16. Minnesota Statutes 2024, section 168.013, subdivision 1m, is amended to read:

Subd. 1m. **Electric vehicle.** ~~In addition to the tax under subdivision 1a,~~ (a) A surcharge ~~of \$75 as~~ provided in paragraph (b) or (c) is imposed for an all-electric vehicle, as defined in section 169.011, subdivision 1a. The surcharge is in addition to the tax under subdivision 1a.

(b) The surcharge is calculated as the greater of the minimum amount specified in paragraph (c) or:

(1) 0.5 percent of the manufacturer's suggested retail price, as determined under subdivision 1a, paragraph (c); multiplied by

(2) the percentage specified under subdivision 1a, paragraph (e), clauses (1) to (10), for the vehicle's year of life, or ten percent for a vehicle in its 11th and each succeeding year of life.

(c) The minimum amount is:

(1) \$150 for a registration period beginning on or after January 1, 2026, and on or before June 30, 2027;
or

(2) \$100 for a registration period beginning on or after July 1, 2027.

(d) Notwithstanding subdivision 8, revenue from the fee imposed collected 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 taxes payable for a registration period beginning on or after January 1, 2026.

Sec. 17. Minnesota Statutes 2024, section 168.013, is amended by adding a subdivision to read:

Subd. 1n. **Plug-in hybrid electric vehicle.** (a) A surcharge as provided in paragraph (b) or (c) is imposed for a plug-in hybrid electric vehicle, as defined in section 169.011, subdivision 54a. The surcharge is in addition to the tax under subdivision 1a.

(b) The surcharge is calculated as the greater of the minimum amount specified under paragraph (c) or:

(1) 0.25 percent of the manufacturer's suggested retail price, as determined under subdivision 1a, paragraph (c); multiplied by

(2) the percentage specified under subdivision 1a, paragraph (e), clauses (1) to (10), for the vehicle's year of life, or ten percent for a vehicle in its 11th and each succeeding year of life.

(c) The minimum amount is:

(1) \$75 for a registration period beginning on or after January 1, 2026, and on or before June 30, 2027;
or

(2) \$50 for a registration period beginning on or after July 1, 2027.

(d) Notwithstanding subdivision 8, revenue collected 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 taxes payable for a registration period beginning on or after January 1, 2026.

Sec. 18. Minnesota Statutes 2024, section 168.091, is amended to read:

168.091 ~~31-DAY~~ 60-DAY TEMPORARY VEHICLE PERMIT.

Subdivision 1. **Nonresident buyer.** (a) Upon payment of a fee of \$1, the commissioner may issue a permit to a nonresident purchasing a vehicle in this state for the sole purpose of allowing the vehicle to be removed from this state.

(b) The permit is in lieu of any other registration or taxation for use of the highways and is valid for a period of ~~31~~ 60 days from the date of sale, trade, or gift.

(c) The permit must be available in an electronic format as determined by the commissioner.

(d) If the sale, gift, or trade information is electronically transmitted to the commissioner by a dealer or deputy registrar of motor vehicles, the \$1 fee is waived.

(e) The permit must be affixed to the rear of the vehicle where it is plainly visible. Each permit is valid only for the vehicle for which the permit was issued.

Subd. 2. **Dealer.** The registrar may issue permits to licensed dealers upon payment of the proper fee for each permit.

Subd. 3. **Proceeds to highway user fund.** All payments received for such permits ~~shall~~ must be paid into the state treasury and credited to the highway user tax distribution fund.

EFFECTIVE DATE. This section is effective October 1, 2025, for permits issued on or after that date.

Sec. 19. **[168.1289] RENTAL MOTOR VEHICLE PLATES.**

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

(b) "Auto rental company" means a corporation, partnership, individual, or other person that is engaged primarily in the renting of at least 50 rental motor vehicles at per diem rates.

(c) "Rental motor vehicle" means a passenger automobile, noncommercial one-ton pickup truck, motorcycle, motorized bicycle, or recreational vehicle made available for rental by an auto rental company.

Subd. 2. **Issuance of plates.** (a) An auto rental company may, but is not required to, apply for rental motor vehicle plates under this section.

(b) Upon proper application, the commissioner must issue rental motor vehicle plates or a single motorcycle plate to an auto rental company that:

(1) is a registered owner of a rental motor vehicle;

(2) pays license plate fees under section 168.12, subdivision 5, for each set of plates for each rental motor vehicle, along with any other fees required by this chapter;

(3) pays the registration tax for each rental motor vehicle as required under section 168.013;

(4) pays the fees required under this chapter; and

(5) complies with section 168.017 and rules governing registration of rental motor vehicles.

(c) Rental motor vehicle plates issued under this section are issued for a seven-year period and must be replaced as required under section 168.12, subdivision 1, paragraph (f), clause (2), except that rental motor vehicle plates issued for a motorcycle or motorized bicycle are for the life of the vehicle.

(d) Each set of rental motor vehicle plates issued under this section is only valid if the plates are registered to a single rental motor vehicle.

Subd. 3. **Design.** The commissioner must adopt a suitable plate design that includes the phrase "RENTAL MOTOR VEHICLE."

Subd. 4. **Plates transfer.** (a) On application to the commissioner and payment of a transfer fee of \$5 for each set of plates, rental motor vehicle plates may be transferred to another qualified rental motor vehicle that is registered to the same auto rental company to which the rental motor vehicle plates were originally issued.

(b) A deputy registrar who collects the \$5 transfer fee under paragraph (a) must retain the fee.

(c) Rental motor vehicle plates issued under this section must be removed from the rental motor vehicle if the vehicle is held for resale under section 168A.11.

Subd. 5. **Exemptions.** (a) Rental motor vehicle plates issued under this section are not subject to section 168.1293, subdivision 2.

(b) Notwithstanding sections 168.09, subdivision 4, and 169.79, subdivision 8, rental motor vehicle plates issued under this section are not required to display validation stickers issued pursuant to section 168.12, subdivision 1.

Subd. 6. **Application.** This section applies on the earlier of July 1, 2026, or the date the commissioner makes rental motor vehicle plates available.

Sec. 20. Minnesota Statutes 2024, section 168.27, subdivision 8, is amended to read:

Subd. 8. **Exemptions.** (a) Salespeople and other employees of licensed dealers under this section are not required to obtain individual licenses. For purposes of this subdivision, independent contractors are not employees.

(b) Isolated or occasional sales or leases of new or used motor vehicles are exempt from this section. A person who makes only isolated or occasional sales or leases is not required to be licensed under this section, is not considered to be in the business of selling or leasing motor vehicles, and does not qualify to receive dealer plates under subdivision 16. "Isolated or occasional sales or leases" means: (1) the sale or lease of a motor vehicle with an actual cash value of \$1,000 or less made by a charitable organization; (2) the sale, purchase, or lease of not more than five motor vehicles in a 12-month period, other than pioneer or classic motor vehicles as defined in section 168.10, subdivisions 1a and 1b₂; or (3) sales by a licensed auctioneer selling motor vehicles at an auction if, in the ordinary course of the auctioneer's business, the sale of motor vehicles is incidental to the sale of other real or personal property. For purposes of this subdivision, charitable organization means a nonprofit charitable organization that qualifies for tax exemption under section 501(c)(3) of the Internal Revenue Code.

(c) A person whose sales of new and used motor vehicles consist solely of sales to political subdivisions and their agencies of vehicles used solely as firefighting equipment is not required to obtain a license under this section. The person may apply for and receive in-transit plates under subdivision 17 in the same manner as licensed motor vehicle dealers for the purpose of allowing firefighting equipment to be transported from the dealer's source of supply or other place of storage to the dealer's place of business, to another place of storage, or directly to the purchaser.

EFFECTIVE DATE. This section is effective January 1, 2026.

Sec. 21. Minnesota Statutes 2024, section 168.27, subdivision 11, is amended to read:

Subd. 11. **Dealers' licenses; location change notice; fee.** (a) Application for a dealer's license or notification of a change of location of the place of business on a dealer's license must include a street address, not a post office box, and is subject to the commissioner's approval.

(b) Upon the filing of an application for a dealer's license and the proper fee, unless the application on its face appears to be invalid, the commissioner ~~shall~~ must grant a 90-day temporary license. During the 90-day period following issuance of the temporary license, the commissioner ~~shall~~ must inspect the place of business site and insure compliance with this section and rules adopted under this section.

(c) The commissioner may extend the temporary license 30 days to allow the temporarily licensed dealer to come into full compliance with this section and rules adopted under this section.

(d) In no more than 180 days following issuance of the temporary license, the dealer license must either be granted or denied.

(e) A license must be denied under the following conditions:

(1) if ~~within the previous ten years~~ the applicant was enjoined due to a violation of section 325F.69 or convicted of violating section 325E.14, 325E.15, 325E.16, or 325F.69, or convicted under section 609.53 of receiving or selling stolen vehicles, or convicted of violating United States Code, title 49, sections 32701 to 32711 or pleaded guilty, entered a plea of nolo contendere or no contest, or has been found guilty in a court of competent jurisdiction of any charge of failure to pay state or federal income or sales taxes or felony charge of forgery, embezzlement, obtaining money under false pretenses, theft by swindle, extortion, conspiracy to defraud, ~~or bribery, or similar offenses committed in another state;~~ or

(2) if the applicant has had a dealer license revoked within the previous ten years.

(f) A license may be denied if a dealer is not in compliance with location requirements under subdivision 10 or has intentionally misrepresented any information on the dealer license application that would be grounds for suspension or revocation under subdivision 12.

(g) If the application is approved, the commissioner ~~shall~~ must license the applicant as a dealer for one year from the date the temporary license is granted and issue a certificate of license that must include a distinguishing number of identification of the dealer. The license must be displayed in a prominent place in the dealer's licensed place of business.

(h) Each initial application for a license must be accompanied by a fee of \$100 in addition to the annual fee. The annual fee is \$150. The initial fees and annual fees must be paid into the state treasury and credited to the general fund except that \$50 of each initial and annual fee must be paid into the driver and vehicle services operating account under section 299A.705.

(i) An applicant for a dealer's license under this section must submit to a criminal history records check of state data completed by the Bureau of Criminal Apprehension and a national criminal history records check, including a search of the records of the Federal Bureau of Investigation. The results of the background check must be returned to the commissioner.

(j) An applicant for a dealer's license must consent to a fingerprint-based criminal history background check as required under paragraph (i), pay all required fees, and cooperate with all requests for information. An applicant must complete a new criminal history background check if more than one year has elapsed since the applicant last applied for a license.

(k) Section 13.87 applies to data collected, created, maintained, and disseminated under paragraphs (i) and (j).

EFFECTIVE DATE. This section is effective January 1, 2026.

Sec. 22. Minnesota Statutes 2024, section 168.27, subdivision 16, is amended to read:

Subd. 16. **Dealer plates: distinguishing number, fee, tax, use.** (a) The registrar ~~shall~~ must issue to every motor vehicle dealer, upon a request from the motor vehicle dealer licensed as provided in subdivision 2 or 3, one or more plates displaying a general distinguishing number. This subdivision does not apply to a scrap metal processor, a used vehicle parts dealer, or a vehicle salvage pool.

(b) At any point in time, a dealer must not possess more than 50 plates issued under this subdivision.

(c) The fee for each of the first four plates is \$75 per registration year, of which \$60 must be paid to the registrar and the remaining \$15 is payable as sales tax on motor vehicles under section 297B.035. For each additional plate, the dealer ~~shall~~ must pay the registrar a fee of \$25 and a sales tax on motor vehicles of \$15 per registration year. The registrar ~~shall~~ must deposit the tax in the state treasury to be credited as provided in section 297B.09. Replacement plates are subject to the fees in section 168.12.

(d) Motor vehicles, new or used, owned by the motor vehicle dealership and bearing the number plate, except vehicles leased to the user who is not an employee of the dealer during the term of the lease, held for hire, or used by the dealer as a tow truck, service truck, or parts vehicle, may be driven upon the streets and highways of this state:

(1) by the motor vehicle dealer or dealer's spouse, or any full-time employee of the motor vehicle dealer for either private or business purposes;

(2) by a part-time employee when the use is directly related to a particular business transaction of the dealer;

(3) for use as a courtesy vehicle provided to a customer of the dealership while the customer's vehicle is being repaired;

(4) for demonstration purposes by any prospective buyer for a period of ~~48 hours or in the case of a truck, truck tractor, or semitrailer, for a period of seven~~ 14 days; or

~~(4)~~ (5) in a promotional event that lasts no longer than four days in which at least three motor vehicles are involved.

~~(b)~~ (e) A new or used motor vehicle sold by the motor vehicle dealer and bearing the motor vehicle dealer's number plate may be driven upon the public streets and highways for a period of 72 hours by the buyer for either of the following purposes: (1) removing the vehicle from this state for registration in another

state; or (2) permitting the buyer to use the motor vehicle before the buyer receives number plates pursuant to registration. Use of a motor vehicle by the buyer under clause (2) before the buyer receives number plates pursuant to registration constitutes a use of the public streets or highways for the purpose of the time requirements for registration of motor vehicles. The requirements under this paragraph do not apply to a courtesy vehicle used as provided under paragraph (d), clause (3).

(f) A vehicle displaying a dealer plate issued under this subdivision must carry written documentation within the vehicle that includes:

(1) a valid driver's license;

(2) proof of insurance;

(3) the reason for use; and

(4) if the vehicle is for use as a courtesy vehicle under paragraph (d), clause (3), a courtesy vehicle user agreement that includes a list of authorized drivers for the vehicle and their driver's license numbers and the start and end dates of use.

(g) For purposes of this subdivision, "courtesy vehicle" means a passenger-class motor vehicle that a motor vehicle dealer temporarily provides at no or minimal cost to customers for customer service or mobility purposes while the customer's vehicle is serviced, repaired, or maintained.

Sec. 23. Minnesota Statutes 2024, section 168.27, subdivision 22, is amended to read:

Subd. 22. **Dealer license for trailers, motorized bicycles; plates, fees; exemptions.** (a) Any person, copartnership, or corporation having a permanent enclosed commercial building or structure either owned in fee or leased and engaged in the business, either exclusively or in addition to any other occupation, of selling motorized bicycles, boat trailers, horse trailers, or snowmobile trailers, may apply to the registrar for a dealer's license. Upon payment of a \$10 fee the registrar ~~shall~~ must license the applicant as a dealer for the remainder of the calendar year in which the application was received. The license may be renewed on or before the second day of January of each succeeding year by payment of a fee of \$10.

(b) The registrar ~~shall~~ must issue to each dealer, upon request of the dealer, up to 50 dealer plates as provided in subdivision 16 upon payment of \$5 for each plate, ~~and~~. The plates may be used in the same manner and for the same purposes as is provided in subdivision 16. Except for motorized bicycle dealers, the registrar ~~shall~~ must also issue to the dealer, upon request of the dealer, "in-transit" plates as provided in subdivision 17 upon payment of a fee of \$5 for each plate.

(c) This subdivision does not abrogate any of the provisions of this section relating to the duties, responsibilities, and requirements of persons, copartnerships, or corporations engaged in the business, either exclusively or in addition to other occupations, of selling motor vehicles or manufactured homes, except that a seller of boat trailers, utility trailers, or snowmobile trailers who is licensed under this subdivision is not required to have a contract or franchise with a manufacturer or distributor of new boat trailers, utility trailers, or new snowmobile trailers the seller proposes to sell, broker, wholesale, or auction. This section does not require a manufacturer of snowmobile trailers whose manufacturing facility is located outside of the metropolitan area as defined in section 473.121 to have a dealer's license to transport the snowmobile trailers to dealers or retail outlets in the state.

Sec. 24. Minnesota Statutes 2024, section 168.33, is amended by adding a subdivision to read:

Subd. 7a. **Reimbursements.** (a) The commissioner must issue payment to a deputy registrar as follows:

(1) \$2 for paying an account balance;

(2) \$4 for the following transactions:

(i) updating a vehicle's address or the county in which the vehicle is kept;

(ii) changing or verifying an address related to the International Registration Plan or the International Fuel Tax Agreement;

(iii) updating contact information for the International Registration Plan or the International Fuel Tax Agreement;

(iv) processing a vehicle that has been sold, donated, or removed from the state; and

(v) marking a vehicle as junked;

(3) \$8 for the following transactions:

(i) changing a customer's personal identification number;

(ii) adding or removing liens for veterans with a total service-connected disability;

(iii) providing a duplicate title;

(iv) issuing International Fuel Tax Agreement decals;

(v) managing an International Fuel Tax Agreement license; and

(vi) administrative review requests; and

(4) an amount that equals the fee established under subdivision 7, paragraph (a), clause (2), for the following transactions:

(i) vehicle renewal for veterans with a total service-connected disability;

(ii) plate change for veterans with a total service-connected disability;

(iii) correcting or changing title and vehicle details;

(iv) issuing a new disability parking certificate;

(v) new title and registration for veterans with a total service-connected disability;

(vi) transferring title and registration for veterans with a total service-connected disability; and

(vii) replacing plates, stickers, or registration cards.

(b) The following transactions for which no filing fee under subdivision 7 is collected are not eligible for payment of any kind:

(1) collection of another fee type, including but not limited to a record request fee or a fast track fee;

(2) voluntary waiver of a fee by the deputy registrar; and

(3) ancillary to a transaction for which a filing fee may be imposed.

(c) If the amount appropriated for payments under this subdivision is insufficient, the commissioner must prorate the payments.

EFFECTIVE DATE. This section is effective August 1, 2025.

Sec. 25. Minnesota Statutes 2024, section 168A.11, subdivision 1, is amended to read:

Subdivision 1. **Requirements upon subsequent transfer; service fee.** (a) A dealer who buys a vehicle and holds it for resale need not apply for a certificate of title. Upon transferring the vehicle to another person, other than by the creation of a security interest, the dealer must promptly execute the assignment and warranty of title by a dealer, showing the names and addresses of the transferee and of any secured party holding a security interest created or reserved at the time of the resale, and the date of the security agreement in the spaces provided on the certificate of title or secure reassignment.

(b) If a dealer elects to apply for a certificate of title on a vehicle held for resale, the dealer need not register the vehicle but must pay one month's registration tax. If a dealer elects to apply for a certificate of title on a vehicle held for resale, the commissioner must not place any legend on the title that no motor vehicle sales tax was paid by the dealer but may indicate on the title whether the vehicle is a new or used vehicle.

(c) With respect to motor vehicles subject to the provisions of section 325E.15, the dealer must also, in the space provided on the certificate of title or secure reassignment, state the true cumulative mileage registered on the odometer or that the exact mileage is unknown if the odometer reading is known by the transferor to be different from the true mileage.

(d) The transferee must complete the application for title section on the certificate of title or separate title application form prescribed by the commissioner. The dealer must mail or deliver the certificate to the commissioner or deputy registrar with the transferee's application for a new certificate and appropriate taxes and fees, within the period specified under section 168A.10, subdivision 2.

(e) With respect to vehicles sold to buyers who will remove the vehicle from this state, the dealer must remove any license plates from the vehicle, issue a ~~31-day~~ 60-day temporary permit pursuant to section 168.091, and notify the commissioner within 48 hours of the sale that the vehicle has been removed from this state. The notification must be made in an electronic format prescribed by the commissioner. The dealer may contract with a deputy registrar for the notification of sale to an out-of-state buyer. The deputy registrar may charge a fee of \$7 per transaction to provide this service.

EFFECTIVE DATE. This section is effective October 1, 2025, for permits issued on or after that date.

Sec. 26. **[168A.1502] INSURER APPLICATION FOR TITLE.**

Subdivision 1. **Authorization.** When an insurer licensed to conduct business in Minnesota acquires ownership of a vehicle through payment of damages and the owner fails to deliver the vehicle's title to the insurer within 15 days of payment of the claim, the insurer or a designated agent may apply to the commissioner for a certificate of title as provided in this section. This section only applies to vehicles with a title issued by this state.

Subd. 2. **Notice.** At least 15 days prior to applying for a certificate of title under this section, the insurer or a designated agent must notify the owner and any lienholders of record of the insurer's intent to apply for

a title. The notice must be sent to the last known address of the owner and any lienholders by certified mail or by a commercial delivery service that provides evidence of delivery.

Subd. 3. **Application; issuance.** (a) At least 15 days after notifying the owner and any lienholders under subdivision 2, the insurer may apply for a certificate of title from the commissioner. The application must attest that the insurer or a designated agent:

(1) paid the claim;

(2) requested the title or other necessary transfer documents from the owner; and

(3) provided notice to the owner and any lienholders as required under subdivision 2.

(b) If the insurer or a designated agent does not attest to completing the requirements under paragraph (a), clauses (1) to (3), the commissioner must reject the application.

(c) Notwithstanding any outstanding liens, upon proper application and payment of applicable fees, the commissioner must issue a certificate of title in the name of the insurer. Issuance of a certificate of title extinguishes all existing liens against the vehicle. If the vehicle is sold, the insurer or a designated agent must assign the title to the buyer, and the vehicle is transferred without any liens.

EFFECTIVE DATE. This section is effective September 1, 2025.

Sec. 27. [168A.1503] REQUIREMENTS UPON UNPAID INSURANCE VEHICLE CLAIM.

Subdivision 1. **Definition.** For purposes of this section, "salvage vehicle auction company" or "auction company" means a business, organization, or individual that sells salvage vehicles on behalf of insurers.

Subd. 2. **Notice to auction company.** (a) If an insurance company licensed to conduct business in Minnesota requests an auction company to take possession of a salvage vehicle that is subject to an insurance claim and the insurance company does not subsequently take ownership of the vehicle, the insurance company may direct the auction company to release the vehicle to the owner or lienholder.

(b) The insurance company must provide the auction company notice by commercial delivery service, email, or a proprietary electronic system accessible by both the insurance company and the auction company authorizing the auction company to release the vehicle to the vehicle's owner or lienholder.

Subd. 3. **Notice to owner or lienholder.** (a) Upon receiving notice from an insurance company under subdivision 2, the auction company must send two notices a minimum of 14 days apart to the owner of the vehicle and any lienholders stating that the vehicle is available to be recovered from the auction company within 30 days of the date the first notice was sent. Each notice must include an invoice for any outstanding charges owed to the auction company that must be paid before the vehicle may be recovered.

(b) Notice under this subdivision must be sent to the address of the owner and any lienholder on record with the commissioner by certified mail or a commercially available delivery service that provides proof of delivery.

Subd. 4. **Vehicle deemed abandoned.** (a) If the owner or any lienholder does not recover the vehicle within 30 days of the date on which the first notice was sent under subdivision 3:

(1) the vehicle is considered abandoned;

(2) the vehicle's certificate of title is deemed assigned to the auction company; and

(3) without surrendering the certificate of title, the auction company may request, on a form provided by the commissioner, that the commissioner issue a certificate of title that is free of liens.

(b) A request under paragraph (a) must be accompanied by a copy of (1) the notice sent by the insurance company required under subdivision 2, and (2) evidence of delivery of the notices sent to the owner and any lienholders required under subdivision 3 or evidence that the notices were undeliverable.

(c) Notwithstanding any outstanding liens against the vehicle, upon proper application and receipt of any fees charged under section 168A.29, the commissioner must issue a certificate of title that is free of liens to the auction company in possession of the vehicle.

EFFECTIVE DATE. This section is effective September 1, 2025.

Sec. 28. Minnesota Statutes 2024, section 168E.01, is amended by adding a subdivision to read:

Subd. 8a. **Fuel products.** "Fuel products" means liquefied natural gas or liquefied petroleum gas, as defined in section 296A.01, subdivisions 30 and 31.

EFFECTIVE DATE. This section is effective the day following final enactment for retail deliveries made after June 30, 2025.

Sec. 29. Minnesota Statutes 2024, section 168E.01, is amended by adding a subdivision to read:

Subd. 15a. **Road construction materials.** "Road construction materials" has the meaning given in section 169.869, subdivision 1.

EFFECTIVE DATE. This section is effective the day following final enactment for retail deliveries made after June 30, 2025.

Sec. 30. Minnesota Statutes 2024, section 168E.05, subdivision 1, is amended to read:

Subdivision 1. **Transactions.** The following retail deliveries are exempt from the fee imposed by this chapter:

- (1) a retail delivery to a purchaser who is exempt from tax under chapter 297A;
- (2) a retail delivery on a motor vehicle for which a permit issued by the commissioner of transportation or a road authority is required under chapter 169 or 221 and the retailer has maintained books and records through reasonable and verifiable standards that the retail delivery was on a qualifying vehicle;
- (3) a retail delivery resulting from a retail sale of food and food ingredients or prepared food;
- (4) a retail delivery resulting from a retail sale by a food and beverage service establishment, regardless of whether the retail delivery is made by a third party other than the food and beverage service establishment;
~~and~~
- (5) a retail delivery resulting from a retail sale of drugs and medical devices, accessories and supplies, or baby products;
- (6) a retail delivery resulting from a retail sale of fuel products purchased by and delivered to a political subdivision or a trade or business; and

(7) a retail delivery resulting from a retail sale of road construction materials purchased by and delivered to a political subdivision or a trade or business.

EFFECTIVE DATE. This section is effective the day following final enactment for retail deliveries made after June 30, 2025.

Sec. 31. Minnesota Statutes 2024, section 169.011, subdivision 36, is amended to read:

Subd. 36. **Intersection.** ~~(a)~~ "Intersection" means the area embraced within the prolongation or connection of the lateral curb lines or, if none, then the lateral boundary lines of the roadways of two highways which join one another at, or approximately at, right angles or the area within which vehicles traveling upon different highways joining at any other angle may come in conflict.

~~(b) Where a highway includes two roadways 30 feet or more apart, then every crossing of each roadway of such divided highway by an intersecting highway shall be regarded as a separate intersection. In the event such intersecting highway also includes two roadways 30 feet or more apart, then every crossing of two roadways of such highways shall be regarded as a separate intersection.~~

Sec. 32. Minnesota Statutes 2024, section 169.06, subdivision 5, is amended to read:

Subd. 5. **Traffic-control signal.** (a) Whenever traffic is controlled by traffic-control signals exhibiting different colored lights, or colored lighted arrows, successively one at a time or in combination, only the colors Green, Red, and Yellow ~~shall~~ are permitted to be used, except for special pedestrian signals carrying a word or ~~legend~~ symbol. The traffic-control signal lights or colored lighted arrows indicate and apply to drivers of vehicles and pedestrians as follows:

(1) Green indication:

(i) Vehicular traffic facing a circular green signal may proceed straight through or turn right or left unless a sign prohibits either turn. But vehicular traffic, including vehicles turning right or left, ~~shall~~ must yield the right-of-way to other vehicles and to pedestrians lawfully within the intersection or adjacent crosswalk at the time this signal is exhibited. Vehicular traffic turning left or making a U-turn to the left ~~shall~~ must yield the right-of-way to other vehicles approaching from the opposite direction so closely as to constitute an immediate hazard.

(ii) Vehicular traffic facing a green arrow signal, shown alone or in combination with another indication, may cautiously enter the intersection only to make the movement indicated by the arrow, or other movement as permitted by other indications shown at the same time. Vehicular traffic ~~shall~~ must yield the right-of-way to pedestrians lawfully within an adjacent crosswalk and to other traffic lawfully using the intersection.

(iii) Unless otherwise directed by a pedestrian-control signal as provided in subdivision 6, pedestrians facing any green signal, except when the sole green signal is a turn arrow, may proceed across the roadway within any marked or unmarked crosswalk. Every driver of a vehicle ~~shall~~ must yield the right-of-way to such pedestrian, except that the pedestrian ~~shall~~ must yield the right-of-way to vehicles lawfully within the intersection at the time that the green signal indication is first shown.

(2) Steady yellow indication:

(i) Vehicular traffic facing a steady circular yellow or yellow arrow signal is thereby warned that the related green movement or flashing yellow movement is being terminated or that a red indication will be

exhibited immediately thereafter when vehicular traffic must not enter the intersection, except for the continued movement allowed by any green arrow indication simultaneously exhibited.

(ii) Pedestrians facing a circular yellow signal, unless otherwise directed by a pedestrian-control signal as provided in subdivision 6, are thereby advised that there is insufficient time to cross the roadway before a red indication is shown and ~~no~~ a pedestrian ~~shall~~ must not then start to cross the roadway.

(3) Steady red indication:

(i) Vehicular traffic facing a circular red signal alone must stop at a clearly marked stop line but, if none, before entering the crosswalk on the near side of the intersection or, if none, then before entering the intersection and ~~shall~~ must remain standing until a green indication is shown, except as follows:

(A) the driver of a vehicle stopped as close as practicable at the entrance to the crosswalk on the near side of the intersection or, if none, then at the entrance to the intersection in obedience to a red or stop signal, and with the intention of making a right turn may make the right turn, after stopping, unless an official sign has been erected prohibiting such movement, but ~~shall~~ must yield the right-of-way to pedestrians and other traffic lawfully proceeding as directed by the signal at that intersection; or

(B) the driver of a vehicle on a one-way street intersecting another one-way street on which traffic moves to the left ~~shall~~ must stop in obedience to a red or stop signal and may then make a left turn into the one-way street, unless an official sign has been erected prohibiting the movement, but ~~shall~~ must yield the right-of-way to pedestrians and other traffic lawfully proceeding as directed by the signal at that intersection.

(ii) Unless otherwise directed by a pedestrian-control signal as provided in subdivision 6, pedestrians facing a steady red signal alone ~~shall~~ must not enter the roadway.

(iii) Vehicular traffic facing a steady red arrow signal, with the intention of making a movement indicated by the arrow, must stop at a clearly marked stop line but, if none, before entering the crosswalk on the near side of the intersection or, if none, then before entering the intersection and must remain standing until a permissive signal indication permitting the movement indicated by the red arrow is displayed, except as follows: when an official sign has been erected permitting a turn on a red arrow signal, the vehicular traffic facing a red arrow signal indication is permitted to enter the intersection to turn right, or to turn left from a one-way street into a one-way street on which traffic moves to the left, after stopping, but must yield the right-of-way to pedestrians and other traffic lawfully proceeding as directed by the signal at that intersection.

(b) In the event an official traffic-control signal is erected and maintained at a place other than an intersection, the provisions of this section are applicable except those which can have no application. Any stop required must be made at a sign or marking on the pavement indicating where the stop must be made, but in the absence of any such sign or marking the stop must be made at the signal.

(c) When a traffic-control signal indication or indications placed to control a certain movement or lane are so identified by placing a sign near the indication or indications, no other traffic-control signal indication or indications within the intersection controls vehicular traffic for that movement or lane.

EFFECTIVE DATE. This section is effective August 1, 2025.

Sec. 33. Minnesota Statutes 2024, section 169.686, subdivision 1, is amended to read:

Subdivision 1. **Seat belt requirement.** (a) Except as provided in section 169.685, a properly adjusted and fastened seat belt, including both the shoulder and lap belt when the vehicle is so equipped, ~~shall~~ must be worn by the driver and passengers of a passenger vehicle, commercial motor vehicle, type III vehicle,

and type III Head Start vehicle. Notwithstanding the equipment exemption in section 169.685, subdivision 1, this paragraph applies to the driver and passengers of an autocycle equipped with seat belts. This paragraph applies to the operator and passengers of a class 2 all-terrain vehicle, as defined in section 84.92, subdivision 10, when operated on or within the right-of-way of a public road when the all-terrain vehicle is factory-equipped with seat belts.

(b) A person who is 15 years of age or older and who violates paragraph (a) is subject to a fine of \$25. The driver of the vehicle in which a violation occurs is subject to a \$25 fine for each violation of paragraph (a) by the driver or by a passenger under the age of 15, but the court may not impose more than one surcharge under section 357.021, subdivision 6, on the driver. The Department of Public Safety ~~shall~~ must not record a violation of this subdivision on a person's driving record.

(c) The driver of a bus is not subject to the fine under paragraph (b) for a violation of paragraph (a) by a passenger under the age of 15. This paragraph does not apply to: (1) a school bus, including a type III vehicle; and (2) a Head Start bus, including a type III Head Start vehicle.

EFFECTIVE DATE. This section is effective July 1, 2025, for violations committed on or after that date.

Sec. 34. Minnesota Statutes 2024, section 169.865, subdivision 1a, is amended to read:

Subd. 1a. **Definition.** For purposes of this section, "qualifying agricultural products" means:

(1) agricultural crops, including but not limited to corn, soybeans, oats, grain, and by-products of agricultural crops;

(2) livestock, including but not limited to cattle, hogs, and poultry;

(3) food crops, including but not limited to sugar beets, potatoes, carrots, and onions;

(4) fluid milk;

(5) seed and material used for or in livestock and poultry feed;

(6) livestock manure; ~~and~~

(7) raw or processed grass seed; and

(8) before January 1, 2031, crude soybean oil.

EFFECTIVE DATE. This section is effective January 1, 2026.

Sec. 35. Minnesota Statutes 2024, 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.

(d) A vehicle or combination of vehicles hauling crude soybean oil under this section may only be operated in this state to perform transportation between soybean processing facilities located in Mankato and Fairmont on:

(1) a route on a county highway or county state-aid highway as approved by the county;

(2) marked Trunk Highways 15, 30, and 60; and

(3) marked U.S. Highway 169.

EFFECTIVE DATE. This section is effective January 1, 2026.

Sec. 36. Minnesota Statutes 2024, section 169.974, subdivision 5, is amended to read:

Subd. 5. **Driving rules.** (a) An operator of a motorcycle must ride only upon a permanent and regular seat which is attached to the vehicle for that purpose. No other person may ride on a motorcycle, except that passengers may ride (1) upon a permanent and regular operator's seat if designed for two persons, (2) upon additional seats attached to or in the vehicle, or (3) in a sidecar attached to the vehicle. The operator of a motorcycle is prohibited from carrying passengers in a number in excess of the designed capacity of the motorcycle or sidecar attached to it. A passenger is prohibited from being carried in a position that interferes with the safe operation of the motorcycle or the view of the operator.

(b) No person may ride upon a motorcycle as a passenger unless the person can reach the footrests or floorboards with both feet.

(c) Except for passengers of sidecars, drivers and passengers of three-wheeled motorcycles, and persons in an autocycle, no person may operate or ride upon a motorcycle except while sitting astride the seat, facing forward, with one leg on either side of the motorcycle.

(d) No person may operate a motorcycle while carrying animals, packages, bundles, or other cargo that prevent the person from keeping both hands on the handlebars.

(e) Motorcycles may, with the consent of both drivers, be operated not more than two abreast in a single traffic lane if the vehicles fit safely within the designated space of the lane.

(f) Except under the conditions specified in paragraph (g), no person may operate a motorcycle:

- (1) between lanes of moving or stationary vehicles headed in the same direction of travel;
- (2) abreast of moving or stationary vehicles within the same traffic lane; or
- (3) to overtake or pass another vehicle within the same traffic lane.

(g) A person may operate a motorcycle and overtake and pass another vehicle in the same direction of travel and within the same traffic lane if the motorcycle is operated:

- (1) at not more than 25 miles per hour; and
- (2) no more than 15 miles per hour over the speed of traffic in the relevant traffic lanes.

(h) For the purposes of paragraph (g), traffic lane does not include:

- (1) the approach, drive-through, or exit of a roundabout;
- (2) a school zone established under section 169.14, subdivision 5a;
- (3) a work zone where only a single travel lane is available for use; or

(4) an on-ramp to a freeway or expressway with or without an active control device where moving or stationary vehicles are queued in one or more traffic lanes.

~~(h)~~ (i) Motor vehicles including motorcycles are entitled to the full use of a traffic lane and no motor vehicle may be driven or operated in a manner so as to deprive a motorcycle of the full use of a traffic lane.

~~(i)~~ (j) A person operating a motorcycle upon a roadway must be granted the rights and is subject to the duties applicable to a motor vehicle as provided by law, except as to those provisions which by their nature can have no application.

~~(j)~~ (k) Paragraphs (e) and (f) of this subdivision do not apply to police officers in the performance of their official duties.

~~(k)~~ (l) No person may operate a motorcycle on a street or highway unless the headlight or headlights are lighted at all times the motorcycle is so operated.

~~(l)~~ (m) A person parking a motorcycle on the roadway of a street or highway must:

- (1) if parking in a marked parking space, park the motorcycle completely within the marked space; and
- (2) park the motorcycle in such a way that the front of the motorcycle is pointed or angled toward the nearest lane of traffic to the extent practicable and necessary to allow the operator to (i) view any traffic in both directions of the street or highway without having to move the motorcycle into a lane of traffic and without losing balance or control of the motorcycle, and (ii) ride the motorcycle forward and directly into a lane of traffic when the lane is sufficiently clear of traffic.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 37. Minnesota Statutes 2024, section 171.01, is amended by adding a subdivision to read:

Subd. 45e. **Road test.** "Road test" means the actual physical demonstration of skills and ability to exercise ordinary and reasonable control in the operation of a motor vehicle. As appropriate, a road test includes demonstration of ability to perform an inspection of a vehicle and equipment.

Sec. 38. Minnesota Statutes 2024, section 171.01, is amended by adding a subdivision to read:

Subd. 52. **Work zone.** "Work zone" has the meaning given in section 169.011, subdivision 95.

Sec. 39. Minnesota Statutes 2024, section 171.05, subdivision 1, is amended to read:

Subdivision 1. **Person 18 or more years of age.** (a) Any person who is 18 or more years of age and who, except for a lack of instruction in operating a motor vehicle, would otherwise be qualified to obtain a class D driver's license under this chapter, may apply for an instruction permit, and the ~~department shall~~ commissioner must issue the permit. The instruction permit entitles the applicant to drive a motor vehicle for which a class D license is valid upon the highways for a period of two years if the permit holder:

(1) has the permit in immediate possession; and

(2) is driving the vehicle while accompanied by an adult licensed driver who is actually occupying a seat beside the driver.

(b) Any license of a lower class may be used as an instruction permit to operate a vehicle requiring a higher class license for a period of ~~six months~~ one year after passage of the written test or tests required for the higher class and when the licensee is accompanied by and receiving instruction from a holder of the appropriate higher class license. A copy of the record of examination taken for the higher class license must be carried by the driver while using the lower class license as an instruction permit.

Sec. 40. Minnesota Statutes 2024, section 171.0605, subdivision 2, is amended to read:

Subd. 2. **Evidence; identity; date of birth.** (a) Only the following is satisfactory evidence of an applicant's identity and date of birth under section 171.06, subdivision 3, paragraph (b):

(1) a driver's license or identification card that:

(i) complies with all requirements of the REAL ID Act;

(ii) is not designated as temporary or limited term; and

(iii) is current or has been expired for five years or less;

(2) a valid, unexpired United States passport, including a passport booklet or passport card, issued by the United States Department of State;

(3) a certified copy of a birth certificate issued by a government bureau of vital statistics or equivalent agency in the applicant's state of birth, which must bear the raised or authorized seal of the issuing government entity;

(4) a consular report of birth abroad, certification of report of birth, or certification of birth abroad, issued by the United States Department of State, Form FS-240, Form DS-1350, or Form FS-545;

(5) a valid, unexpired permanent resident card issued by the United States Department of Homeland Security or the former Immigration and Naturalization Service of the United States Department of Justice, Form I-551. If the Form I-551 validity period has been automatically extended by the United States Department of Homeland Security, it is deemed unexpired, regardless of the expiration date listed;

(6) a foreign passport with an unexpired temporary I-551 stamp or a temporary I-551 printed notation on a machine-readable immigrant visa with a United States Department of Homeland Security admission stamp within the validity period;

(7) a United States Department of Homeland Security Form I-94 or Form I-94A with a photograph and an unexpired temporary I-551 stamp;

(8) a United States Department of State Form DS-232 with a United States Department of Homeland Security admission stamp and validity period;

(9) a certificate of naturalization issued by the United States Department of Homeland Security, Form N-550 or Form N-570;

(10) a certificate of citizenship issued by the United States Department of Homeland Security, Form N-560 or Form N-561;

(11) an unexpired employment authorization document issued by the United States Department of Homeland Security, Form I-766 or Form I-688B. If the Form I-766 validity period has been automatically extended by the United States Department of Homeland Security, it is deemed unexpired, regardless of the expiration date listed;

(12) a valid, unexpired passport issued by a foreign country and a valid, unexpired United States visa accompanied by documentation of the applicant's most recent lawful admittance into the United States; or

(13) a document as designated by the United States Department of Homeland Security under Code of Federal Regulations, title 6, part 37.11 (c)(1)(x); or

~~(14) a copy of the applicant's certificate of marriage certified by the issuing government jurisdiction;~~

~~(15) a certified copy of a court order that specifies the applicant's name change; or~~

~~(16) a certified copy of a divorce decree or dissolution of marriage that specifies the applicant's name change, issued by a court.~~

(b) A document under paragraph (a) must be legible and unaltered.

Sec. 41. Minnesota Statutes 2024, section 171.0605, is amended by adding a subdivision to read:

Subd. 7. **Evidence of name change.** The following is satisfactory evidence of an applicant's name change:

(1) a copy of the applicant's certificate of marriage certified by the issuing government jurisdiction;

(2) a certified copy of a court order that specifies the applicant's name change; or

(3) a certified copy of a court-issued divorce decree or dissolution of marriage that specifies the applicant's name change.

Sec. 42. Minnesota Statutes 2024, section 171.061, is amended by adding a subdivision to read:

Subd. 4a. **Reimbursements.** (a) The commissioner must issue payment to a driver's license agent as follows:

(1) \$2 for paying an account balance;

(2) \$4 for the following transactions:

(i) correcting credentials for veterans with a total service-connected disability, homeless fee, and those with reduced-fee credentials; and

(ii) payment of reinstatement fees for veterans with a total service-connected disability and homeless youth;

(3) \$8 for the following transactions:

(i) changing a customer's personal identification number; and

(ii) mail-in application photograph renewal; and

(4) an amount that equals the fee established under subdivision 4, paragraph (a), clause (2), for the following transactions:

(i) addition of court order review;

(ii) paper temporary receipt of application permit for veterans with a total service-connected disability; and

(iii) issuing a credential for veterans with a total service-connected disability, homeless youth, and those with reduced-fee credentials.

(b) The following transactions for which no filing fee under subdivision 4 is collected are not eligible for payment of any kind:

(1) collection of another fee type, including but not limited to a record request fee or a fast track fee;

(2) voluntary waiver of a fee by the driver's license agent; and

(3) ancillary to a transaction for which a filing fee may be imposed.

(c) If the amount appropriated for payments under this subdivision is insufficient, the commissioner must prorate the payments.

EFFECTIVE DATE. This section is effective August 1, 2025.

Sec. 43. Minnesota Statutes 2024, section 171.0701, is amended by adding a subdivision to read:

Subd. 1c. **Driver education; work zone safety.** (a) The commissioner must adopt rules for persons enrolled in driver education programs offered at public schools, private schools, and commercial driver training schools to require inclusion of a section on work zone and road construction worker safety in the course of instruction. The instruction must include information on:

(1) safe speeds in work zones, including speeds when workers are present;

(2) the duties of a driver when encountering, entering, traveling through, and exiting a work zone;

(3) the dangers of distracted driving through work zones;

(4) the legal markings of a work zone, including flagging, traffic control devices, barrels, lights, or other signage that indicate the segment of street or highway under construction, reconstruction, or maintenance; and

(5) the safe merger into travel lanes when a lane is closed due to construction, reconstruction, or maintenance.

(b) This subdivision applies beginning on July 1, 2026.

Sec. 44. Minnesota Statutes 2024, section 171.0705, is amended by adding a subdivision to read:

Subd. 2a. **Driver's manual; work zone safety.** The commissioner must include in each edition of the driver's manual published by the department a section relating to work zone safety and road construction worker safety that, at a minimum, includes:

(1) traffic laws related to work zone safety, including work zone speed limits and the surcharge imposed for a person convicted of speeding in a work zone;

(2) commonly used work zone markings and traffic control devices;

(3) traffic laws related to distracted driving, with an emphasis on the dangers of distracted driving in work zones; and

(4) lane merger benefits and best practices, including information on motorists safely merging from two lanes into a single lane of traffic when a lane is closed due to construction, reconstruction, or maintenance.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to each edition of the driver's manual published on or after that date.

Sec. 45. Minnesota Statutes 2024, section 171.071, subdivision 2, is amended to read:

Subd. 2. **Certain head wear permitted.** If an accident involving a head injury, serious illness, or treatment of the illness has resulted in hair loss or the need to maintain continuous coverage of the head or scalp with a medical covering by an applicant for a driver's license or identification card, the commissioner ~~shall~~ must permit the applicant to wear a hat or similar head wear or the covering in the photograph or electronically produced image. The hat, medically required covering, or head wear must be of an appropriate size and type to allow identification of the holder of the license or card and must not obscure the holder's face.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to images produced on or after that date.

Sec. 46. Minnesota Statutes 2024, section 171.13, subdivision 1, is amended to read:

Subdivision 1. **Examination subjects and locations; provisions for color blindness, disabled veterans.** (a) Except as otherwise provided in this section, the commissioner must examine each applicant for a driver's license by such agency as the commissioner directs. This examination must include:

(1) a test of the applicant's eyesight, provided that this requirement is met by submission of a vision examination certificate under section 171.06, subdivision 7;

(2) a test of the applicant's ability to read and understand highway signs regulating, warning, and directing traffic;

(3) a test of the applicant's knowledge of:

(i) traffic laws;

(ii) the effects of alcohol and drugs on a driver's ability to operate a motor vehicle safely and legally, and of the legal penalties and financial consequences resulting from violations of laws prohibiting the operation of a motor vehicle while under the influence of alcohol or drugs;

(iii) railroad grade crossing safety;

(iv) slow-moving vehicle safety;

(v) laws relating to pupil transportation safety, including the significance of school bus lights, signals, stop arm, and passing a school bus;

(vi) traffic laws related to bicycles; ~~and~~

(vii) the circumstances and dangers of carbon monoxide poisoning; and

(viii) work zone and road construction worker safety, including work zone speed limits, work zone markings, vehicle operation requirements in work zones, and the dangers of distracted driving in work zones;

(4) an actual demonstration of ability to exercise ordinary and reasonable control in the operation of a motor vehicle; and

(5) other physical and mental examinations as the commissioner finds necessary to determine the applicant's fitness to operate a motor vehicle safely upon the highways.

(b) Notwithstanding paragraph (a), the commissioner must not deny an application for a driver's license based on the exclusive grounds that the applicant's eyesight is deficient in color perception or that the applicant has been diagnosed with diabetes mellitus. War veterans operating motor vehicles especially equipped for disabled persons, if otherwise entitled to a license, must be granted such license.

(c) The commissioner must ensure that an applicant may take an exam either in the county where the applicant resides or in an adjacent county at a reasonably convenient location. The schedule for each exam station must be posted on the department's website.

(d) The commissioner ~~shall~~ must ensure that an applicant is able to obtain an appointment for an examination to demonstrate ability under paragraph (a), clause (4), within 14 days of the applicant's request if, under the applicable statutes and rules of the commissioner, the applicant is eligible to take the examination.

(e) The commissioner must provide real-time information on the department's website about the availability and location of exam appointments. The website must show the next available exam dates and times for each exam station. The website must also provide an option for a person to enter an address to see the date and time of the next available exam at each exam station sorted by distance from the address provided.

(f) The requirements under paragraph (a), clause (3), item (viii), apply on January 1, 2027, for examinations administered on or after that date.

Sec. 47. Minnesota Statutes 2024, section 171.13, subdivision 7, is amended to read:

Subd. 7. **Examination fees.** (a) A fee of \$10 must be paid by an individual to take a third and any subsequent knowledge test administered by the department if the individual has failed two previous consecutive knowledge tests on the subject.

(b) A fee of \$20 must be paid by an individual to take a third and any subsequent skills or road test administered by the department if the individual has previously failed two consecutive skill or road tests in a specified class of motor vehicle.

(c) A fee of ~~\$20~~ \$40 must be paid by an individual who fails to appear for a scheduled ~~skills or~~ road test or who cancels a ~~skills or~~ road test ~~within less than 24 hours of~~ before the appointment time. A fee of \$20 must be paid by an individual who cancels a scheduled road test between 24 hours and 72 hours before the appointment time.

(d) All fees received under this subdivision must be paid into the state treasury and credited to the driver and vehicle services operating account under section 299A.705.

EFFECTIVE DATE. This section is effective August 1, 2025, and applies to cancellations and failures to appear on or after that date.

Sec. 48. Minnesota Statutes 2024, section 171.13, subdivision 8, is amended to read:

Subd. 8. **Test scheduling.** The commissioner must not schedule or reserve recurring time with a public, private, or commercial driver education program for purposes of administering ~~skills or~~ road tests to a class D ~~or commercial~~ driver's license applicant.

Sec. 49. Minnesota Statutes 2024, section 171.17, subdivision 1, is amended to read:

Subdivision 1. **Offenses.** (a) ~~The department shall~~ commissioner must immediately revoke the license of a driver upon receiving a record of the driver's conviction of:

(1) manslaughter resulting from the operation of a motor vehicle ~~or~~ under section 609.20 or 609.205;

(2) criminal vehicular homicide or injury under section 609.2112, 609.2113, or 609.2114, or Minnesota Statutes 2012, section 609.21;

~~(2)~~ (3) a violation of section 169A.20 or 609.487;

~~(3)~~ (4) a felony in the commission of which a motor vehicle was used;

~~(4)~~ (5) failure to stop and disclose identity and render aid, as required under section 169.09, in the event of a motor vehicle accident, resulting in the death or personal injury of another;

~~(5)~~ (6) perjury or the making of a false affidavit or statement to the ~~department~~ commissioner under any law relating to the application, ownership, or operation of a motor vehicle, including on the certification required under section 171.05, subdivision 2, paragraph (a), clause (1), item (ii), subitem (C), to issue an instruction permit to a homeschool student;

~~(6)~~ (7) except as this section otherwise provides, three charges of violating within a period of 12 months any of the provisions of chapter 169 or of the rules or municipal ordinances enacted in conformance with chapter 169, for which the accused may be punished upon conviction by imprisonment;

~~(7)~~ (8) two or more violations, within five years, of the misdemeanor offense described in section 169.444, subdivision 2, paragraph (a);

~~(8)~~ (9) the gross misdemeanor offense described in section 169.444, subdivision 2, paragraph (b);

~~(9)~~ (10) an offense in another state that, if committed in this state, would be grounds for revoking the driver's license; or

~~(10)~~ (11) a violation of an applicable speed limit by a person driving in excess of 100 miles per hour. The person's license must be revoked for six months for a violation of this clause, or for a longer minimum period of time applicable under section 169A.53, 169A.54, or 171.174.

(b) The ~~department shall~~ commissioner must immediately revoke the school bus endorsement of a driver upon receiving a record of the driver's conviction of the misdemeanor offense described in section 169.443, subdivision 7.

Sec. 50. Minnesota Statutes 2024, section 171.2405, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** (a) A city or county may establish a license reinstatement diversion program for holders of class D drivers' licenses who have been charged with violating section 171.24, subdivision 1 or 2. An individual charged with driving after revocation under section 171.24, subdivision 2, is eligible for diversion only if the revocation was due to a violation of section 169.791; 169.797; 169A.52; 169A.54; 171.17, subdivision 1, paragraph (a), clause ~~(6)~~ (7); or 171.177. An individual who is a holder of a commercial driver's license or who has committed an offense in a commercial motor vehicle is not eligible to participate in the diversion program. Nothing in this section authorizes the issuance of a driver's license to a diversion program participant during the underlying suspension or revocation period at issue in the violation of section 171.24, subdivision 1 or 2.

(b) Notwithstanding any law or ordinance to the contrary, a city or county may contract with a third party to create and administer the diversion program under this section. Any participating city or county, at its own expense, may request an audit of the administrator.

(c) For purposes of this section, "administrator" means the city, county, or administrator of the program.

Sec. 51. Minnesota Statutes 2024, section 171.301, subdivision 1, as amended by Laws 2025, chapter 20, section 174, is amended to read:

Subdivision 1. **Conditions of issuance.** (a) The commissioner may issue a reintegration driver's license to any person:

(1) who is 18 years of age or older;

(2) who has been released from a period of at least 180 consecutive days of confinement or incarceration in:

(i) an adult correctional facility under the control of the commissioner of corrections or licensed by the commissioner of corrections under section 241.021;

(ii) a federal correctional facility for adults; or

(iii) an adult correctional facility operated under the control or supervision of any other state; and

(3) whose license has been suspended or revoked under the circumstances listed in section 171.30, subdivision 1, paragraph (a), clauses (1) to (4), for a violation that occurred before the individual was incarcerated for the period described in clause (2).

(b) If the person's driver's license or permit to drive has been revoked under section 169.792 or 169.797, the commissioner may only issue a reintegration driver's license to the person after the person has presented an insurance identification card, policy, or written statement indicating that the driver or owner has insurance coverage satisfactory to the commissioner.

(c) If the person's driver's license or permit to drive has been suspended under section 171.186, the commissioner may only issue a reintegration driver's license to the person after the commissioner receives notice of a court order provided pursuant to section 518A.65, paragraph (h), showing that the person's driver's license or operating privileges should no longer be suspended.

(d) If the person's driver's license has been revoked under section 171.17, subdivision 1, paragraph (a), clause (1) or (2), the commissioner may only issue a reintegration driver's license to the person after the person has completed the applicable revocation period.

(e) The commissioner must not issue a reintegration driver's license:

(1) to any person described in section 171.04, subdivision 1, clause (7), (8), (10), or (11);

(2) to any person described in section 169A.55, subdivision 5;

(3) if the person has committed a violation after the person was released from custody that results in the suspension, revocation, or cancellation of a driver's license, including suspension for nonpayment of child support or maintenance payments as described in section 171.186, subdivision 1; or

(4) if the issuance would conflict with the requirements of the nonresident violator compact.

(f) The commissioner must not issue a class A, class B, or class C reintegration driver's license.

Sec. 52. Minnesota Statutes 2024, section 171.301, subdivision 5, is amended to read:

Subd. 5. **Expiration.** A reintegration driver's license expires ~~15~~ 24 months from the date of issuance of the license. A reintegration driver's license may not be renewed.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to reintegration licenses issued on or after that date.

Sec. 53. Minnesota Statutes 2024, section 171.301, subdivision 6, is amended to read:

Subd. 6. **Issuance of regular driver's license.** (a) Notwithstanding any statute or rule to the contrary, the commissioner must issue a REAL ID-compliant or noncompliant license to a person who possesses a reintegration driver's license if:

(1) the person has possessed the reintegration driver's license for at least one full year;

(2) the reintegration driver's license has not been canceled under subdivision 4 and has not been expired for more than 90 days from the date under subdivision 5;

(3) the person meets the application requirements under section 171.06, including payment of the applicable fees, surcharge, and filing fee under sections 171.06, subdivisions 2 and 2a, and 171.061, subdivision 4; and

(4) issuance of the license does not conflict with the requirements of the nonresident violator compact.

(b) The commissioner must forgive any outstanding balance due on a reinstatement fee or surcharge under sections 171.20, subdivision 4, and 171.29, subdivision 2, for a person who is eligible and applies for a license under paragraph (a).

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

Sec. 54. Minnesota Statutes 2024, section 171.306, subdivision 1, as amended by Laws 2025, chapter 29, section 17, is amended to read:

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

(b) "Ignition interlock device" or "device" means equipment that is designed to measure breath alcohol concentration and to prevent a motor vehicle's ignition from being started by a person whose breath alcohol concentration measures 0.02 or higher on the equipment.

(c) "Location tracking capabilities" means the ability of an electronic or wireless device to identify and transmit its geographic location through the operation of the device.

(d) "Program participant" means a person who has qualified to take part in the ignition interlock program under this section, and whose driver's license has been:

(1) revoked, canceled, or denied under section 169A.52; 169A.54; 171.04, subdivision 1, clause (10); 171.17, subdivision 1, paragraph (a), clause ~~(9)~~ (10), for conviction of an offense in another state that would be grounds for revocation in this state under section 169A.54, subdivision 1; or 171.177; or

(2) revoked under section 171.17, subdivision 1, paragraph (a), clause ~~(1)~~ (2), or suspended under section 171.187, for a violation of section 609.2112, subdivision 1, paragraph (a), clause (2), item (i) or (iv), (3), or (4); 609.2113, subdivision 1, clause (2), item (i) or (iv), (3), or (4); subdivision 2, clause (2), item (i) or (iv), (3), or (4); or subdivision 3, clause (2), item (i) or (iv), (3), or (4); or 609.2114, subdivision 1, paragraph (a), clause (2), item (i) or (iv), (3), or (4); or subdivision 2, clause (2), item (i) or (iv), (3), or (4), resulting in bodily harm, substantial bodily harm, great bodily harm, or death.

(e) "Qualified prior impaired driving incident" has the meaning given in section 169A.03, subdivision 22.

Sec. 55. Minnesota Statutes 2024, section 171.306, subdivision 4, as amended by Laws 2025, chapter 29, section 19, is amended to read:

Subd. 4. **Issuance of restricted license.** (a) The commissioner shall issue a class D driver's license, subject to the applicable limitations and restrictions of this section, to a program participant who meets the requirements of this section and the program guidelines. Notwithstanding any law to the contrary, the commissioner must not require a program participant to pay the reinstatement fee and surcharge described in section 171.29, subdivision 2, before issuing a restricted license under this section. A program participant is not eligible for full reinstatement of driving privileges until the person pays the full reinstatement fee and

surcharge. The commissioner shall not issue a license unless the program participant has provided satisfactory proof that:

(1) a certified ignition interlock device has been installed on the participant's motor vehicle at an installation service center designated by the device's manufacturer; and

(2) the participant has insurance coverage on the vehicle equipped with the ignition interlock device. If the participant has previously been convicted of violating section 169.791, 169.793, or 169.797 or the participant's license has previously been suspended, revoked, or canceled under section 169.792 or 169.797, the commissioner shall require the participant to present an insurance identification card that is certified by the insurance company to be noncancelable for a period not to exceed 12 months.

(b) A license issued under authority of this section must contain a restriction prohibiting the program participant from driving, operating, or being in physical control of any motor vehicle not equipped with a functioning ignition interlock device certified by the commissioner. A participant may drive an employer-owned vehicle not equipped with an interlock device while in the normal course and scope of employment duties pursuant to the program guidelines established by the commissioner and with the employer's written consent.

(c) A program participant may apply for conditional reinstatement of the driver's license, subject to the ignition interlock restriction, if the program participant's driver's license was:

(1) revoked, canceled, or denied under section:

(i) 169A.52, subdivision 3, paragraph (a), or subdivision 4, paragraph (a);

(ii) 169A.54, subdivision 1;

(iii) 171.17, subdivision 1, paragraph (a), clause ~~(9)~~ (10), for conviction of an offense in another state that would be grounds for revocation in this state under section 169A.54, subdivision 1; or

(iv) 171.177, subdivision 4, paragraph (a), or subdivision 5, paragraph (a);

(2) revoked under section 171.17, subdivision 1, paragraph (a), clause ~~(1)~~ (2), for a violation of section:

(i) 609.2112, subdivision 1, paragraph (a), clause (2), item (i) or (iv), (3), or (4);

(ii) 609.2113, subdivision 1, clause (2), item (i) or (iv), (3), or (4); subdivision 2, clause (2), item (i) or (iv), (3), or (4); or subdivision 3, clause (2), item (i) or (iv), (3), or (4); or

(iii) 609.2114, subdivision 1, paragraph (a), clause (2), item (i) or (iv), (3), or (4); or subdivision 2, clause (2), item (i) or (iv), (3), or (4); or

(3) suspended under section 171.187, for a violation of section:

(i) 609.2112, subdivision 1, paragraph (a), clause (2), item (i) or (iv), (3), or (4);

(ii) 609.2113, subdivision 1, clause (2), item (i) or (iv), (3), or (4); subdivision 2, clause (2), item (i) or (iv), (3), or (4); or subdivision 3, clause (2), item (i) or (iv), (3), or (4); or

(iii) 609.2114, subdivision 1, paragraph (a), clause (2), item (i) or (iv), (3), or (4); or subdivision 2, clause (2), item (i) or (iv), (3), or (4).

(d) As a prerequisite to eligibility for eventual reinstatement of full driving privileges, a participant who either had one qualified prior impaired driving incident within the past 20 years, or two or more qualified

prior impaired driving incidents when the person's driver's license was revoked, canceled, or denied under the conditions described in paragraph (c), clause (1), or whose driver's license was revoked or suspended under the conditions described in paragraph (c), clause (2) or (3), and whose chemical use assessment recommended treatment or rehabilitation shall complete a licensed substance use disorder treatment or rehabilitation program. If the program participant's ignition interlock device subsequently registers a positive breath alcohol concentration of 0.02 or higher, the commissioner shall extend the time period that the participant must participate in the program until the participant has reached the required abstinence period described in section 171.178, subdivision 8.

(e) Notwithstanding any statute or rule to the contrary, the commissioner has authority to determine when a program participant is eligible for restoration of full driving privileges, except that the commissioner shall not reinstate full driving privileges until the program participant has met all applicable prerequisites for reinstatement under sections 169A.55 and 171.178 and until the program participant's device has registered no positive breath alcohol concentrations of 0.02 or higher during the preceding 90 days.

Sec. 56. Minnesota Statutes 2024, section 171.306, subdivision 8, is amended to read:

Subd. 8. **Rulemaking.** ~~In establishing~~ The commissioner must adopt the performance standards and certification process of subdivision 2, and the program guidelines of subdivision 3, as rules and any other rules necessary to implement this section, ~~the commissioner is subject to chapter 14.~~

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

Sec. 57. **[171.397] FLEXIBLE INSTRUCTION PERMITTED.**

A student may receive a combination of online driver's education instruction under section 171.396, teleconference driver's education instruction under section 171.395, and classroom instruction if:

(1) the instruction is from a single licensed or authorized driver's education provider;

(2) the curriculum content is identical between the online, teleconference, and in-person settings; and

(3) the driver's education provider is authorized by the commissioner to provide students at least two methods of classroom instruction under the requirements of this chapter and Minnesota Rules, chapter 7411, or successor rules.

EFFECTIVE DATE. This section is effective August 1, 2025, for driver's education instruction commenced on or after that date.

Sec. 58. **[174.065] CONSOLIDATED LOCAL TRANSPORTATION FINANCIALS REPORT.**

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

(b) "Funding source" means an applicable tax or revenue source received by a reporting unit under sections 174.49, subdivision 3, clause (1); 297A.9915, subdivision 4; 297A.993, subdivision 1; and 398A.04, subdivision 8.

(c) "Reporting unit" means a county, regional railroad authority, or other political subdivision that is specifically required to submit financial information under this section.

Subd. 2. **Consolidated report.** (a) By March 1 annually, the commissioner must submit a report on consolidated local transportation financials to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance and policy.

(b) At a minimum, the report must include:

(1) the information specified under subdivision 3 for each funding source;

(2) additional information as specified under section 174.49, subdivision 7;

(3) subtotals for each reporting unit that is required to submit financial information under this section; and

(4) totals for all reporting units.

(c) The commissioner may establish submission requirements for the financial information, which may include but is not limited to a submission deadline and a format for the fiscal details.

Subd. 3. **Required financial information.** (a) At a minimum, each reporting unit must submit financial information on each funding source that includes:

(1) actual allocations or collections to the reporting unit for each of the previous five calendar years;

(2) balance actuals for each of the previous five calendar years;

(3) estimates of the amount that is expected to be allocated to or collected by the reporting unit in the current year and for the next five calendar years; and

(4) for each of the previous five calendar years, the current calendar year, and for the next five calendar years:

(i) the amount expended or proposed to be expended for each of the following, as applicable:

(A) planning, project development, construction, operation, or maintenance of guideways, as defined in section 473.4485, subdivision 1, paragraph (d);

(B) nonguideway transit uses;

(C) active transportation uses;

(D) highway uses; and

(E) uses not otherwise specified in subitems (A) to (D);

(ii) for each subitem under item (i), an accompanying list of completed, current, planned, and anticipated projects; and

(iii) an estimated balance of unspent or undesignated amounts from the funding source.

(b) The listing under paragraph (a), clause (4), item (ii), must include a brief identification or description of each project or program.

Sec. 59. Minnesota Statutes 2024, section 174.07, subdivision 3, is amended to read:

Subd. 3. **Exceptions.** This section does not apply to:

- (1) a law that establishes a requirement with general applicability for an agency or agencies to submit a report, including but not limited to reports and information under sections 14.05, subdivision 5, and 14.116;
- (2) a law that specifies a reporting expiration date or a date for the submission of a final report;
- (3) information required by law to be included in a budget submission to the legislature under section 16A.11;
- (4) the plans required under section 174.03, subdivisions 1a, 1b, and 1c;
- (5) the forecast information requirements under section 174.03, subdivision 9; and
- (6) the reports required under sections 161.088, subdivision 7; 161.089; 161.3203, subdivision 4; 165.03, subdivision 8; 174.03, subdivision 12; 174.065; 174.185, subdivision 3; 174.247; 174.56, subdivisions 1 and 2; and 174.75, subdivision 3.

Sec. 60. Minnesota Statutes 2024, section 174.38, subdivision 4, is amended to read:

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 solicitations 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.

Sec. 61. Minnesota Statutes 2024, section 174.49, subdivision 6, is amended to read:

Subd. 6. **Metropolitan counties; use of funds.** (a) A metropolitan county must use funds that are received under subdivision ~~5~~ 3, clause (1), as follows:

- (1) 41.5 percent for:
 - (i) active transportation, as defined in section 174.38, subdivision 1; and
 - (ii) transportation corridor safety studies;
- (2) 41.5 percent for:
 - (i) repair, preservation, and rehabilitation of transportation systems; and

(ii) roadway replacement to reconstruct, reclaim, or modernize a corridor without adding traffic capacity, except for auxiliary lanes with a length of less than 2,500 feet; and

(3) 17 percent for any of the following:

(i) transit purposes, including but not limited to operations, maintenance, capital maintenance, demand response service, and assistance to replacement service providers under section 473.388;

(ii) complete streets projects, as provided under section 174.75; and

(iii) projects, programs, or operations activities that meet the requirements of ~~a mitigation~~ an offset action under section 161.178, subdivision 4.

(b) Funds under paragraph (a), clause (3), must supplement and not supplant existing sources of revenue.

(c) A metropolitan county may use funds that are received under subdivision 5 as debt service for obligations issued by the county in accordance with chapter 475, provided that the obligations are issued for a use allowable under this section.

Sec. 62. Minnesota Statutes 2024, section 174.49, is amended by adding a subdivision to read:

Subd. 7. **Metropolitan counties; financial information.** (a) A metropolitan county must annually submit financial information to the commissioner on the funds received under subdivision 3, clause (1). The financial information must be submitted as provided under section 174.065 in the manner and by the dates prescribed by the commissioner.

(b) In addition to the requirements under section 174.065, subdivision 3, the submitted financial information must include the amount expended or proposed to be expended in each of the allowable uses under subdivision 6 for:

(1) each of the previous five calendar years;

(2) the current calendar year; and

(3) the next five calendar years.

Sec. 63. Minnesota Statutes 2024, section 174.634, subdivision 2, is amended to read:

Subd. 2. **Passenger rail account; transfers; appropriation.** (a) A passenger rail account is established in the special revenue fund. The account consists of funds as provided in this subdivision and any other money donated, allotted, transferred, collected, or otherwise provided to the account.

(b) By July 15 annually beginning in calendar year ~~2027~~ 2029, the commissioner of revenue must transfer an amount from the general fund to the passenger rail account that equals 50 percent of the portion of the state general tax under section 275.025 levied on railroad operating property, as defined under section 273.13, subdivision 24, in the prior calendar year.

(c) Money in the account is annually appropriated to the commissioner of transportation for the operating and capital maintenance costs of intercity passenger rail, which may include but are not limited to planning, designing, developing, constructing, equipping, administering, operating, promoting, maintaining, and improving passenger rail service within the state, after accounting for operating revenue, federal funds, and other sources.

(d) By November 1 each year, the commissioner must report on the passenger rail account to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance. The report must, at a minimum, include:

- (1) the actual revenue and expenditures in each of the previous two fiscal years;
- (2) the budgeted and forecasted revenue and expenditures in the current fiscal year and each fiscal year within the state forecast period;
- (3) the plan for collection of fees and revenue, as defined and authorized under subdivision 3, in the current fiscal year and each fiscal year within the state forecast period; and
- (4) the uses of expenditures or planned expenditures in each fiscal year included under clauses (1) and (2).

Sec. 64. Minnesota Statutes 2024, section 289A.51, subdivision 1, is amended to read:

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

(b) "Electric-assisted bicycle" has the meaning given in section 169.011, subdivision 27, except that the term is limited to a new electric-assisted bicycle purchased from an eligible retailer.

(c) "Eligible expenses" means the amount paid for an electric-assisted bicycle and any qualifying accessories purchased at the same time as the electric-assisted bicycle, inclusive of sales tax but exclusive of any other related charges, including charges for a warranty, service, or delivery.

(d) "Eligible individual" means an individual who:

- (1) is at least 15 years old;
- (2) is a resident individual taxpayer at the time of application for a rebate certificate and in the two previous calendar year years;
- (3) has filed an income tax return for the two taxable years immediately preceding the calendar year in which the individual applies for a rebate certificate; and

~~(3)~~ (4) was not claimed as a dependent on another return in the taxable year described in subdivision 3, paragraph (c).

(e) "Eligible retailer" means a person who has engaged in the business of retail sales of new electric-assisted bicycles for at least six months prior to receiving the approval of the commissioner under subdivision 5.

(f) "Person with a disability" means a person who:

(1) receives Social Security disability insurance benefits under United States Code, title 42, sections 401 to 434, or medical assistance for employed persons with disabilities under section 256B.057, subdivision 9;

(2) is under the age of 65 and receives Supplemental Security Income benefits under United States Code, title 42, sections 1381 to 1385; or

(3) receives home and community-based disability waiver services under section 256B.092 or 256B.49.

(g) "Qualifying accessories" means a bicycle helmet, lights, lock, luggage rack, basket, bag or backpack, fenders, or reflective clothing.

EFFECTIVE DATE. This section is effective for rebates after December 31, 2024.

Sec. 65. Minnesota Statutes 2024, section 289A.51, subdivision 3, is amended to read:

Subd. 3. **Amount of rebate.** (a) The amount of a rebate under this section equals the lesser of:

(1) ~~the applicable percentage, multiplied by the amount~~ 75 percent of eligible expenses paid by an eligible individual; or

(2) ~~\$1,500~~ \$750.

~~(b) The applicable percentage equals 75 percent, but is reduced by one percentage point until the percentage equals 50 percent, for each \$4,000 of the eligible individual's adjusted gross income in excess of:~~

~~(1) \$50,000 for a married taxpayer filing a joint return; and~~

~~(2) \$25,000 for all other filers.~~

(b) Eligibility for a rebate under this section is limited to an eligible individual who either:

(1) meets the income limitation for an eligible individual specified in paragraph (c); or

(2) is a person with a disability.

(c) The income limitation for an eligible individual under paragraph (b), clause (1), must not exceed:

(1) \$78,000 in the case of a married eligible individual who filed a joint return;

(2) \$62,000 for an individual who filed a return as a head of household; or

(3) \$41,000 for all other individuals.

~~(b) and subdivision 4, paragraph (a) (c),~~ (d) For the purposes of determining the ~~applicable percentage~~ income limitation under paragraph ~~(b) and subdivision 4, paragraph (a) (c),~~ the commissioner must use the eligible individual's adjusted gross income for the taxable year ending in the calendar year prior to the year in which the individual applied for a rebate certificate.

EFFECTIVE DATE. This section is effective for rebates after December 31, 2024.

Sec. 66. Minnesota Statutes 2024, section 289A.51, subdivision 4, is amended to read:

Subd. 4. **Commissioner to issue rebate certificates.** (a) To qualify for a rebate under this section, an eligible individual must apply to the commissioner for a rebate certificate in the manner specified by the commissioner prior to purchasing an electric-assisted bicycle. As part of the application, the eligible individual must include proof of the individual's adjusted gross income for the taxable year specified in subdivision 3, paragraph ~~(e)~~ (d). The commissioner must issue a rebate certificate to an eligible individual stating the issuance date, the applicable percentage, and the maximum rebate for which the taxpayer is eligible. For a married taxpayer filing a joint return, each spouse may apply to the commissioner separately, and the commissioner must issue each spouse a separate rebate certificate.

(b) The commissioner of revenue may determine the date on which to open applications for a rebate certificate, and applications must not be submitted before the date determined by the commissioner. Beginning July 1, 2024, and July 1 of each subsequent calendar year for which there is an allocation of rebate certificates, the commissioner must allocate rebate certificates ~~on a first-come, first-served basis. The commissioner must reserve 40 percent of the certificates for a married taxpayer filing a joint return with an adjusted gross income of less than \$78,000 or any other filer with an adjusted gross income of less than \$41,000. Any portion of the reserved amount under this paragraph that is not allocated by September 30 is available for allocation to other rebate certificate applications beginning on October 1.~~ to applicants. If the number of total applicants exceeds the available allocation of rebate certificates, the commissioner must allocate certificates through a random lottery.

(c) If a random lottery is used to allocate certificates as provided in paragraph (b), the commissioner must, by August 1, 2025, determine a suitable randomized method to allocate the certificates to eligible individuals and must:

(1) detail the commissioner's anticipated timeline for the lottery, including when applications for the lottery by an applicant must be made and when the commissioner anticipates distributing the certificates;

(2) establish a method for an applicant to apply for placement into the lottery; and

(3) provide the amount of certificates available to be distributed by the commissioner.

(d) The commissioner must not issue rebate certificates totaling more than \$2,000,000 in each of calendar years 2024 and 2025, except any amount authorized but not allocated in any calendar year does not cancel and is added to the allocation for the next calendar year. When calculating the amount of remaining allocations, the commissioner must assume that each allocated but unclaimed certificate reduces the available allocations by ~~\$1,500~~ \$750.

~~(d)~~ (e) A rebate certificate that is not assigned to a retailer expires two months after the date the certificate was issued and may not be assigned to a retailer after expiration. The amount of any expired rebate certificates is added to the available allocation under paragraph ~~(e)~~ (d).

EFFECTIVE DATE. This section is effective for rebates after December 31, 2024.

Sec. 67. Minnesota Statutes 2024, section 296A.01, is amended by adding a subdivision to read:

Subd. 19a. **Electric vehicle.** "Electric vehicle" has the meaning given in section 169.011, subdivision 26a.

Sec. 68. Minnesota Statutes 2024, section 296A.01, is amended by adding a subdivision to read:

Subd. 19b. **Electric vehicle supply equipment.** "Electric vehicle supply equipment" means any equipment used to deliver electricity sold as vehicle fuel to an electric vehicle.

Sec. 69. Minnesota Statutes 2024, section 296A.01, is amended by adding a subdivision to read:

Subd. 19c. **Electricity as vehicle fuel.** "Electricity as vehicle fuel" or "electricity sold as vehicle fuel" means electrical energy that is transferred to or stored onboard an electric vehicle in exchange for payment and is used primarily to propel the electric vehicle.

Sec. 70. Minnesota Statutes 2024, section 296A.01, is amended by adding a subdivision to read:

Subd. 43a. **Public charging station.** "Public charging station" means a facility at which a person conducts for-profit business using electric vehicle supply equipment for the delivery of electricity sold as vehicle fuel to an electric vehicle and charges the customer for the electricity delivered.

Sec. 71. Minnesota Statutes 2024, section 296A.01, is amended by adding a subdivision to read:

Subd. 43b. **Public charging station operator.** "Public charging station operator" means any person who owns or operates a public charging station in this state.

Sec. 72. Minnesota Statutes 2024, section 296A.02, subdivision 3, is amended to read:

Subd. 3. **Rules; administration and enforcement.** The commissioner may adopt rules relating to the administration and enforcement of laws regulating the sale, distribution, and use of petroleum products, electricity sold as vehicle fuel, and special fuel. The rules shall be reasonable and consistent with the law.

Sec. 73. **[296A.051] PUBLIC CHARGING STATION OPERATOR'S LICENSE; REQUIREMENTS.**

Subdivision 1. **General.** On or after July 1, 2027, a person may not act as a public charging station operator without having been licensed by the commissioner as a public charging station operator.

Subd. 2. **Qualifications.** (a) Upon application to the commissioner, the commissioner must issue a public charging station operator's license to any person who applies and qualifies as a public charging station operator.

(b) The commissioner must not issue or renew a license to a person otherwise eligible under this subdivision if the person:

(1) has unpaid tax due under this chapter;

(2) has unfiled tax returns or reports due under this chapter;

(3) has had a license issued pursuant to this chapter revoked within the last five years; or

(4) has had an equivalent license issued by another state or Canadian province revoked within the last five years for failure to pay a tax or file a tax return or report.

Subd. 3. **Licensing period; expiration.** Each licensing period is for one year, ending on June 30.

Subd. 4. **Surrender of license.** When a licensee voluntarily or involuntarily sells, disposes of, or discontinues business during the licensing period, the licensee must immediately notify the commissioner in writing and, within ten days, surrender the license in a manner prescribed by the commissioner.

Sec. 74. Minnesota Statutes 2024, section 296A.06, subdivision 2, is amended to read:

Subd. 2. **Suspension of license.** (a) Notwithstanding subdivision 1, the license of a distributor, special fuel dealer, public charging station operator, or bulk purchaser that has not filed a tax return or report or paid a delinquent tax or fee within five days after notice and demand by the commissioner is suspended. The suspension remains in effect until the demanded tax return or report has been filed and the tax and fees shown on that return or report have been paid. If the commissioner determines that the failure to file or

failure to pay is due to reasonable cause, then a license must not be suspended, or if suspended, must be reinstated.

(b) A licensee whose license is suspended under this subdivision may request a contested case hearing under chapter 14. Any such hearing must be held within 20 days of the issuance of the notice and demand issued under paragraph (a), unless the parties agree to a later hearing date. The administrative law judge's report must be issued within 20 days after the close of the hearing record, unless the parties agree to a later report issuance date. The commissioner must issue a final decision within 30 days after receipt of the report of the administrative law judge and subsequent exceptions and argument under section 14.61. The suspension imposed under paragraph (a) remains in effect during any contested case hearing process requested pursuant to this paragraph.

Sec. 75. Minnesota Statutes 2024, section 296A.061, is amended to read:

296A.061 CANCELLATION OR NONRENEWAL OF LICENSES.

The commissioner may cancel a license or not renew a license if one of the following conditions occurs:

- (1) the license holder has not filed a petroleum or other tax return or report for at least one year;
- (2) the license holder has not reported any petroleum or other tax liability on the license holder's returns or reports for at least one year; or
- (3) the license holder requests cancellation of the license.

Sec. 76. **[296A.075] ELECTRICITY AS VEHICLE FUEL TAX.**

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

(b) "Electric utility" has the meaning given in section 216B.38, subdivision 5.

(c) "Legacy charger" means a public charging station in operation before October 1, 2023, that does not utilize electric vehicle supply equipment capable of measuring electricity delivered as vehicle fuel to an electric vehicle.

(d) "Residence" means the place where a person resides, permanently or temporarily.

Subd. 2. **Tax imposed on electricity sold as vehicle fuel.** (a) On and after July 1, 2027, a tax is imposed on all public charging station operators for electricity sold as vehicle fuel at a public charging station at a rate of five cents per kilowatt hour of electricity.

(b) On or before the 23rd of each month, a person who is required to pay the tax imposed under this section must file with the commissioner a report, in the form and manner prescribed by the commissioner, showing the number of kilowatt hours of electricity sold as vehicle fuel delivered during the preceding calendar month, and other information the commissioner may require. The return must be accompanied by a remittance for the full unpaid tax liability shown by the return. All remittances must be made by electronic means.

Subd. 3. **Requirement.** Any public charging station that first begins delivering electricity sold as vehicle fuel on or after July 1, 2027, must be capable of imposing the cost of electricity sold as vehicle fuel on a per-kilowatt-hour basis.

Subd. 4. **Deposit of revenues.** The commissioner must deposit the proceeds from the tax imposed in this section in the highway user tax distribution fund.

Subd. 5. **Exemptions.** (a) A legacy charger is exempt from the tax imposed under this section for electricity sold as vehicle fuel through December 31, 2031. On and after January 1, 2032, a legacy charger must be capable of imposing the cost of electricity sold as vehicle fuel on a per-kilowatt-hour basis.

(b) The tax imposed under this section is not applicable to:

(1) electric vehicles charged at a private residence that uses electric power paid for by the owner or occupant of the residence and that is supplied to the residence by an electric utility;

(2) public charging stations with a charging capacity of less than 50 kilowatts; or

(3) public charging stations that do not require payment for the delivery of electricity as vehicle fuel.

Sec. 77. Minnesota Statutes 2024, section 296A.19, is amended to read:

296A.19 REQUIRED RECORDS.

Subdivision 1. **Retention.** (a) All distributors, dealers, special fuel dealers, bulk purchasers, dealers of aviation gasoline, and all users of special fuel ~~shall~~ must keep a true and accurate record of all purchases, transfers, sales, and use of petroleum products and special fuel, including copies of all sales tickets issued, in a form and manner approved by the commissioner, and ~~shall~~ must retain all such records for 3-1/2 years.

(b) All public charging station operators must keep a true and accurate record of all electricity sold as vehicle fuel to and from public charging stations, in a form and manner approved by the commissioner, and must retain all such records for 3-1/2 years.

Subd. 2. **Accessibility.** (a) The books and records of all carriers of petroleum products, distributors, dealers, and persons selling or using special fuel ~~shall~~ must be made accessible to the commissioner or an authorized representative.

(b) The books and records of all public charging station operators, and the books and records of the entity that supplied electricity sold as vehicle fuel by the public charging station operator, must be made accessible to the commissioner or an authorized representative.

Subd. 3. **Examination.** (a) The commissioner ~~shall~~ must make periodic examinations of all records kept by distributors, special fuel dealers, bulk purchasers, or other persons selling or using gasoline or special fuel.

(b) The commissioner must make periodic examinations of all records kept by public charging station operators that sell electricity as vehicle fuel through a public charging station.

Sec. 78. Minnesota Statutes 2024, section 296A.22, subdivision 3, is amended to read:

Subd. 3. **Operating without license.** If any person operates as a distributor, special fuel dealer, bulk purchaser, public charging station operator, or motor carrier without first securing the license required under this chapter, any tax or fee imposed by this chapter shall become immediately due and payable. A penalty of 25 percent is imposed upon the tax and fee due. The tax and fees shall bear interest at the rate specified in section 270C.40. The penalty imposed in this subdivision shall bear interest from the date provided in section 270C.40, subdivision 3, to the date of payment of the penalty.

Sec. 79. Minnesota Statutes 2024, 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.

(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) The commissioner must deposit the revenues derived from the taxes imposed under section 297A.62, subdivision 1, on the sale and purchase of motor vehicle repair and replacement parts in the state treasury and credit:

(1) ~~43.5 percent in each fiscal year~~ a percentage to the highway user tax distribution fund; as follows:

(i) 43.5 percent in each of fiscal years 2024 and 2025;

- (ii) 43 percent in fiscal year 2026;
- (iii) 41 percent in fiscal year 2027;
- (iv) 36 percent in fiscal year 2028;
- (v) 30 percent in fiscal year 2029;
- (vi) 36 percent in each of fiscal years 2030 to 2034;
- (vii) 38.5 percent in fiscal year 2035;
- (viii) 41 percent in fiscal year 2036; and
- (ix) 43.5 percent in fiscal year 2037 and thereafter;

(2) a percentage to the transportation advancement account under section 174.49 as follows:

- (i) 3.5 percent in fiscal year 2024;
 - (ii) 4.5 percent in fiscal year 2025;
 - (iii) 5.5 percent in fiscal year 2026;
 - (iv) 7.5 percent in fiscal year 2027;
 - (v) 14.5 percent in fiscal year 2028;
 - (vi) 21.5 percent in fiscal year 2029;
 - (vii) 28.5 percent in fiscal year 2030;
 - (viii) 36.5 percent in fiscal year 2031;
 - (ix) 44.5 percent in fiscal year 2032; and
 - (x) 56.5 percent in fiscal year 2033 and thereafter; and
- (3) the remainder in each fiscal year to the general fund.

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) 81.56 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) 47.5 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;

(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; and

(6) 2.5 percent of the receipts must be deposited in the pollinator account established in section 103B.101, subdivision 19.

(i) 1.5 percent of the revenues, including interest and penalties, transmitted to the commissioner under section 297A.65 must be deposited in a regional parks and trails account in the natural resources fund and may only be spent for parks and trails of regional significance outside of the seven-county metropolitan area under section 85.535, based on recommendations from the Greater Minnesota Regional Parks and Trails Commission under section 85.536.

(j) 1.5 percent of the revenues, including interest and penalties, transmitted to the commissioner under section 297A.65 must be deposited in an outdoor recreational opportunities for underserved communities account in the natural resources fund and may only be spent on projects and activities that connect diverse and underserved Minnesotans through expanding cultural environmental experiences, exploration of their environment, and outdoor recreational activities.

(k) The revenue dedicated under paragraph (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 (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 (h) must be allocated for field operations.

(l) The commissioner must deposit the revenues, including interest and penalties minus any refunds, derived from the sale of items regulated under section 624.20, subdivision 1, that may be sold to persons 18 years old or older and that are not prohibited from use by the general public under section 624.21, in the state treasury and credit:

(1) 25 percent to the volunteer fire assistance grant account established under section 88.068;

(2) 25 percent to the fire safety account established under section 297I.06, subdivision 3; and

(3) the remainder to the general fund.

For purposes of this paragraph, the percentage of total sales and use tax revenue derived from the sale of items regulated under section 624.20, subdivision 1, that are allowed to be sold to persons 18 years old or older and are not prohibited from use by the general public under section 624.21, is a set percentage of the total sales and use tax revenues collected in the state, with the percentage determined under Laws 2017, First Special Session chapter 1, article 3, section 39.

(m) The revenues deposited under paragraphs (a) to (l) 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.

Sec. 80. Minnesota Statutes 2024, section 297A.9915, subdivision 1, is amended to read:

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

(b) "Metropolitan area" and "metropolitan counties" means the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

(c) "Metropolitan Council" or "council" means the Metropolitan Council established by section 473.123.

(d) "Regional transportation sales tax" means the regional transportation sales and use tax imposed under this section.

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. 81. Minnesota Statutes 2024, section 297A.9915, subdivision 4, is amended to read:

Subd. 4. **Deposit Distribution.** (a) Proceeds of the regional transportation sales tax must be allocated as follows:

(1) 83 percent to the Metropolitan Council for the purposes specified under section 473.4465, subdivisions 2 and 3, subject to section 473.39, subdivision 3a; and

(2) 17 percent to metropolitan counties, as defined in section 174.49, subdivision 1, in the manner provided under section 174.49, subdivision 5 for the purposes specified under section 473.4465, subdivision 4.

(b) Funds under paragraph (a), clause (2), are appropriated to the commissioner of transportation for distribution to metropolitan counties as provided under section 174.49, subdivision 5.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment for sales and purchases made on or after July 1, 2025, and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 82. Minnesota Statutes 2024, section 297A.993, subdivision 2a, is amended to read:

Subd. 2a. **Uses reporting.** ~~By February 15 of each even-numbered year,~~ A metropolitan county, as defined in section 473.121, subdivision 4, that imposes the taxes under this section must annually submit a ~~report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance~~ financial information to the commissioner of transportation as provided under section 174.065 in the manner and by the dates prescribed by the commissioner.

~~At a minimum, the report must include:~~

~~(1) actual transportation sales tax collections by the county over the previous five calendar years;~~

~~(2) an estimation of the total sales tax revenue that is estimated to be collected by the county in the current year and for the next ten calendar years; and~~

~~(3) for each of the previous five calendar years, the current calendar year, and for the next ten calendar years:~~

~~(i) the amount of sales tax revenue expended or proposed to be expended for each of the following:~~

~~(A) planning, construction, operation, or maintenance of guideways, as defined in section 473.4485, subdivision 1, paragraph (d);~~

~~(B) nonguideway transit and active transportation uses;~~

~~(C) highway uses; and~~

~~(D) uses not otherwise specified in subitems (A) to (C);~~

~~(ii) completed, current, planned, and eligible projects for each category under item (i); and~~

~~(iii) an estimated balance of unspent or undesignated county sales tax revenue.~~

Sec. 83. Minnesota Statutes 2024, section 299A.55, subdivision 2, is amended to read:

Subd. 2. **Railroad and pipeline safety account.** (a) A railroad and pipeline safety account is created in the special revenue fund. The account consists of funds collected under subdivision 4 and funds donated, allotted, transferred, or otherwise provided to the account.

~~(b) \$560,000 is annually appropriated from the railroad and pipeline safety account to the commissioner of the Pollution Control Agency for environmental protection activities related to railroad discharge preparedness under chapter 115E.~~

~~(c) \$750,000 in fiscal year 2024 and \$1,500,000 in each subsequent fiscal year are transferred from the railroad and pipeline safety account to the grade crossing safety account under section 219.1651.~~

~~(d) Following the appropriation in paragraph (b) and the transfer in paragraph (c), the remaining money in the account is annually appropriated to the commissioner of public safety for the purposes specified in subdivision 3.~~

~~(e)~~ (b) By January 15, 2026, the commissioner of public safety must submit a report on the railroad and pipeline safety account to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance. The report must list detailed revenues to and expenditures from the account for the previous two fiscal years and must include information on the purpose of each expenditure.

~~(f)~~ (c) If the balance of the account at the end of a fiscal biennium is greater than \$2,000,000, the amount above \$2,000,000 must be transferred to the grade crossing safety account under section 219.1651.

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

Sec. 84. Minnesota Statutes 2024, section 299A.55, subdivision 4, is amended to read:

Subd. 4. **Assessments.** (a) The commissioner of public safety must annually assess ~~\$4,000,000~~ \$3,418,000 to railroad and pipeline companies ~~based on the formula specified in paragraph (b).~~ The commissioner must deposit funds collected under this subdivision in the railroad and pipeline safety account under subdivision 2.

~~(b) The assessment for each railroad is 70 percent of the total annual assessment amount, divided in equal proportion between among applicable rail carriers based on route miles operated in Minnesota. The assessment for each pipeline company is 30 percent of the total annual assessment amount. Of the amount collected annually under this paragraph:~~

(1) \$560,000 is deposited in the railroad and pipeline safety account and appropriated to the commissioner of the Pollution Control Agency for environmental protection activities related to railroad discharge preparedness under chapter 115E;

(2) \$1,500,000 is deposited in the grade crossing safety account under section 219.1651; and

(3) the remainder is deposited in the railroad and pipeline safety account and appropriated to the commissioner of public safety for the purposes specified in subdivision 3.

(b) The commissioner of public safety must annually assess \$582,000 to pipeline companies, divided in equal proportion between among companies based on the yearly aggregate gallons of oil and other hazardous substances transported by pipeline in Minnesota. Money collected under this paragraph is deposited in the railroad and pipeline safety account and appropriated to the commissioner of public safety for the purposes specified in subdivision 3.

(c) In addition to the amount amounts identified in paragraph paragraphs (a) and (b), the commissioner must assess the rail carrier or pipeline company involved in an incident compelling a significant response for all postincident review and analysis costs under subdivision 5 incurred by the state and local units of government. This paragraph applies regardless of whether an assessment is imposed under paragraph (a) or (b) in a fiscal year.

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

Sec. 85. Minnesota Statutes 2024, section 360.511, is amended by adding a subdivision to read:

Subd. 22a. **Coordinated unmanned aircraft event.** "Coordinated unmanned aircraft event" means a one-day event involving a group of small unmanned aircraft systems that fly together as a unified and coordinated entity to accomplish a shared entertainment objective, which may include but is not limited to choreographed flight patterns, synchronized lighting, and music for visual displays.

Sec. 86. Minnesota Statutes 2024, section 360.511, is amended by adding a subdivision to read:

Subd. 23a. **Electronic attestation.** "Electronic attestation" means a statement of fact or confirmation, submitted by the owner in digital form, regarding the ownership and status of an aircraft, including a small unmanned aircraft system, and its compliance with applicable regulations.

EFFECTIVE DATE. This section is effective August 1, 2025.

Sec. 87. Minnesota Statutes 2024, section 360.55, subdivision 4, is amended to read:

Subd. 4. **Collector's aircraft.** (a) For purposes of this subdivision:

(1) "antique aircraft" means an aircraft constructed by the original manufacturer, or its licensee, on or before December 31, 1945, with the exception of certain pre-World War II aircraft models that had only a small postwar production, such as Beechcraft Staggerwing, Fairchild 24, and Monocoupe; and

(2) "classic aircraft" means an aircraft constructed by the original manufacturer, or its licensee, on or after January 1, 1946, and has a first year of life that precedes the date of registration by at least 50 years.

(b) If an antique or classic aircraft is owned and operated solely as a collector's item, its owner ~~may~~ must list it for taxation and registration as follows and execute an electronic attestation or sworn affidavit stating: A sworn affidavit must be executed stating

(1) the name and address of the owner;

(2) the name and address of the ~~person from whom purchased;~~ seller;

(3) the aircraft's make, year, model number, federal aircraft registration number, and manufacturer's identification number; and

(4) that the aircraft is owned and operated solely as a collector's item and not for general transportation or commercial operations purposes.

The electronic attestation or sworn affidavit must be ~~filed with~~ submitted to the commissioner along with a fee of \$25.

(c) Upon satisfaction that the electronic attestation or sworn affidavit is true and correct, the commissioner ~~shall must~~ issue to the applicant a registration certificate to the applicant. The registration certificate is valid without renewal as long as the owner operates the aircraft solely as a collector's item.

(d) ~~Should~~ If an antique or classic aircraft ~~be~~ is operated other than as a collector's item, the registration certificate becomes void and the owner ~~shall must~~ list the aircraft for taxation and registration in accordance with the other provisions of under sections 360.511 to 360.67.

(e) Upon the sale of an antique or classic aircraft, the new owner must list the aircraft for taxation and registration in accordance with this subdivision, including the payment of a \$5 fee to transfer the registration to the new owner, ~~or the other provisions of under~~ sections 360.511 to 360.67, whichever is applicable.

EFFECTIVE DATE. This section is effective August 1, 2025.

Sec. 88. Minnesota Statutes 2024, section 360.55, subdivision 4a, is amended to read:

Subd. 4a. **Recreational aircraft; classic license.** (a) An aircraft that has a base price for tax purposes under section 360.531 of \$10,000 or less, and ~~that~~ is owned and operated solely for recreational purposes, may be listed for taxation and registration by executing ~~a~~ an electronic attestation or sworn affidavit stating:

(1) the name and address of the owner;

(2) the name and address of the ~~person from whom purchased;~~ seller;

(3) the aircraft's make, year, model number, federal aircraft registration number, and manufacturer's identification number; and

(4) that the aircraft is owned and operated solely as a recreational aircraft and not for commercial operational purposes.

The electronic attestation or sworn affidavit must be ~~filed with~~ submitted to the commissioner along with an annual \$25 fee.

(b) ~~On being satisfied~~ Upon satisfaction that the electronic attestation or sworn affidavit is true and correct, the commissioner shall must issue to the applicant a registration certificate to the applicant.

(c) ~~Should~~ If the aircraft be is operated other than as a recreational aircraft, the owner shall must list the aircraft for taxation and registration and pay the appropriate registration fee under sections 360.511 to 360.67.

(d) If the aircraft is sold, the new owner ~~shall~~ must list the aircraft for taxation and registration under this subdivision, including the payment of the annual \$25 fee, or under sections 360.511 to 360.67, whichever is applicable.

EFFECTIVE DATE. This section is effective August 1, 2025.

Sec. 89. Minnesota Statutes 2024, section 360.55, subdivision 8, is amended to read:

Subd. 8. **Agricultural aircraft.** Aircraft registered with the Federal Aviation Administration as restricted category aircraft used for agricultural purposes must be listed for taxation and registration ~~upon filing by the owner a sworn affidavit with.~~ The owner must execute and submit an annual electronic attestation or sworn affidavit to the commissioner. The electronic attestation or sworn affidavit must state:

- (1) the name and address of the owner;
- (2) the name and address of the ~~person from whom purchased~~ seller;
- (3) the aircraft's make, year, model number, federal registration number, and manufacturer's identification number; and
- (4) that the aircraft is owned and operated solely for agricultural operations and purposes.

The owner ~~shall file the~~ must submit an electronic attestation or a sworn affidavit to the commissioner and pay an annual fee established under sections 360.511 to 360.67, which must not exceed \$500. ~~Should~~ If the aircraft be is operated other than for agricultural purposes, the owner shall must list the aircraft for taxation and registration under sections 360.511 to 360.67. If the aircraft is sold, the new owner shall must list the aircraft for taxation and registration under this subdivision or under sections 360.511 to 360.67, as applicable.

EFFECTIVE DATE. This section is effective August 1, 2025.

Sec. 90. Minnesota Statutes 2024, section 360.55, is amended by adding a subdivision to read:

Subd. 10. **Coordinated unmanned aircraft system fleets.** (a) An operator planning to conduct a coordinated unmanned aircraft event must register the fleet of small unmanned aircraft systems at least 15 days before the event. Registration under this subdivision must be in the manner specified by the commissioner.

(b) The registration must include:

- (1) the name and contact information of the event organizer;
- (2) the date, time, and location of the event;
- (3) the number of small unmanned aircraft systems to be used;
- (4) proof of liability insurance for the small unmanned aircraft systems;
- (5) a copy of the operator's small unmanned aircraft system pilot's license; and

(6) a copy of the commercial operator's license.

(c) A daily registration fee of \$2 per small unmanned aircraft system used in the fleet applies to fleets registered under this subdivision. The fee is in lieu of the registration fee in subdivision 9. A fleet registered under this subdivision is exempt from the aircraft registration tax under sections 360.511 to 360.67.

Sec. 91. Minnesota Statutes 2024, section 398A.04, is amended by adding a subdivision to read:

Subd. 12. **Financial information.** An authority associated with a metropolitan county, as defined in section 473.121, subdivision 4, must annually submit financial information to the commissioner of transportation as provided under section 174.065 in the manner and by the dates prescribed by the commissioner.

Sec. 92. Minnesota Statutes 2024, section 473.129, is amended by adding a subdivision to read:

Subd. 13. **Direct negotiation.** Notwithstanding section 471.345, if the estimated total contractual obligation of the council for a directly negotiated contract or contracts for construction work or maintenance work on any single project does not exceed the amount in section 161.32, subdivision 2, the council may enter into a contract by direct negotiation by obtaining two or more quotations for the work without advertising for bids or otherwise complying with the requirements of competitive bidding.

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. 93. Minnesota Statutes 2024, section 473.13, subdivision 1, is amended to read:

Subdivision 1. **Budget.** (a) On or before December 20 of each year, the council shall adopt a final budget covering its anticipated receipts and disbursements for the ensuing year and shall decide upon the total amount necessary to be raised from ad valorem tax levies to meet its budget. The budget shall state in detail the expenditures for each program to be undertaken, including the expenses for salaries, consultant services, overhead, travel, printing, and other items. The budget shall state in detail the capital expenditures of the council for the budget year, based on a five-year capital program adopted by the council and transmitted to the legislature. After adoption of the budget and no later than five working days after December 20, the council shall certify to the auditor of each metropolitan county the share of the tax to be levied within that county, which must be an amount bearing the same proportion to the total levy agreed on by the council as the net tax capacity of the county bears to the net tax capacity of the metropolitan area. The maximum amount of any levy made for the purpose of this chapter may not exceed the limits set by the statute authorizing the levy.

~~(b) Each even-numbered year the council shall prepare for its transit programs a financial plan for the succeeding three calendar years, in half-year segments. The financial plan must contain schedules of user charges and any changes in user charges planned or anticipated by the council during the period of the plan. The financial plan must contain a proposed request for state financial assistance for the succeeding biennium.~~

~~(e)~~ (b) In addition, the budget must show for each year:

(1) the estimated operating revenues from all sources including funds on hand at the beginning of the year, and estimated expenditures for costs of operation, administration, maintenance, and debt service;

(2) capital improvement funds estimated to be on hand at the beginning of the year and estimated to be received during the year from all sources and estimated cost of capital improvements to be paid out or expended during the year, all in such detail and form as the council may prescribe; and

(3) the estimated source and use of pass-through funds.

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. 94. Minnesota Statutes 2024, section 473.13, subdivision 6, is amended to read:

Subd. 6. **Transportation financial review.** (a) Annually by January 15, the council must submit a financial review that details revenue and expenditures for the transportation components under the council's budget, as specified in paragraph (c). A financial review submitted under this paragraph must provide the information using state fiscal years.

(b) Annually by the earlier of the accounting close of a budget year or August 15, the council must submit a financial review update that provides the following for the most recent completed budget year: actual revenues; expenditures; transfers; reserves; balances; and a comparison between the budgeted and actual amounts. A financial review update under this paragraph must include the information specified in paragraph (d).

(c) At a minimum, a financial review must identify:

(1) the actual revenues, expenditures, transfers, reserves, and balances in each of the previous four years;

(2) budgeted and forecasted revenues, expenditures, transfers, reserves, and balances in the current year and each year within the state forecast period;

(3) for the most recent completed year, a comparison between the budgeted and actual amounts under clause (1); and

(4) for the most recent completed year, fund balances for each replacement service provider under section 473.388. By December 15 each year, each replacement service provider under section 473.388 must report to the council the provider's projected total operating expenditures and projected operating reserve fund balance as of the previous December 31.

(d) The information under paragraph (c), clauses (1) to (3), must include:

(1) a breakdown by each transportation funding source identified by the council, including but not limited to legislative appropriations; federal funds; fare collections; property tax; and sales tax, including sales tax used for active transportation under section 473.4465, subdivision 2, paragraph (a), clause (1);

(2) a breakdown by each transportation operating budget category established by the council, including but not limited to bus, light rail transit, commuter rail, planning, special transportation service under section 473.386, and assistance to replacement service providers under section 473.388; and

(3) data for operations, capital maintenance, and transit capital.

(e) A financial review under paragraph (a) or (b) must provide information or a methodology sufficient to establish a conversion between state fiscal years and budget years, summarize reserve policies, identify the methodology for cost allocation, and describe revenue assumptions and variables affecting the assumptions.

(f) The council must submit each financial review to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over transportation policy and finance and to the commissioner of management and budget.

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. 95. Minnesota Statutes 2024, section 473.142, is amended to read:

473.142 SMALL BUSINESSES.

(a) The Metropolitan Council and agencies specified in section 473.143, subdivision 1, may award ~~up to a six percent preference in the amount bid~~ up to the percentage under section 16C.16, subdivision 6, paragraph (a), for specified goods or services to small targeted group businesses and veteran-owned small businesses designated under section 16C.16. The council and each agency specified in section 473.143, subdivision 1, may award a preference up to the percentage under section 161.321, subdivision 2, paragraph (a), in the amount bid for specified construction work to small targeted group businesses and veteran-owned small businesses designated under section 16C.16.

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

(c) The council and each agency specified in section 473.143, subdivision 1, as a condition of awarding ~~a construction contract or approving a contract for consultant, professional, or technical services,~~ may set goals that require the prime contractor to subcontract a portion of the contract to small targeted group businesses and veteran-owned small businesses designated under section 16C.16. The council or agency must establish a procedure for granting waivers from the subcontracting requirement when qualified small targeted group businesses and veteran-owned small businesses are not reasonably available. The council or agency may establish financial incentives for prime contractors who exceed the goals for use of subcontractors and financial penalties for prime contractors who fail to meet goals under this paragraph. The subcontracting requirements of this paragraph do not apply to prime contractors who are small targeted group businesses and veteran-owned small businesses. At least 75 percent of the value of the subcontracts awarded to small targeted group businesses under this paragraph must be performed by the business to which the subcontract is awarded or by another small targeted group business. At least 75 percent of the value of the subcontracts awarded to veteran-owned small businesses under this paragraph must be performed by the business to which the subcontract is awarded or another veteran-owned small business.

(d) The council and each agency listed in section 473.143, subdivision 1, ~~are encouraged to purchase from~~ may award a contract for construction, goods, or services directly to small targeted group businesses and or veteran-owned small businesses designated under section 16C.16 when making purchases that are not subject to competitive bidding procedures, up to a total contract award value, including extension options, of the amount specified in section 16C.16, subdivision 6, paragraph (b), without completing a competitive solicitation process.

(e) The council and each agency may adopt rules to implement this section.

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

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

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. 96. Minnesota Statutes 2024, section 473.1425, is amended to read:

473.1425 WORKING CAPITAL FUND.

The Metropolitan Council or a metropolitan agency defined in section 473.121, subdivision 5a, to the extent allowed by other law or contract, may grant available money that has been appropriated for socially or economically disadvantaged business programs to a guaranty fund administered by a nonprofit organization that makes or guarantees working capital loans to businesses owned and operated by a socially or and economically disadvantaged person ~~persons~~ individual as defined in Code of Federal Regulations, title 49, section ~~23.5~~ 26.5. The purpose of loans made or guaranteed by the organization must be to provide short-term working capital to enable eligible businesses to ~~be awarded~~ participate in contracts for goods and services or for construction related services from government agencies.

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. 97. Minnesota Statutes 2024, section 473.386, subdivision 10, is amended to read:

Subd. 10. **Forecasted funding.** (a) For purposes of this subdivision, "biennium" and "fiscal year" have the meanings given in section 16A.011, subdivisions 6 and 14, respectively.

(b) In each February and November forecast of state revenues and expenditures under section 16A.103, the commissioner of management and budget must incorporate a state obligation from the general fund for the annual net costs to the council to implement the special transportation service under this section. Notwithstanding section 16A.11, subdivision 3, the appropriation base in each fiscal year of the upcoming biennium is as determined in this subdivision.

(c) The commissioner must determine net costs under paragraph (b) as:

(1) the amount necessary to:

(i) maintain service levels accounting for expected demand, including service area, hours of service, ride scheduling requirements, and fares per council policy;

(ii) maintain the general existing condition of the special transportation service bus fleet, including bus maintenance and replacement; and

(iii) meet the requirements of this section; plus

(2) the amount of forecast adjustments, as determined by the commissioner of management and budget in consultation with the council, necessary to match (i) actual special transportation service program costs in the prior fiscal year, and (ii) adjusted program costs forecasted for the second year of the current biennium, for a forecast prepared in the first year of the biennium; less

(3) funds identified for the special transportation service from nonstate sources.

(d) In conjunction with each February and November forecast, the council must submit a financial review of the special transportation service to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance and to the commissioner of management and budget. At a minimum, the financial review must include:

(1) a summary of special transportation service sources of funds ~~and expenditures for the prior two fiscal years and~~ each fiscal year of the forecast period, which must include:

(i) a breakout by expenditures categories; and

(ii) information that is sufficient to identify a conversion between state fiscal years and the fiscal years of the council;

(2) details on cost assumptions used in the forecast;

(3) information on ridership and farebox recovery rates for the prior two fiscal years and each fiscal year of the forecast period;

(4) identification of the amount of appropriations necessary for any forecast adjustments as identified under paragraph (c), clause (2); and

(5) information as prescribed by the commissioner.

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. 98. Minnesota Statutes 2024, section 473.39, is amended by adding a subdivision to read:

Subd. 1y. **Obligations.** In addition to other authority in this section, the council may issue certificates of indebtedness, bonds, or other obligations under this section in an amount not exceeding \$110,800,000 for capital expenditures as prescribed in the council's transit capital improvement program and for related costs, including the costs of issuance and sale of the obligations. Of this authorization, after July 1, 2025, the council may issue certificates of indebtedness, bonds, or other obligations in an amount not exceeding \$54,600,000, and after July 1, 2026, the council may issue certificates of indebtedness, bonds, or other obligations in an additional amount not exceeding \$56,200,000.

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. 99. Minnesota Statutes 2024, section 473.39, is amended by adding a subdivision to read:

Subd. 3a. **General fund impacts.** (a) No later than June 30, 2026, and on June 30 of each subsequent year, the commissioner of revenue must estimate the total reduction of funds in the state general fund in the following fiscal year as a result of the increase in the council's debt service levy as a result of the authorization under subdivision 1y. The estimate must include but is not limited to the effect of the levy on the state's property tax refund programs and individual income tax collections.

(b) Beginning in fiscal year 2027, from the allocation otherwise specified under section 297A.9915, subdivision 4, paragraph (a), clause (1), the commissioner of revenue must annually retain the amount estimated under paragraph (a) for the current fiscal year and deposit that amount in the general fund.

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. 100. Minnesota Statutes 2024, section 473.39, subdivision 6, is amended to read:

Subd. 6. **Limitation; light rail transit.** The council is prohibited from expending any proceeds from certificates of indebtedness, bonds, or other obligations under subdivisions 1u, 1w, ~~and 1x,~~ and 1y for project development, land acquisition, or construction to (1) establish a light rail transit line; or (2) expand a light rail transit line, including by extending a line or adding additional stops.

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. 101. Minnesota Statutes 2024, section 473.408, is amended by adding a subdivision to read:

Subd. 11. **Transit service for certified disabled riders.** (a) The council must provide regular route transit, as defined in section 473.385, subdivision 1, free of charge to an individual who is:

(1) certified as disabled under the Americans with Disabilities Act requirements of the Federal Transit Administration; or

(2) certified by the council under section 473.386, subdivision 2a.

(b) The requirements under this subdivision apply to operators of regular route transit receiving financial assistance under section 473.388 or operating under section 473.405, subdivision 12.

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. 102. Minnesota Statutes 2024, section 473.412, subdivision 3, is amended to read:

Subd. 3. **Report required; cleaning standards and expenditures.** (a) ~~By October 1, 2024, and every year thereafter,~~ Annually by February 15, the Metropolitan Council must report to the chairs and ranking minority members of the legislative committees with jurisdiction over transit policy and finance on transit cleanliness and the ridership experience.

(b) The report under paragraph (a) must provide information on the council's cleanliness standards required under subdivision 2, including whether the council adopted new cleanliness standards or revisions to current cleanliness standards. A report prepared under this subdivision must include information gathered from the required public feedback on cleanliness and rider experience required in subdivision 2, paragraph

(b). The council must consider and recommend revisions to cleanliness standards based on the collection of public feedback and must summarize feedback received by the council in the report.

(c) A report submitted under this subdivision must include:

(1) the total expenditures for cleaning and repairing transit stations and transit vehicles;

(2) the frequency, type, and location of repairs;

(3) whether specific transit stations needed a higher proportion of cleaning or repairs and detail the council's strategy to resolve identified and persistent concerns at those locations;

(4) recommendations to address workforce challenges for the implementation and maintenance of cleanliness and repair standards adopted by the council, including whether the council maintained agreements with third-party services for cleaning and repair; and

(5) whether the council has adopted preventative measures against vandalism or graffiti; and

~~(6) any recommendations for additions to the transit rider code of conduct under section 473.4065 or the transit rider investment program under section 473.4075.~~

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. 103. Minnesota Statutes 2024, section 473.4465, subdivision 1, is amended to read:

Subdivision 1. **Definition.** For purposes of this section, "sales tax revenue" means ~~the portion of revenue from the regional transportation sales and use tax under section 297A.9915 that is allocated to the council for purposes of this section.~~

APPLICATION. This section applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 104. Minnesota Statutes 2024, section 473.4465, subdivision 2, is amended to read:

Subd. 2. **Use of funds; Metropolitan Council.** (a) Sales tax revenue allocated to the council under section 297A.9915, subdivision 4, paragraph (a), clause (1), is available as follows:

(1) five percent for active transportation, as determined by the Transportation Advisory Board under subdivision 3; and

(2) 95 percent for transit system purposes under sections 473.371 to 473.452, including but not limited to operations, maintenance, and capital projects.

(b) The council must expend a portion of sales tax revenue under paragraph (a), clause (2), in each of the following categories:

(1) improvements to regular route bus service levels;

(2) improvements related to transit safety, including additional transit officials, as defined under section 473.4075;

(3) maintenance and improvements to bus accessibility at transit stops and transit centers;

- (4) transit shelter replacement and improvements under section 473.41;
- (5) planning and project development for expansion of arterial bus rapid transit lines;
- (6) operations and capital maintenance of arterial bus rapid transit;
- (7) planning and project development for expansion of highway bus rapid transit and bus guideway lines;
- (8) operations and capital maintenance of highway bus rapid transit and bus guideways;
- (9) zero-emission bus procurement and associated costs in conformance with the zero-emission and electric transit vehicle transition plan under section 473.3927;
- (10) demand response microtransit service provided by the council;
- (11) financial assistance to replacement service providers under section 473.388, to provide for service, vehicle purchases, and capital investments related to demand response microtransit service;
- (12) financial assistance to political subdivisions and tax-exempt organizations under section 501(c)(3) of the Internal Revenue Code for active transportation; and
- (13) wage adjustments for Metro Transit hourly operations employees.

APPLICATION. This section applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 105. Minnesota Statutes 2024, section 473.4465, is amended by adding a subdivision to read:

Subd. 2a. Use of funds; Metropolitan Council; loan authorizations and requirements; coordinated corridor projects. (a) For purposes of this subdivision and subdivision 2b, the following terms have the meanings given:

(1) "corridor projects" means roadway improvements and trunk highway construction and reconstruction in coordination with the following projects:

(i) the F Line bus rapid transit project in coordination with marked Trunk Highway 65, also known as Central Avenue, and marked Trunk Highway 47, also known as University Avenue; and

(ii) the Riverview Corridor, also known as the West 7th bus rapid transit project, in coordination with marked Trunk Highway 5, also known as West 7th Street;

(2) "loan agreement" means the contractual and promissory agreement between the Metropolitan Council and the Department of Transportation authorized under this subdivision; and

(3) "project agreement" means the planned and final design of a corridor project.

(b) From the sales tax revenue allocated under subdivision 2, paragraph (a), clause (2), and subject to the requirements of this subdivision and subdivision 2b, the council may authorize up to two loans in an amount up to \$250,000,000 total to the Department of Transportation to advance corridor projects to ensure the trunk highway's compatibility with planned bus rapid transit investments along the route.

(c) A loan authorized under this section must be repaid in full by June 30, 2040, or ten years after construction begins, whichever is later.

(d) Funds from any loan authorized under this subdivision may be used for the costs of predesign, design, engineering, and environmental analysis. The council and the Department of Transportation may use the loan funds for right-of-way acquisition and construction only upon joint submission of a project agreement to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance and policy. A project agreement must provide a proposed design analysis to ensure:

(1) the construction and reconstruction plan for the trunk highway is compatible with future transit and roadway investments along the route; and

(2) safe and accessible facilities for all modes of travel along the entire corridor.

(e) At least 30 days prior to executing a loan agreement, the council must submit a copy of the loan agreement to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance and policy.

(f) Authorization to enter into a loan agreement expires on June 30, 2030.

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. 106. Minnesota Statutes 2024, section 473.4465, is amended by adding a subdivision to read:

Subd. 2b. Repayment of funds from authorized loan. (a) Funds repaid to the Metropolitan Council from a loan authorized under subdivision 2a must only be used for the purposes under subdivision 2, paragraph (a).

(b) A loan agreement, including repayment terms, cannot provide any financial benefit to either entity and must be mutually agreed to by the council and the Department of Transportation.

(c) Within 30 business days of receiving payment under a loan agreement under subdivision 2a from the Department of Transportation, the council must provide notice to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance and policy. The notice must include the amount repaid and the remaining balance of an outstanding loan.

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. 107. Minnesota Statutes 2024, section 473.4465, subdivision 4, is amended to read:

Subd. 4. Use of funds; metropolitan counties; reporting. ~~(a) A metropolitan county must use sales tax revenue from the regional transportation sales and use tax under section 297A.9915 in conformance with the requirements under section 174.49, subdivision 6.~~

~~(b) By February 15 of each even-numbered year, a metropolitan county must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance on the use of funds received under section 297A.9915. This report must be submitted in conjunction with the report required under section 297A.993, subdivision 2a. At a minimum, the report must include:~~

~~(1) actual sales tax collections allocated to the county over the previous five calendar years;~~

~~(2) an estimation of the total sales tax revenue that is estimated to be allocated to the county in the current year and for the next ten calendar years; and~~

~~(3) for each of the previous five calendar years, the current calendar year, and for the next ten calendar years:~~

~~(i) the amount of sales tax revenue expended or proposed to be expended for each of the allowable uses under section 174.49, subdivision 6;~~

~~(ii) completed, current, planned, and eligible projects or programs for each category under item (i); and~~

~~(iii) an estimated balance of unspent or undesignated regional transportation sales and use tax revenue.~~

Sec. 108. Laws 2023, chapter 68, article 4, section 109, is amended to read:

Sec. 109. TRAFFIC SAFETY VIOLATIONS DISPOSITION ANALYSIS.

(a) The commissioner of public safety must enter into an agreement with the Center for Transportation Studies at the University of Minnesota to conduct an evaluation of the disposition in recent years of citations for speeding, impairment, distraction, and seatbelt violations. The evaluation under the agreement must include but is not limited to analysis of:

(1) rates of citations issued compared to rates of citations contested in court and the outcomes of the cases;

(2) amounts of fines imposed compared to counts and amounts of fine payments; and

(3) any related changes in patterns of traffic enforcement from 2017 to 2022.

(b) The agreement must require the Center for Transportation Studies to submit an interim progress report by July 1, 2024, and a final report by ~~July 1, 2025~~ January 15, 2026, to the commissioner and the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance and public safety.

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

Sec. 109. Laws 2025, chapter 29, section 13, subdivision 5, is amended to read:

Subd. 5. **Driving while impaired conviction or adjudication; period of license revocation.** (a) Notwithstanding the periods specified in subdivisions 3 and 4 and except as provided in section 169A.54, subdivision 7, a revocation by the commissioner as required under section 169A.54, subdivision 1, or 171.17, subdivision 1, paragraph (a), clause ~~(2) (3)~~ or ~~(9) (10)~~, for conviction of an offense in another state that would be grounds for revocation in this state under section 169A.54, subdivision 1, must be for the following periods:

(1) if the person has no qualified prior impaired driving incidents within the past 20 years:

(i) not less than 30 days if the person is convicted of an offense under section 169A.20, subdivision 1 (driving while impaired);

(ii) not less than 90 days if the person is convicted of an offense under section 169A.20, subdivision 2 (refusal to submit to chemical test);

(iii) not less than 180 days if the person is under 21 years of age and the test results indicate an alcohol concentration of less than twice the legal limit; or

(iv) not less than one year if the test results indicate an alcohol concentration of twice the legal limit or more; or

(2) if the person has one qualified prior impaired driving incident within the past 20 years, or two or more qualified prior impaired driving incidents, until the commissioner determines that the person used an ignition interlock device in compliance with section 171.306 for the period of time described in subdivision 8.

(b) Whenever department records show that the violation involved personal injury or death to any person, at least 90 additional days must be added to the base periods provided in paragraph (a), clause (1), items (i) to (iv).

Sec. 110. Laws 2025, chapter 29, section 13, subdivision 6, is amended to read:

Subd. 6. **Criminal vehicular operation or homicide conviction; period of license revocation.** Notwithstanding the periods specified in subdivisions 3 to 5, a revocation by the commissioner under section 171.17, subdivision 1, paragraph (a), clause ~~(1)~~ (2), after the commissioner receives a record of a conviction for a violation of section:

(1) 609.2112, subdivision 1, paragraph (a), clause (2), (3), (4), (5), or (6);

(2) 609.2113, subdivision 1, clause (2), (3), (4), (5), or (6);

(3) 609.2113, subdivision 2, clause (2), (3), (4), (5), or (6);

(4) 609.2113, subdivision 3, clause (2), (3), (4), (5), or (6); or

(5) 609.2114, subdivision 1, paragraph (a), clause (2), (3), (4), (5), or (6); or subdivision 2, clause (2), (3), (4), (5), or (6),

must be until the commissioner determines that the person used an ignition interlock device in compliance with section 171.306 for the period of time described in subdivision 8.

Sec. 111. **MINNESOTA SENATE MAJORITY LEADER KARI DZIEDZIC MEMORIAL BRIDGE.**

By October 1, 2025, the city of Minneapolis must designate the bridge on 10th Avenue over the Mississippi River in the city of Minneapolis, commonly known as the 10th Avenue Bridge, as the "Minnesota Senate Majority Leader Kari Dziedzic Memorial Bridge." The city of Minneapolis must adopt a suitable design to mark the bridge and erect an appropriate sign or signs.

EFFECTIVE DATE; LOCAL APPROVAL. This section is effective the day after the governing body of the city of Minneapolis and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 112. **AUTONOMOUS MOWERS RESEARCH AND DEVELOPMENT.**

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

(b) "Autonomous mower" means a robotic or automated device designed, programmed, and operated to cut grass or vegetation with predefined routes to minimize the need for manual assistance or intervention.

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

(d) "Department" means the Department of Transportation.

Subd. 2. **Research and development authorized.** (a) The commissioner must conduct research on the use of automation and robotics for mowing and vegetation management at property owned by the department. The research must examine the use of autonomous mower technology at the following locations:

(1) rest areas;

(2) highway rights-of-way, including ditches, shoulders, or other varied or sloped terrain; or

(3) other roadside or public-facing property owned by the department.

(b) The research must examine the use of autonomous mowing technology for mowing or vegetation management by other states or government entities. The research conducted under this section must analyze different configurations and types of autonomous mowers, including mowers that require different levels of human intervention, to research for future statewide deployment at rest areas, at or along the trunk highway system, or on other property owned by the department.

(c) The commissioner must research the current and potential commercial availability of autonomous mowing products used by public or private entities for applications that include but are not limited to rest area mowing, highway right-of-way ditch mowing, vegetation management, or other applications related to property or roadside maintenance.

(d) The commissioner must include research on Minnesota-based companies engaged in autonomous mower technology. If the commissioner elects to purchase autonomous mower technology for research under this section, the commissioner must purchase the technology from a Minnesota-based company.

(e) The research must analyze whether an autonomous mower can operate safely in varied terrain, including ditches, and navigate obstacles such as culvert ends, guardrails, signposts, other barriers, and unexpected debris that may be found on or alongside a highway right-of-way. The research must examine the potential impact of autonomous mowing technology on worker safety and maintenance staffing needs.

(f) The commissioner must propose an autonomous mower pilot project to further study and examine the challenges to implementing autonomous mower technology into roadside vegetation management activities. The proposed pilot project must include the proposed location for the pilot project, the autonomous mower activities examined, and the anticipated timeline for implementation of the proposed pilot project.

Subd. 3. **Report.** By February 15, 2027, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance and policy on the results of the autonomous mower research authorized in subdivision 2. The report must include:

(1) information and analysis of other governmental agencies or private entities using autonomous mowing operations;

(2) the commissioner's detailed plan for conducting a pilot project with autonomous mowing technology, once available, at rest areas; at or alongside trunk highway rights-of-way, including ditches, shoulders, and other terrain; and at other properties owned by the department;

(3) the timeline and funding needed to conduct an autonomous mowing pilot project as specified in subdivision 2, paragraph (f);

(4) a cost-benefit analysis of whether autonomous mowing technology can yield productivity or efficiency gains in maintenance of department property compared to traditional methods of mowing;

(5) an analysis of whether the operation of autonomous mowing technology by the department would yield improvements compared to traditional mowing methods in worker safety, congestion, environmental impact outcomes, cost savings, maintenance scheduling, or any other factor deemed relevant by the commissioner; and

(6) an analysis of the costs and any other short-term or long-term challenges posed by the pilot project or the future operation of autonomous mowing technology on property owned by the department.

Sec. 113. DEPARTMENT OF TRANSPORTATION; COST PARTICIPATION POLICY UPDATE REQUIRED.

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

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

(2) "cost participation policy" is the policy between the Department of Transportation and local units of government to determine the potential expenditure of trunk highway funds on elements of cooperative construction projects and maintenance responsibilities between the department and local units of government; and

(3) "department" means the Department of Transportation.

Subd. 2. **Policy update.** By March 1, 2026, the commissioner, in consultation with representatives of local units of government, must update and adopt the department's cost participation policy. The updated policy must identify the circumstances where local units of government will not be responsible for any trunk highway fund eligible construction project costs to deliver the project scope the department deems necessary. The policy may consider a local unit of government's ability to pay as a factor in determining the amount of local contribution, if any.

Subd. 3. **Report.** By February 1, 2026, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance and policy. The report must:

(1) contain the department's draft cost participation policy;

(2) identify the local units of government consulted in developing the updated cost participation policy;

(3) identify and analyze all cost participation options explored by the commissioner and local units of government in determining the cost participation policy adopted by the commissioner; and

(4) propose legislation to enable the department to cover the cost of relocating utilities owned by local units of government with remaining service life when necessitated by a trunk highway construction project led by the department.

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

Sec. 114. RULEMAKING; LOSS OF VOLUNTARY CONTROL PROVISIONS MODIFICATION.

(a) By July 1, 2026, the commissioner of public safety must amend Minnesota Rules, part 7410.2500, subpart 5, by adding an item F, to no longer require an annual physician's statement from a driver if:

(1) a single nonepileptic seizure was responsible for the driver's loss of consciousness or voluntary control;

(2) the driver has been free from episodes of loss of consciousness or voluntary control for five years from the date of the incident under clause (1);

(3) the driver has not been prescribed or taking any antiseizure medication for five years from the date of the incident under clause (1); and

(4) a physician has indicated that no further review of the driver's condition is necessary due to the driver being in good health and the risk of reoccurrence for the condition responsible for causing a loss of consciousness or voluntary control is minimal.

(b) By July 1, 2026, the commissioner of public safety must amend Minnesota Rules, part 7410.2500, subpart 5, by adding an item G, to no longer require an annual physician's statement from a driver if:

(1) the driver has been free from episodes of loss of consciousness or voluntary control for ten years;

(2) the driver has not been prescribed or taking any antiseizure medication for ten years; and

(3) a physician has indicated that no further review of the driver's condition is necessary due to the driver being in good health and the risk of reoccurrence for the condition responsible for causing a loss of consciousness or voluntary control is minimal.

(c) A review by a physician under Minnesota Rules, part 7410.2500, subpart 5, item F or G, does not apply to a driver who is required to hold a valid medical examiner's certificate under Code of Federal Regulations, title 49, section 391.43, and does not constitute a determination of that driver's physical qualifications as required under Code of Federal Regulations, title 49, section 391.41.

(d) The commissioner may use the good cause exemption under Minnesota Statutes, section 14.388, subdivision 1, clause (3), to adopt rules under this section. Minnesota Statutes, section 14.386, does not apply except as provided under Minnesota Statutes, section 14.388.

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

Sec. 115. ADDITIONAL FULL-SERVICE PROVIDER FOR CIRCLE PINES.

Notwithstanding Minnesota Statutes, sections 168.33 and 171.061, and rules adopted by the commissioner of public safety limiting sites for the office of deputy registrar or driver's license agent based on either the distance to an existing deputy registrar or driver's license agent office or the annual volume of transactions processed by any deputy registrar or driver's license agent before or after the proposed appointment, the commissioner of public safety must appoint the deputy registrar of motor vehicles currently at 9201 Lexington Avenue North in the city of Circle Pines as a driver's license agent to operate as a full-service office. The addition of a driver's license agent establishes the location as a full-service office with full authority to function as a registration and motor vehicle tax collection and driver's license bureau. All other provisions regarding the appointment and operation of a deputy registrar of motor vehicles and driver's license agent under Minnesota Statutes, sections 168.33 and 171.061, and Minnesota Rules, chapters 7404 and 7406, apply to the office.

Sec. 116. CORRIDORS OF COMMERCE; 2022-2023 SOLICITATION.

From funds identified for the 2022-2023 project selection round for the corridors of commerce program under Minnesota Statutes, section 161.088, the commissioner must award the remaining available funds in a manner that most closely achieves the minimum regional allocations under Minnesota Statutes, section 161.088, subdivision 4a, as calculated using all funds in the project selection round.

Sec. 117. ANOKA STATION SHARED USE.

To the extent allowable under federal law, the Metropolitan Council must provide for limited shared-use opportunities at the Anoka Station located near 4th Avenue and Johnson Street in the city of Anoka.

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. 118. ELECTRICITY AS VEHICLE FUEL WORKING GROUP.

Subdivision 1. Definition. For purposes of this section, "electricity as vehicle fuel" means electrical energy transferred to or stored onboard an electric vehicle primarily to propel the electric vehicle.

Subd. 2. Establishment. The commissioners of transportation, public safety, management and budget, revenue, and commerce must convene an Electricity as Vehicle Fuel Working Group to evaluate, promote, and provide recommendations to facilitate the development and integration of electricity used as vehicle fuel within the state's transportation, energy, commercial, industrial, and residential sectors.

Subd. 3. Membership. (a) The working group consists of the following members:

(1) two members of the senate, with one appointed by the senate majority leader and one appointed by the senate minority leader;

(2) two members of the house of representatives, with one appointed by the speaker of the house and one appointed by the Democratic-Farmer-Labor caucus leader in the house of representatives;

(3) the commissioner of administration;

(4) the commissioner of commerce;

(5) the commissioner of management and budget;

(6) the commissioner of public safety;

(7) the commissioner of revenue;

(8) the commissioner of transportation;

(9) two members appointed by the governor;

(10) one member of a federally recognized Tribal government, appointed by the governor;

(11) one member appointed by the League of Minnesota Cities;

(12) one member appointed by the Minnesota Transportation Alliance;

(13) one member appointed by the Minnesota Grocers Association;

(14) two members appointed by the Minnesota Building and Construction Trades Council;

(15) one member appointed by the Associated General Contractors of Minnesota;

(16) one member appointed by the Minnesota Chamber of Commerce;

(17) one member appointed by each public utility that owns a nuclear-powered electric generating plant in this state;

(18) one member representing an electricity provider for residential, commercial, and industrial customers located outside the seven-county metropolitan area, appointed by the governor;

(19) one member appointed by the Minnesota Trucking Association;

(20) one member representing convenience stores or fueling stations, appointed by the governor;

(21) one member appointed by the Minnesota Automobile Dealers Association;

(22) one member appointed by Drive Electric Minnesota;

(23) one member appointed by Fresh Energy;

(24) one member representing electric vehicle manufacturers, appointed by the governor; and

(25) two members appointed by an association with interest in residential electric charging, including one member who lives in multifamily housing, appointed by the governor.

(b) At its first meeting, the working group must elect a chair or co-chairs by a majority vote of those members present and may elect a vice chair as necessary. The chair and the vice chair must not be a commissioner or a commissioner's designee.

Subd. 4. **Appointments.** (a) The appointing authorities under subdivision 3 must make the appointments by July 31, 2025.

(b) A commissioner under subdivision 3 may appoint a designee who is an employee of the respective agency.

(c) Appointments to the working group are made pursuant to Minnesota Statutes, section 15.0597.

Subd. 5. **Duties.** At a minimum, the working group must:

(1) provide a comprehensive analysis of electricity used as vehicle fuel infrastructure opportunities and barriers;

(2) develop a roadmap with policy and funding recommendations for sustainable transportation funding mechanisms consistent with the Minnesota Constitution, article XIV, including a plan for the studied mechanisms to replace the electric vehicle surcharges under Minnesota Statutes, section 168.013, subdivisions 1m and 1n; and

(3) research and analyze legislation and policy made in other states to determine equitable and comprehensive fuel assessment methods for electric vehicles.

Subd. 6. **Meetings.** (a) The commissioner of transportation must convene the first meeting of the working group no later than September 15, 2025.

(b) The working group must establish a schedule for meetings and meet as necessary to accomplish the duties under subdivision 5.

(c) The working group is subject to the Open Meeting Law under Minnesota Statutes, chapter 13D.

Subd. 7. **Administration.** (a) The Legislative Coordinating Commission must provide administrative support to the working group and must assist in creating the report under subdivision 8.

(b) Upon request of the working group, a commissioner under subdivision 3 must provide information and technical support.

(c) Members of the working group serve without compensation.

Subd. 8. **Report required.** By February 13, 2026, the working group must submit a report to the governor and the chairs and ranking minority members of the legislative committees with jurisdiction over transportation. At a minimum, the report must:

(1) summarize the activities of the working group; and

(2) provide findings and recommendations adopted by the working group.

Subd. 9. **Expiration.** The working group expires June 30, 2026.

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

Sec. 119. STUDY; WHEELCHAIR ACCESSIBLE VEHICLE SUPPLY AND AVAILABILITY.

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

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

(c) "Transportation network company" has the meaning given in Minnesota Statutes, section 65B.472, subdivision 1.

(d) "Wheelchair accessible vehicle" or "WAV" means a publicly owned or privately owned vehicle equipped with a ramp or lift capable of transporting riders with a disability and subject to the requirements of Minnesota Statutes, sections 299A.11 to 299A.17.

Subd. 2. **Study required.** The commissioner must conduct a study on the supply and demand of wheelchair accessible vehicles and wheelchair accessible transportation services. The study must identify effective strategies to increase the availability of WAVs, improve service quality, and provide cost-effective transportation solutions tailored to the needs of riders with disabilities to enjoy greater freedom and convenience in their daily journeys. The commissioner must engage various stakeholders and members of the public as specified in subdivision 4. The commissioner must commence the study no later than August 1, 2025.

Subd. 3. **Study objectives.** (a) The commissioner's objectives in conducting the study must include:

(1) an identification of the challenges that affect WAV accessibility and service for riders with disabilities, including but not limited to insufficient supply, high operational costs, lack of on-demand options, and geographical disparities;

(2) a study of supply and demand issues for WAVs, including identification of WAV transportation deserts in Minnesota communities and developing incentives to bolster the availability of WAVs in both public and private transportation networks;

(3) identifying possible measures to ensure the punctuality and reliability of WAV services for riders with disabilities;

(4) an evaluation on the impact that latent supply streams, market practices, and technological capabilities have on the ability to implement and fund high-quality WAV services at the lowest possible expense to taxpayers and private-pay WAV users;

(5) research and analysis on models that have been successful elsewhere in encouraging innovation and investment in on-demand transportation solutions to enable transportation parity for the disability community; and

(6) collected information on legislation and other policy changes that have been made in other states around the country to assess whether any already established solutions may be successful in Minnesota.

(b) To meet the study's objectives in paragraph (a), the commissioner must explore the following strategies:

(1) incentives to increase WAV ownership through the use of tax credits, exemptions, subsidies, or grants to individuals and organizations who purchase WAVs to increase supply;

(2) partnerships with WAV technology manufacturers to reduce costs for WAV-specific technologies;

(3) recommendations on the adequate provision of specialized training for drivers on the operation of WAVs to improve service quality, supply, and delivery and ensure the needs and safety of riders with disabilities when using a WAV;

(4) identification of methods known to improve the rate and frequency of drivers trained on providing rides to riders with disabilities or on the use of WAVs or WAV features, including an analysis of whether a private transportation network company driver should be required to complete a certain number of hours of disability training before providing WAV rides;

(5) expanded geographic coverage of WAV service for riders across different regions in the state by establishing partnerships with rural transit providers, expanding regulatory provisions, and deploying targeted funding mechanisms to address disparities in WAV availability;

(6) developing or utilizing user-friendly applications for riders to book WAV rides and improving dispatch systems to provide on-demand accessibility, real-time tracking, and communication systems to reduce response times; and

(7) encouraging partnerships with private transportation network companies and incentivizing their WAV operations and trained drivers.

(c) The study must assess whether the solutions identified in paragraph (b) are established in other jurisdictions and:

(1) provide a pathway to increasing the availability and accessibility of WAVs statewide;

(2) enhance service reliability and punctuality to reduce wait times for riders; and

(3) improve cost efficiency in service provision to benefit both users and providers.

Subd. 4. **Stakeholders; other models; public engagement.** (a) The commissioner must consult and engage in meaningful collaboration with stakeholders in conducting the study and determining whether identified solutions meet stated objectives. Stakeholders include but are not limited to the following:

- (1) public transportation service providers;
- (2) nonemergency medical transportation and special transportation services providers;
- (3) the State Patrol;
- (4) the Minnesota Council on Disability;
- (5) a driver advocacy organization representing transportation network drivers;
- (6) private transportation network companies;
- (7) one representative from the city of Minneapolis and one representative from the city of St. Paul;
- (8) a representative from the League of Minnesota Cities;
- (9) a representative from taxicab companies operating in Minnesota cities;
- (10) persons with disabilities and parents and caregivers of people with disabilities; and
- (11) an organization with expertise in accessibility technology for transportation services or accessible transportation design.

(b) In conducting the study, the commissioner must analyze other states' and communities' efforts in establishing a robust and safe network of WAVs to identify enacted policy changes, analyze developed programs against the stated objectives of the study required under this section, and seek out and leverage information from these jurisdictions to evaluate what may be successful in Minnesota.

Subd. 5. **Report.** By February 15, 2026, the commissioner must submit a final report on the study to the chairs and ranking minority members of the legislative committees having jurisdiction over transportation finance and policy. The report must:

- (1) detail the input, consultation efforts, and public comments from stakeholders and the public in conducting the study;
- (2) include the data collection and analysis methods used to conduct the study and develop recommendations for enhancing WAV services across Minnesota; and
- (3) utilize identified policy changes made in other states around the country to assess any already established solutions for WAV supply and availability.

Sec. 120. STUDY; HIGH-SUBSIDY TRANSIT SERVICE ANALYSIS.

(a) By March 1, 2026, the Metropolitan Council must conduct an analysis of high-subsidy regional regular route transit service. At a minimum, the analysis must:

- (1) calculate per-passenger operating subsidies for each route operated, by route type, as identified in the transportation policy plan under Minnesota Statutes, section 473.146;
- (2) estimate the capital and operating savings from discontinuing each route in the highest tier of per-passenger subsidy, as defined in the transportation policy plan; and

(3) estimate and evaluate the cost of Metro Mobility rides provided near the highest tier routes identified under clause (2).

(b) Within 60 days of a request, a recipient of financial assistance from the Metropolitan Council under Minnesota Statutes, section 473.388, must provide data and information as requested by the council that is necessary for the analysis under this section.

(c) Following completion, the Metropolitan Council must submit a copy of the analysis to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance and policy.

(d) The Metropolitan Council must use sales tax revenue under Minnesota Statutes, section 473.4465, subdivision 2, paragraph (a), clause (2), for the costs of analysis and reporting under this section.

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. **STUDY; METRO MOBILITY FORECASTING ANALYSIS.**

(a) By February 1, 2026, the commissioner of transportation must conduct an analysis of Metropolitan Council forecast practices for special transportation service as provided under Minnesota Statutes, section 473.386, subdivision 10. The commissioner must enter into an agreement with a third-party entity to perform the forecasting analysis. The third-party entity must have experience and expertise in transit systems, budgeting, and cost projections or relevant fiscal modeling.

(b) At a minimum, the analysis must:

(1) review data, projections, and assumptions used by the Metropolitan Council to forecast special transportation service costs and revenue;

(2) evaluate the forecasting methodology used by the Metropolitan Council;

(3) identify factors in the rate of anticipated cost growth;

(4) identify and analyze methods to improve efficiency and reduce costs; and

(5) develop findings and make recommendations related to the analysis.

(c) Following completion, the commissioner must submit a copy of the analysis to the commissioner of management and budget and the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance and policy.

(d) The Metropolitan Council must provide data and information as requested by the commissioner on behalf of the third-party entity that is necessary for the analysis under this section. In the amount identified by the commissioner, the Metropolitan Council must use sales tax revenue under Minnesota Statutes, section 473.4465, subdivision 2, paragraph (a), clause (2), for the costs of the forecasting analysis under this section.

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

Sec. 122. STUDY; BUS RAPID TRANSIT ALTERNATE MODE ANALYSIS.

(a) The Metropolitan Council must perform an analysis of alternate transit in the corridor of the Blue Line light rail transit extension project. At a minimum, the analysis must:

- (1) evaluate bus rapid transit as an alternative mode of transit service in the corridor;
- (2) perform a comparison between light rail transit and bus rapid transit alternatives that includes life cycle fiscal costs, ridership, transit system impacts, project risks, and any other relevant costs and benefits; and
- (3) review considerations and develop any recommendations for a project redesign to implement bus rapid transit in the corridor.

(b) By June 15, 2026, the Metropolitan Council must submit a report on the analysis to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance and policy and to the Hennepin County Board of Commissioners. At a minimum, the report must:

- (1) summarize the analysis; and
- (2) provide information on each of the requirements under paragraph (a), clauses (1) to (3).
- (c) The council must use existing resources to perform the analysis and report under this section.

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

Sec. 123. REPEALER.

Minnesota Statutes 2024, section 473.452, is repealed.

Presented to the governor June 12, 2025

Signed by the governor June 14, 2025, 10:29 a.m.