

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	877a	Comm report: To pass as amended and re-refer to State and Local Government
03/18/2015	926a	Comm report: To pass as amended and re-refer to Finance

A bill for an act
relating to transportation; creating a road-user charge working group to study and
report on issues concerning implementation of a road-user charge as an alternative
to motor fuels tax; providing for implementation planning; appropriating money.

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

Section 1. **ESTABLISHMENT OF ROAD-USER CHARGE WORKING GROUP.**

The road-user charge working group is established to study and report to the
legislature concerning issues related to designing and implementing a road-user charge in
this state. The road-user charge working group consists of 15 members, as follows:

- (1) the chairs and ranking minority members of the house of representatives and
senate committees or divisions with jurisdiction over transportation policy and finance;
- (2) the commissioner of transportation or a designee; and
- (3) public members who have relevant expertise and interest, including members or
representatives of transportation user groups; the telecommunications industry; the data
security and privacy industry; privacy rights advocacy groups; and research and policy
making bodies. Of these members, five must be appointed by the speaker of the house,
and five must be appointed by the majority leader of the senate.

Sec. 2. **DUTIES OF ROAD-USER CHARGE WORKING GROUP.**

The working group shall identify and consider policy and technical issues related
to funding state transportation infrastructure through implementation of a road-user
charge as an alternative to the motor fuels tax. The working group shall study and
make recommendations concerning cost, privacy, jurisdictional issues, feasibility,
complexity, public acceptance, use of revenues, possible constitutional dedication,

security, compliance, data collection technology that includes privacy and user options, implementation, and related issues. In addition, the working group shall seek and facilitate collaboration with other states; review pilot project and implementation results from other states and countries; and explore federal funding opportunities.

Sec. 3. **REPORT OF WORKING GROUP.**

By January 15, 2017, the working group shall submit a report to the chairs of the committees in the senate and house of representatives with primary jurisdiction over transportation policy and transportation finance. The report must state findings and recommendations concerning a road-user charge. The report may recommend the development by the commissioner of transportation of an implementation plan that may:

(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;

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

(6) be based in surface transportation finance principles, including:

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

(ii) equity across road system users and vehicles, including (A) user payment relative to user costs imposed; (B) the distribution of the burden of a fee structure that includes the factors required under Minnesota Statutes, section 270C.13, subdivision 1, clauses (1) to (3); and (C) identification of and possible fiscal offsets for any disparate impact on users based on geographic location of their residency;

(iii) revenue adequacy and long-term suitability of funding after complete implementation;

(iv) environmental impacts and sustainability;

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

(vi) transparency; and

(vii) accountability.

3.1 Sec. 4. **ADMINISTRATIVE PROVISIONS.**

3.2 (a) The commissioner of transportation or the commissioner's designee shall convene
3.3 the initial meeting of the working group no later than September 1, 2015. Upon request
3.4 of the working group, the commissioner shall provide meeting space and administrative
3.5 services for the group. The members of the working group shall elect a chair or cochair
3.6 from the members of the working group at the initial meeting.

3.7 (b) Public members of the working group serve without compensation or payment of
3.8 expenses.

3.9 (c) The working group expires May 1, 2017, or upon submission of the report
3.10 required under section 3, whichever is earlier.

3.11 (d) The working group may accept gifts and grants, which are accepted on behalf of
3.12 the state and constitute donations to the state. Funds received under this paragraph are
3.13 appropriated to the commissioner of transportation for purposes of the working group.

3.14 Sec. 5. **DEADLINE FOR APPOINTMENTS AND DESIGNATIONS.**

3.15 The appointments and designations for the road-user charge working group must
3.16 be completed by August 1, 2015.

3.17 Sec. 6. **APPROPRIATION.**

3.18 \$..... is appropriated to the Legislative Coordinating Commission from the general
3.19 fund for the purposes of the working group established in section 1.

3.20 Sec. 7. **EFFECTIVE DATE.**

3.21 Sections 1 to 6 are effective July 1, 2015.