

SENATE
STATE OF MINNESOTA
EIGHTY-NINTH SESSION

S.F. No. 735

(SENATE AUTHORS: FRANZEN and Dibble)

DATE	D-PG	OFFICIAL STATUS
02/12/2015	265	Introduction and first reading Referred to Transportation and Public Safety
03/16/2015		Comm report: To pass as amended and re-refer to State and Local Government

A bill for an act
relating to transportation finance; providing for implementation planning related
to mileage-based user fee; requiring a legislative report; appropriating money.
BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. **APPROPRIATION; MILEAGE-BASED USER FEE.**

Subdivision 1. **Appropriation.** \$..... is appropriated in fiscal year 2016 from the
general fund to the commissioner of transportation for development and implementation
of a mileage-based user fee system as provided in this section. Notwithstanding Minnesota
Statutes, section 16A.28, this appropriation is available for three years after the year of
appropriation.

Subd. 2. **Implementation plan.** (a) The commissioner of transportation shall
develop a plan to implement a mileage-based user fee system in Minnesota. At a
minimum, the plan must:

(1) identify a project implementation timeline, which may include pilot programs,
limited initial deployment, multiple fee structure options for road users, and phased
implementation;

(2) identify a fee structure, which must include distance traveled and may include
additional factors such as vehicle weight, vehicle impact on roadways, fuel type, and
vehicle type;

(3) include a fiscal analysis that identifies costs, revenue projections, and any
associated tax rate changes;

(4) establish a technological and operational architecture for the system;

2.1 (5) address program and system administration, including but not limited to data
2.2 privacy, data integrity, and accuracy of information; and

2.3 (6) include specific recommendations for legislative authorization and changes.

2.4 (b) As part of the development of the implementation plan, the commissioner shall
2.5 provide for stakeholder input from road system users and interested organizations.

2.6 Subd. 3. **Principles.** In analysis, design, and development of the implementation
2.7 plan, the commissioner shall identify and utilize surface transportation finance principles,
2.8 which must include:

2.9 (1) efficiency, including impacts on road system use and land use;

2.10 (2) equity across road system users and vehicles, including (i) user payment relative
2.11 to user costs imposed, and (ii) ability to pay;

2.12 (3) revenue adequacy and long-term suitability of funding after complete
2.13 implementation;

2.14 (4) environmental impacts and sustainability;

2.15 (5) administrative and technical feasibility, including data privacy and protection;

2.16 (6) transparency; and

2.17 (7) accountability.

2.18 Subd. 4. **Legislative report.** By February 1, 2016, the commissioner shall submit a
2.19 mileage-based user fee status report to the chairs and ranking minority members of the
2.20 legislative committees having jurisdiction over transportation policy and finance. At a
2.21 minimum, the report must contain a review of the implementation plan under subdivision
2.22 2 and a discussion of the finance principles under subdivision 3.