

**SENATE  
STATE OF MINNESOTA  
NINETY-SECOND SESSION**

**S.F. No. 3148**

(SENATE AUTHORS: PRATT)

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OFFICIAL STATUS  
Introduction and first reading  
Referred to Transportation Finance and Policy

1.1 A bill for an act  
1.2 relating to transportation; making various policy changes, including to bikeways,  
1.3 public transit grant rules, funding county and city streets, the municipal screening  
1.4 board, Indian employment preference, insurance requirements for small unmanned  
1.5 aircraft systems, legislative route turnbacks, and the Board of Architecture;  
1.6 amending Minnesota Statutes 2020, sections 160.266, by adding a subdivision;  
1.7 161.115, by adding a subdivision; 162.07, subdivision 2; 162.13, subdivisions 2,  
1.8 3; Minnesota Statutes 2021 Supplement, sections 360.55, subdivision 9; 360.59,  
1.9 subdivision 10; proposing coding for new law in Minnesota Statutes, chapter 161;  
1.10 repealing Minnesota Rules, part 8835.0350, subpart 2.

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

1.12 Section 1. Minnesota Statutes 2020, section 160.266, is amended by adding a subdivision  
1.13 to read:

1.14 Subd. 7. **North Star Bikeway.** The North Star Bikeway is designated as a state bicycle  
1.15 route. It must originate in the city of St. Paul in Ramsey County, then proceed north and  
1.16 east to Duluth in St. Louis County, then proceed north and east along the shore of Lake  
1.17 Superior through Grand Marais in Cook County to Minnesota's boundary with Canada, and  
1.18 there terminate.

1.19 Sec. 2. Minnesota Statutes 2020, section 161.115, is amended by adding a subdivision to  
1.20 read:

1.21 Subd. 271. **Route No. 340.** Beginning at a point in or adjacent to Upper Sioux Agency  
1.22 State Park; thence extending in a general northwesterly direction to a point on Route No.  
1.23 67 at or near Granite Falls.

2.1 Sec. 3. [161.369] INDIAN EMPLOYMENT PREFERENCE.

2.2 As authorized by United States Code, title 23, section 104, paragraph (d), the  
2.3 commissioner may implement an Indian employment preference for members of federally  
2.4 recognized Tribes on projects carried out under United States Code, title 23, on or near an  
2.5 Indian reservation. For purposes of this section, a project is near an Indian reservation if  
2.6 the project is within the distance a person seeking employment could reasonably be expected  
2.7 to commute to and from each workday. The commissioner, in consultation with federally  
2.8 recognized Minnesota Tribes, may determine when a project is near an Indian reservation.

2.9 Sec. 4. Minnesota Statutes 2020, section 162.07, subdivision 2, is amended to read:

2.10 Subd. 2. **Money needs defined.** For the purpose of this section, money needs of each  
2.11 county are defined as the estimated total annual costs of constructing, over a period of 25  
2.12 years, the county state-aid highway system ~~in~~ located and established by that county. Costs  
2.13 incidental to construction, or a specified portion thereof as set forth in the commissioner's  
2.14 rules may be included in determining money needs. To avoid variances in costs due to  
2.15 differences in construction policy, construction costs shall be estimated on the basis of the  
2.16 engineering standards developed cooperatively by the commissioner and the county engineers  
2.17 of the several counties.

2.18 Sec. 5. Minnesota Statutes 2020, section 162.13, subdivision 2, is amended to read:

2.19 Subd. 2. **Money needs defined.** For the purpose of this section money needs of each  
2.20 city having a population of 5,000 or more are defined as the estimated cost of constructing  
2.21 and maintaining over a period of 25 years the municipal state-aid street system ~~in~~ located  
2.22 and established by such city. Right-of-way costs and drainage shall be included in money  
2.23 needs. Lighting costs and other costs incidental to construction and maintenance, or a  
2.24 specified portion of such costs, as set forth in the commissioner's rules, may be included in  
2.25 determining money needs. To avoid variances in costs due to differences in construction  
2.26 and maintenance policy, construction and maintenance costs shall be estimated on the basis  
2.27 of the engineering standards developed cooperatively by the commissioner and the engineers,  
2.28 or a committee thereof, of the cities.

2.29 Sec. 6. Minnesota Statutes 2020, section 162.13, subdivision 3, is amended to read:

2.30 Subd. 3. **Screening board.** On or before September 1 of each year, the engineer of each  
2.31 city having a population of 5,000 or more ~~shall~~ must update their data and forward to the  
2.32 ~~commissioner on forms prepared by the commissioner,~~ all information relating to the money

3.1 needs of the city that the commissioner deems necessary in order to apportion the municipal  
 3.2 state-aid street fund in accordance with the apportionment formula ~~heretofore set forth~~.  
 3.3 Upon receipt of the information the commissioner ~~shall~~ must appoint a board of city  
 3.4 engineers. The board ~~shall~~ must be composed of ~~one engineer from each state highway~~  
 3.5 ~~construction district, and in addition thereto;~~ (1) two city engineers from the metropolitan  
 3.6 district; (2) one city engineer from each nonmetropolitan district; and (3) one engineer from  
 3.7 each city of the first class. The board shall must investigate and review the information  
 3.8 submitted by each city. On or before November 1 of each year, the board ~~shall~~ must submit  
 3.9 its findings and recommendations in writing as to each city's money needs to the  
 3.10 commissioner on a form prepared by the commissioner. Final determination of the money  
 3.11 needs of each city ~~shall~~ must be made by the commissioner. In the event that any city ~~shall~~  
 3.12 ~~fail~~ fails to submit the required information ~~provided for herein~~, the commissioner ~~shall~~  
 3.13 must estimate the money needs of the city. The estimate ~~shall~~ must be used in solving the  
 3.14 apportionment formula. The commissioner may withhold payment of the amount apportioned  
 3.15 to the city until the information is submitted.

3.16 Sec. 7. Minnesota Statutes 2021 Supplement, section 360.55, subdivision 9, is amended  
 3.17 to read:

3.18 Subd. 9. **Small unmanned aircraft systems.** (a) Any small unmanned aircraft system  
 3.19 ~~in which the unmanned aircraft weighs less than 55 pounds at takeoff, including payload~~  
 3.20 ~~and anything affixed to the aircraft, either,~~ as defined in section 360.013, subdivision 57b:

3.21 (1) must be registered in the state for an annual fee of \$25; or

3.22 (2) is not subject to registration or an annual fee if the unmanned aircraft system is owned  
 3.23 and operated solely for recreational purposes.

3.24 (b) An unmanned aircraft system that meets the requirements under paragraph (a) is  
 3.25 exempt from aircraft registration tax under sections 360.511 to 360.67.

3.26 (c) Owners must, at the time of registration, provide proof of insurability in a form  
 3.27 acceptable to the commissioner. Additionally, owners must maintain records and proof that  
 3.28 each flight was covered by an insurance policy with limits of not less than \$300,000 per  
 3.29 occurrence for bodily injury or death to nonpassengers in any one accident. The insurance  
 3.30 must comply with section 60A.081, unless that section is inapplicable under section 60A.081,  
 3.31 subdivision 3.

4.1 Sec. 8. Minnesota Statutes 2021 Supplement, section 360.59, subdivision 10, is amended  
4.2 to read:

4.3 Subd. 10. **Certificate of insurance.** (a) Every owner of aircraft in this state when applying  
4.4 for registration, reregistration, or transfer of ownership shall supply any information the  
4.5 commissioner reasonably requires to determine that the aircraft during the period of its  
4.6 contemplated operation is covered by an insurance policy with limits of not less than  
4.7 \$100,000 per passenger seat liability both for passenger bodily injury or death and for  
4.8 property damage; not less than \$100,000 for bodily injury or death to each nonpassenger  
4.9 in any one accident; and not less than \$300,000 per occurrence for bodily injury or death  
4.10 to nonpassengers in any one accident. The insurance must comply with section 60A.081,  
4.11 unless that section is inapplicable under section 60A.081, subdivision 3.

4.12 The information supplied to the commissioner must include but is not limited to the  
4.13 name and address of the owner, the period of contemplated use or operation, if any, and, if  
4.14 insurance coverage is then presently required, the name of the insurer, the insurance policy  
4.15 number, the term of the coverage, policy limits, and any other data the commissioner requires.  
4.16 No certificate of registration shall be issued pursuant to subdivision 3 in the absence of the  
4.17 information required by this subdivision.

4.18 (b) In the event of cancellation of aircraft insurance by the insurer, the insurer shall  
4.19 notify the Department of Transportation at least ten days prior to the date on which the  
4.20 insurance coverage is to be terminated. Unless proof of a new policy of insurance is filed  
4.21 with the department meeting the requirements of this subdivision during the period of the  
4.22 aircraft's contemplated use or operation, the registration certificate for the aircraft shall be  
4.23 revoked forthwith.

4.24 (c) Nothing in this subdivision shall be construed to require an owner of aircraft to  
4.25 maintain passenger seat liability coverage on aircraft for which an experimental certificate  
4.26 has been issued by the administrator of the Federal Aviation Administration pursuant to  
4.27 Code of Federal Regulations, title 14, sections 21.191 to 21.195 and 91.319, whereunder  
4.28 persons operating the aircraft are prohibited from carrying passengers in the aircraft or for  
4.29 an unmanned aircraft. Whenever the aircraft becomes certificated to carry passengers,  
4.30 passenger seat liability coverage shall be required as provided in this subdivision.

4.31 (d) The requirements of this subdivision shall not apply to any aircraft built by the  
4.32 original manufacturer prior to December 31, 1939, and owned and operated solely as a  
4.33 collector's item, if the owner files an affidavit with the commissioner. The affidavit shall  
4.34 state the owner's name and address, the name and address of the person from whom the

5.1 aircraft was purchased, the make, year, and model number of the aircraft, the federal aircraft  
5.2 registration number, the manufacturer's identification number, and that the aircraft is owned  
5.3 and operated solely as a collector's item and not for general transportation purposes.

5.4 ~~(e) A small unmanned aircraft system that meets the requirements of section 360.55,~~  
5.5 ~~subdivision 9, is not subject to the requirements under paragraphs (a) and (b). Owners of~~  
5.6 ~~small unmanned aircraft systems that meet the requirements of section 360.55, subdivision~~  
5.7 ~~9, must, at the time of registration, provide proof of insurability in a form acceptable to the~~  
5.8 ~~commissioner. Additionally, such operators must maintain records and proof that each flight~~  
5.9 ~~was insured for the limits established in paragraph (a).~~

5.10 **Sec. 9. LEGISLATIVE ROUTE NO. 274 REMOVED.**

5.11 (a) Minnesota Statutes, section 161.115, subdivision 205, is repealed effective the day  
5.12 after the commissioner of transportation receives a copy of the agreement between the  
5.13 commissioner and the governing body of Yellow Medicine County to transfer jurisdiction  
5.14 of Legislative Route No. 274 and notifies the revisor of statutes under paragraph (b).

5.15 (b) The revisor of statutes shall delete the route identified in paragraph (a) from Minnesota  
5.16 Statutes when the commissioner of transportation sends notice to the revisor electronically  
5.17 or in writing that the conditions required to transfer the route have been satisfied.

5.18 **Sec. 10. LEGISLATIVE ROUTE NO. 301 REMOVED.**

5.19 (a) Minnesota Statutes, section 161.115, subdivision 232, is repealed effective the day  
5.20 after the commissioner of transportation receives a copy of the agreement between the  
5.21 commissioner and the governing body of the city of St. Cloud to transfer jurisdiction of  
5.22 Legislative Route No. 301 and notifies the revisor of statutes under paragraph (b).

5.23 (b) The revisor of statutes shall delete the route identified in paragraph (a) from Minnesota  
5.24 Statutes when the commissioner of transportation sends notice to the revisor electronically  
5.25 or in writing that the conditions required to transfer the route have been satisfied.

5.26 **Sec. 11. REPEALER.**

5.27 Minnesota Rules, part 8835.0350, subpart 2, is repealed.

**8835.0350 FINANCIAL RECORDS.**

Subp. 2. **Reports.** At the end of each month of operation, a recipient shall provide the department with a report summarizing cost allocations and operating statistics for the period. Reports must be completed on forms provided or approved by the department and must be submitted no later than the last day of the month following the reporting period. The recipient shall submit to the department the final report for the contract period no later than 90 days after the contract period ends.