

1.1 moves to amend H.F. No. 4160 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 **"ARTICLE 1**

1.4 **TRANSPORTATION APPROPRIATIONS**

1.5 Section 1. **APPROPRIATIONS.**

1.6 The sums shown in the column under "Appropriations" are added to the appropriations
1.7 in Laws 2017, First Special Session chapter 3, article 1, to the agencies and for the purposes
1.8 specified in this article. The appropriations are from the general fund, or another named
1.9 fund, and are available for the fiscal years indicated for each purpose. Amounts for "Total
1.10 Appropriation" and sums shown in the corresponding columns marked "Appropriations by
1.11 Fund" are summary only and do not have legal effect. The figures "2018" and "2019" used
1.12 in this article mean that the addition to the appropriation listed under them is available for
1.13 the fiscal year ending June 30, 2018, or June 30, 2019, respectively.

1.14 **APPROPRIATIONS**
1.15 **Available for the Year**
1.16 **Ending June 30**
1.17 **2018 2019**

1.18 **Sec. 2. DEPARTMENT OF**
1.19 **TRANSPORTATION**

1.20 **Subdivision 1. Total Appropriation** **\$** **-0-** **\$** **135,539,000**

1.21 **Appropriations by Fund**

1.22		<u>2018</u>	<u>2019</u>
1.23	<u>General</u>	<u>0</u>	<u>21,400,000</u>
1.24	<u>Special Revenue</u>	<u>0</u>	<u>1,550,000</u>
1.25	<u>C.S.A.H.</u>	<u>0</u>	<u>25,215,000</u>
1.26	<u>M.S.A.S.</u>	<u>0</u>	<u>6,623,000</u>

3.1 committed to complete the project, as required
 3.2 by Minnesota Statutes, section 16A.502, and
 3.3 is available until the project is completed or
 3.4 abandoned subject to Minnesota Statutes,
 3.5 section 16A.642. This is a onetime
 3.6 appropriation.

3.7 **Subd. 4. State Roads**

3.8 Unless other wise specified, the appropriations
 3.9 in this subdivision are from the trunk highway
 3.10 fund.

3.11 **(a) Operations and Maintenance** -0- 11,095,000

3.12 This is a onetime appropriation.

3.13 **(b) Program Planning and Delivery**

3.14 **(1) Planning and Research** -0- 2,094,000

3.15 If a balance remains of this appropriation, the
 3.16 commissioner may transfer up to that amount
 3.17 for program delivery under clause (2).

3.18 \$500,000 in the second year is to conduct a
 3.19 study on the feasibility of an interchange at
 3.20 marked Interstate Highway 35 and County
 3.21 Road 9 in Rice County. At a minimum, the
 3.22 study must include estimated construction
 3.23 costs, traffic modeling, an environmental
 3.24 analysis, and a potential design layout for an
 3.25 interchange.

3.26 \$500,000 in the second year is to conduct a
 3.27 study on the feasibility of expanding or
 3.28 reconstructing marked Interstate Highway 94
 3.29 from the city of St. Michael to the city of St.
 3.30 Cloud. At a minimum, the study must include
 3.31 traffic modeling and an environmental
 3.32 analysis.

3.33 This is a onetime appropriation.

4.1 **(2) Program Delivery** -0- 12,487,000

4.2 Appropriations by Fund

	<u>2018</u>	<u>2019</u>
4.4 <u>General</u>	<u>0</u>	<u>5,400,000</u>
4.5 <u>Trunk Highway</u>	<u>0</u>	<u>7,087,000</u>

4.6 This appropriation includes use of consultants
 4.7 to support development and management of
 4.8 projects. This is a onetime appropriation.

4.9 \$5,400,000 in the second year is from the
 4.10 general fund for a grant to the city of Virginia
 4.11 to repay loans incurred by the city for costs
 4.12 related to utility relocation for the U.S.
 4.13 Highway 53 project. This is a onetime
 4.14 appropriation.

4.15 **(c) State Road Construction** -0- 48,155,000

4.16 This appropriation is for the actual
 4.17 construction, reconstruction, and improvement
 4.18 of trunk highways, including design-build
 4.19 contracts, internal department costs associated
 4.20 with delivering the construction program,
 4.21 consultant usage to support these activities,
 4.22 and the cost of actual payments to landowners
 4.23 for lands acquired for highway rights-of-way,
 4.24 payment to lessees, interest subsidies, and
 4.25 relocation expenses. This is a onetime
 4.26 appropriation.

4.27 For any trunk highway reconstruction or
 4.28 resurfacing project in 2020 or 2021 that
 4.29 includes establishment of one or more
 4.30 temporary lanes of travel, the commissioner
 4.31 must establish additional permanent general
 4.32 purpose lanes for that segment if (1) the
 4.33 project is on an Interstate Highway; (2) the
 4.34 total project cost estimate is at least
 4.35 \$30,000,000; and (3) the annual average daily

5.1 traffic is at least 40,000 at any point within
 5.2 the project limits.

5.3 **(d) Corridors of Commerce** -0- 10,000,000

5.4 This appropriation is for the corridors of
 5.5 commerce program under Minnesota Statutes,
 5.6 section 161.088. This is a onetime
 5.7 appropriation.

5.8 **(e) Highway Debt Service** -0- 2,319,000

5.9 \$2,319,000 in fiscal year 2019 is for transfer
 5.10 to the state bond fund. If this appropriation is
 5.11 insufficient to make all transfers required in
 5.12 the year for which it is made, the
 5.13 commissioner of management and budget must
 5.14 transfer the deficiency amount under the
 5.15 statutory open appropriation and notify the
 5.16 chairs, ranking minority members, and staff
 5.17 of the legislative committees with jurisdiction
 5.18 over transportation finance and the chairs of
 5.19 the senate Finance Committee and the house
 5.20 of representatives Ways and Means Committee
 5.21 of the amount of the deficiency. Any excess
 5.22 appropriation cancels to the trunk highway
 5.23 fund.

5.24 **Subd. 5. Local Roads**

5.25 **(a) County State-Aid Roads** -0- 25,215,000

5.26 This appropriation is from the county state-aid
 5.27 highway fund under Minnesota Statutes,
 5.28 sections 161.081 and 297A.815, subdivision
 5.29 3, and chapter 162, and is available until June
 5.30 30, 2027. This is a onetime appropriation.

5.31 **(b) Municipal State-Aid Roads** -0- 6,623,000

5.32 This appropriation is from the municipal
 5.33 state-aid street fund under Minnesota Statutes,

6.1 chapter 162, and is available until June 30,
6.2 2027. This is a onetime appropriation.

6.3 **(c) Small Cities Assistance** -0- 7,000,000

6.4 This appropriation is for the small cities
6.5 assistance program under Minnesota Statutes,
6.6 section 162.145.

6.7 The base is \$8,081,000 in fiscal year 2020 and
6.8 \$8,082,000 in fiscal year 2021.

6.9 **(d) Town Roads** -0- 2,000,000

6.10 This appropriation is for town roads, to be
6.11 distributed in the manner provided under
6.12 Minnesota Statutes, section 162.081. This is
6.13 a onetime appropriation.

6.14 **Subd. 6. Tribal Training Program**

6.15 The commissioner must implement
6.16 interagency billing to state agencies for costs
6.17 related to that agency's participation in tribal
6.18 training activities provided by the Department
6.19 of Transportation.

6.20 **Sec. 3. METROPOLITAN COUNCIL** **\$** **-0-** **\$** **3,500,000**

6.21 This appropriation is for financial assistance
6.22 to replacement service providers under
6.23 Minnesota Statutes, section 473.388, for the
6.24 purposes of the suburb-to-suburb transit
6.25 project authorized under Laws 2015, chapter
6.26 75, article 1, section 4. Of the amount in the
6.27 second year, \$2,500,000 is for capital
6.28 improvements, including bus replacement,
6.29 associated with the project. The replacement
6.30 service providers must collectively identify
6.31 and notify the Metropolitan Council of the
6.32 capital expenditures under this rider, and the
6.33 Metropolitan Council must allocate funds as

7.1 directed by the replacement service providers.
 7.2 The council must not retain any portion of the
 7.3 funds under this appropriation. This is a
 7.4 onetime appropriation.

7.5 Notwithstanding Laws 2017, First Special
 7.6 Session chapter 3, article 1, section 3, the base
 7.7 is \$90,747,000 in fiscal year 2020 and
 7.8 \$90,730,000 in fiscal year 2021.

7.9 **Sec. 4. DEPARTMENT OF MANAGEMENT**
 7.10 **AND BUDGET** **\$ 9,000,000 \$ -0-**

7.11 This appropriation is for reimbursement grants
 7.12 to deputy registrars under Minnesota Statutes,
 7.13 section 168.335, provided that the time period
 7.14 under Minnesota Statutes, section 168.335,
 7.15 subdivision 3, paragraph (a), clause (1), is
 7.16 August 1, 2017, through January 31, 2018.

7.17 \$6,265,000 in the first year is from the driver
 7.18 services operating account and \$2,735,000 in
 7.19 the first year is from the vehicle services
 7.20 operating account.

7.21 For the appropriation in the first year, the
 7.22 commissioner of management and budget must
 7.23 make efforts to reimburse deputy registrars
 7.24 within 30 days of the effective date of this
 7.25 section.

7.26 The base from the general fund is \$9,000,000
 7.27 in each of fiscal years 2020 and 2021. The
 7.28 base from the driver services operating
 7.29 account is \$0 in each of fiscal years 2020 and
 7.30 2021. The base from the vehicle services
 7.31 operating account is \$0 in each of fiscal years
 7.32 2020 and 2021.

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

8.1 Sec. 5. Laws 2017, First Special Session chapter 3, article 1, section 2, subdivision 2, is
8.2 amended to read:

8.3 **Subd. 2. Multimodal Systems**

8.4 **(a) Aeronautics**

8.5 **(1) Airport Development and Assistance** 26,001,000 16,598,000

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

8.10 Notwithstanding Minnesota Statutes, section
8.11 16A.28, subdivision 6, this appropriation is
8.12 available for five years after the year of the
8.13 appropriation. If the appropriation for either
8.14 year is insufficient, the appropriation for the
8.15 other year is available for it.

8.16 \$6,619,000 in the first year is for a grant to
8.17 the Duluth Airport Authority for
8.18 improvements at the Duluth International
8.19 Airport and the Sky Harbor Airport in
8.20 accordance with Minnesota Statutes, section
8.21 360.017. For the purposes of this
8.22 appropriation, the commissioner may waive
8.23 the requirements of Minnesota Statutes,
8.24 section 360.305, subdivision 4, paragraph (b).

8.25 This appropriation may be used to reimburse
8.26 the Authority for costs incurred after March
8.27 1, 2015. This is a onetime appropriation.

8.28 \$2,334,000 in the first year is for a grant to
8.29 the city of Rochester for improvements to the
8.30 passenger terminal building at the Rochester
8.31 International Airport in accordance with
8.32 Minnesota Statutes, section 360.017. For the
8.33 purposes of this appropriation, the
8.34 commissioner of transportation may waive the

9.1 requirements of Minnesota Statutes, section
9.2 360.305, subdivision 4, paragraph (b). This
9.3 appropriation may be used to reimburse the
9.4 city for costs incurred after May 1, 2016. This
9.5 is a onetime appropriation.

9.6 Notwithstanding Minnesota Statutes, section
9.7 360.017, \$250,000 in the first year is for a
9.8 grant to the city of St. Cloud for an air
9.9 transport optimization planning study for the
9.10 St. Cloud Regional Airport. The study must
9.11 be comprehensive and market-based, using
9.12 economic development and air service
9.13 expertise to research, analyze, and develop
9.14 models and strategies that maximize the return
9.15 on investments made to enhance the use and
9.16 impact of the St. Cloud Regional Airport. By
9.17 January 5, 2018, the city of St. Cloud shall
9.18 submit a report to the governor and the
9.19 members and staff of the legislative
9.20 committees with jurisdiction over capital
9.21 investment, transportation, and economic
9.22 development with recommendations based on
9.23 the findings of the study. This is a onetime
9.24 appropriation.

9.25 If the commissioner of transportation
9.26 determines that a balance remains in the state
9.27 airports fund following the appropriations
9.28 made in this article and that the appropriations
9.29 made are insufficient for advancing airport
9.30 development and assistance projects, an
9.31 amount necessary to advance the projects, not
9.32 to exceed the balance in the state airports fund,
9.33 is appropriated in each year to the
9.34 commissioner and must be spent according to
9.35 Minnesota Statutes, section 360.305,

10.1 subdivision 4. Within two weeks of a
 10.2 determination under this contingent
 10.3 appropriation, the commissioner of
 10.4 transportation must notify the commissioner
 10.5 of management and budget and the chairs,
 10.6 ranking minority members, and staff of the
 10.7 legislative committees with jurisdiction over
 10.8 transportation finance concerning the funds
 10.9 appropriated. Funds appropriated under this
 10.10 contingent appropriation do not adjust the base
 10.11 for fiscal years 2020 and 2021.

10.12 The base is \$15,298,000 in each of fiscal years
 10.13 2020 and 2021.

10.14 **(2) Aviation Support and Services** 6,710,000 6,854,000

10.15 Appropriations by Fund

	2018	2019
10.16 Airports	5,231,000	5,231,000
10.17 Trunk Highway	1,479,000	1,623,000

10.18 **(3) Civil Air Patrol** 3,580,000 80,000

10.19 This appropriation is from the state airports
 10.20 fund for the Civil Air Patrol.

10.21 \$3,500,000 in the first year is for a grant to:
 10.22 (1) perform site selection and analysis; (2)
 10.23 purchase, renovate a portion of and, or
 10.24 construct an addition to the training and
 10.25 maintenance facility located at the South St.
 10.26 Paul airport, facilities; and to (3) furnish and
 10.27 equip the facility facilities, including
 10.28 communications equipment. If the Civil Air
 10.29 Patrol purchases an existing facility, predesign
 10.30 requirements are waived. The facilities must
 10.31 be located at an airport in Minnesota.
 10.32 Notwithstanding the matching requirements
 10.33 in Minnesota Statutes, section 360.305,
 10.34 subdivision 4, a nonstate contribution is not
 10.35 subdivision 4, a nonstate contribution is not

11.1 required for this appropriation.

11.2 Notwithstanding Minnesota Statutes, section
 11.3 16A.28, subdivision 6, this appropriation is
 11.4 available for ~~five~~ six years after the year of
 11.5 the appropriation. This is a onetime
 11.6 appropriation.

11.7 **(b) Transit** 1,416,000 18,268,000

11.8	Appropriations by Fund		
11.9		2018	2019
11.10	General	570,000	17,395,000
11.11	Trunk Highway	846,000	873,000

11.12 \$150,000 in each year is from the general fund
 11.13 for grants to transportation management
 11.14 organizations that provide services exclusively
 11.15 or primarily in the city located along the
 11.16 marked Interstate Highway 494 corridor
 11.17 having the highest population as of the
 11.18 effective date of this section. The
 11.19 commissioner must not retain any portion of
 11.20 the funds appropriated under this section.
 11.21 From the appropriation in each fiscal year, the
 11.22 commissioner must make grant payments in
 11.23 full by July 31. Permissible uses of funds
 11.24 under this grant include administrative
 11.25 expenses and programming and service
 11.26 expansion, including but not limited to
 11.27 staffing, communications, outreach and
 11.28 education program development, and
 11.29 operations management. This is a onetime
 11.30 appropriation.

11.31 The base from the general fund is \$17,245,000
 11.32 in each year for fiscal years 2020 and 2021.

11.33 **(c) Safe Routes to School** 500,000 500,000

12.1 This appropriation is from the general fund
 12.2 for the safe routes to school program under
 12.3 Minnesota Statutes, section 174.40.

12.4 **(d) Passenger Rail** 500,000 500,000

12.5 This appropriation is from the general fund
 12.6 for passenger rail system planning, alternatives
 12.7 analysis, environmental analysis, design, and
 12.8 preliminary engineering under Minnesota
 12.9 Statutes, sections 174.632 to 174.636.

12.10 **(e) Freight**

12.11 **Freight and Commercial Vehicle Operations** 8,506,000 6,578,000

12.12	Appropriations by Fund		
12.13		2018	2019
12.14	General	3,156,000	1,056,000
12.15	Trunk Highway	5,350,000	5,522,000

12.16 \$1,100,000 in the first year is from the general
 12.17 fund for port development assistance grants
 12.18 under Minnesota Statutes, chapter 457A, to
 12.19 the city of Red Wing and to the Port Authority
 12.20 of Winona. Any improvements made with the
 12.21 proceeds of the grants must be publicly owned.

12.22 This is a onetime appropriation and is
 12.23 available in the second year.

12.24 \$800,000 in each year is from the general fund
 12.25 for additional rail safety and rail service
 12.26 activities.

12.27 \$1,000,000 in the first year is from the general
 12.28 fund for a grant to the city of Grand Rapids to
 12.29 fund rail planning studies, design, and
 12.30 preliminary engineering relating to the
 12.31 construction of a freight rail line located in the
 12.32 counties of Itasca, St. Louis, and Lake to serve
 12.33 local producers and shippers. The city of
 12.34 Grand Rapids shall collaborate with the Itasca

13.1 Economic Development Corporation and the
 13.2 Itasca County Regional Railroad Authority in
 13.3 the activities funded with the proceeds of this
 13.4 grant. This is a onetime appropriation and is
 13.5 available until June 30, 2019.

13.6 Sec. 6. Laws 2017, First Special Session chapter 3, article 1, section 4, subdivision 1, is
 13.7 amended to read:

13.8				<u>199,407,000</u>
13.9	Subdivision 1. Total Appropriation	\$	199,838,000	\$
				<u>198,041,000</u>

13.10	Appropriations by Fund		
13.11		2018	2019
13.12	General	19,971,000	14,381,000
13.13	Special Revenue	63,945,000	65,087,000
13.14			10,486,000
13.15	H.U.T.D.	10,474,000	<u>9,120,000</u>
13.16	Trunk Highway	105,448,000	109,453,000

13.17 The appropriations in this section are to the
 13.18 commissioner of public safety. The amounts
 13.19 that may be spent for each purpose are
 13.20 specified in the following subdivisions.

13.21 Sec. 7. Laws 2017, First Special Session chapter 3, article 1, section 4, subdivision 2, is
 13.22 amended to read:

13.23 **Subd. 2. Administration and Related Services**

13.24	(a) Office of Communications	553,000	573,000
-------	-------------------------------------	---------	---------

13.25	Appropriations by Fund		
13.26		2018	2019
13.27	General	127,000	130,000
13.28	Trunk Highway	426,000	443,000

13.29			6,569,000
13.30	(b) Public Safety Support	6,372,000	<u>5,203,000</u>

13.31	Appropriations by Fund		
13.32		2018	2019
13.33	General	1,225,000	1,235,000
13.34			1,366,000
13.35	H.U.T.D.	1,366,000	<u>0</u>

14.1	Trunk Highway	3,781,000	3,968,000		
14.2	(c) Public Safety Officer Survivor Benefits			640,000	640,000
14.3	This appropriation is from the general fund				
14.4	for payment of public safety officer survivor				
14.5	benefits under Minnesota Statutes, section				
14.6	299A.44.				
14.7	If the appropriation for either year is				
14.8	insufficient, the appropriation for the other				
14.9	year is available for it.				
14.10	(d) Public Safety Officer Reimbursements			1,367,000	1,367,000
14.11	This appropriation is from the general fund to				
14.12	be deposited in the public safety officer's				
14.13	benefit account. This money is available for				
14.14	reimbursements under Minnesota Statutes,				
14.15	section 299A.465.				
14.16	(e) Soft Body Armor Reimbursements			700,000	700,000
14.17	Appropriations by Fund				
14.18		2018	2019		
14.19	General	600,000	600,000		
14.20	Trunk Highway	100,000	100,000		
14.21	This appropriation is for soft body armor				
14.22	reimbursements under Minnesota Statutes,				
14.23	section 299A.38.				
14.24	(f) Technology and Support Service			3,777,000	3,814,000
14.25	Appropriations by Fund				
14.26		2018	2019		
14.27	General	1,353,000	1,365,000		
14.28	H.U.T.D.	19,000	19,000		
14.29	Trunk Highway	2,405,000	2,430,000		
14.30	Sec. 8. <u>HIGHWAY USER TAX DISTRIBUTION FUND TRANSFER.</u>				
14.31	<u>\$76,100,000 in fiscal year 2019 is transferred from the general fund to the commissioner</u>				
14.32	<u>of transportation for deposit in the highway user tax distribution fund.</u>				

15.1 Sec. 9. **RAIL SERVICE IMPROVEMENT ACCOUNT TRANSFER.**

15.2 On June 30, 2018, the commissioner of transportation must transfer the entire balance
15.3 in the rail service improvement account to the freight rail account in the special revenue
15.4 fund. Any encumbrance from the rail service improvement account prior to the transfer
15.5 remains in effect from the freight rail account following the transfer.

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

15.7 Sec. 10. **DRIVER AND VEHICLE SERVICES FUND.**

15.8 The appropriations in fiscal year 2019 from the driver services operating account and
15.9 from the vehicle services operating account in Laws 2017, 1st Special session chapter 3,
15.10 article 1, section 4, are available from the corresponding account in the driver and vehicle
15.11 services fund under Minnesota Statutes, sections 299A.704 and 299A.705.

15.12 Sec. 11. **RICE CREEK RAILROAD BRIDGE.**

15.13 (a) From funds specifically made available for purposes of this section, the commissioner
15.14 of transportation must provide a grant to Minnesota Commercial Railway Company to
15.15 demolish the existing railroad bridge over Rice Creek in New Brighton and to predesign,
15.16 design, acquire any right-of-way needed, engineer, construct, and equip a replacement
15.17 railroad bridge to meet the needs of the railroad operators that use the bridge.

15.18 (b) The grant under this section is contingent on:

15.19 (1) review and approval of the railway company's design, engineering, and plans for the
15.20 project by Ramsey County to ensure the project does not interfere with recreational use of
15.21 adjacent park property and Rice Creek, and by the Rice Creek Watershed District to ensure
15.22 that the project's impact on flows in the creek is in accordance with the watershed district's
15.23 adopted rules. These reviews and approvals are in addition to any other reviews, permits,
15.24 or approvals required for the project;

15.25 (2) Minnesota Commercial Railway Company removing all structures related to the
15.26 existing bridge from the Rice Creek stream bed as part of the demolition and removal of
15.27 the existing bridge, including any pilings, footings, or water control structures placed to
15.28 protect the existing bridge structures, except to the extent prohibited by a permitting authority,
15.29 including but not limited to the Department of Natural Resources and the United States
15.30 Army Corps of Engineers. The replacement bridge and structures will be the property of
15.31 the owner of the railroad right-of-way and railroad operator, as may be arranged between
15.32 them; and

16.1 (3) Minnesota Commercial Railway Company entering into an agreement with Ramsey
 16.2 County that gives the company access for both construction and ongoing maintenance of
 16.3 the bridge, and that provides for repair of the county trail damaged by railway maintenance
 16.4 work in the two years before the effective date of this section as well as immediately
 16.5 following construction and any subsequent maintenance activities.

16.6 (c) In entering into a grant agreement with the commissioner of transportation, Minnesota
 16.7 Commercial Railway Company is agreeing to cooperate with the city of New Brighton and
 16.8 Ramsey County in development of crossings and trails in or near to the railway right-of-way
 16.9 in the city.

16.10 **ARTICLE 2**

16.11 **TRANSPORTATION BONDS**

16.12 Section 1. **BOND APPROPRIATIONS.**

16.13 The sums shown in the column under "Appropriations" are appropriated from the bond
 16.14 proceeds account in the trunk highway fund to the state agencies or officials indicated, to
 16.15 be spent for public purposes. Appropriations of bond proceeds must be spent as authorized
 16.16 by the Minnesota Constitution, articles XI and XIV. Unless otherwise specified, money
 16.17 appropriated in this article for a capital program or project may be used to pay state agency
 16.18 staff costs that are attributed directly to the capital program or project in accordance with
 16.19 accounting policies adopted by the commissioner of management and budget.

16.20 **SUMMARY**

16.21 <u>Department of Transportation</u>	\$ <u>250,000,000</u>
16.22 <u>Department of Management and Budget</u>	<u>250,000</u>
16.23 <u>TOTAL</u>	\$ <u>250,250,000</u>

16.24 **APPROPRIATIONS**

16.25 **Sec. 2. DEPARTMENT OF**
 16.26 **TRANSPORTATION**

16.27 Subdivision 1. **Corridors of Commerce** \$ 145,000 ,000

16.28 This appropriation is to the commissioner of
 16.29 transportation for the corridors of commerce
 16.30 program under Minnesota Statutes, section
 16.31 161.088.

17.1 The commissioner may use up to 17 percent
 17.2 of the amount for program delivery.

17.3 **Subd. 2. Trunk Highway-Rail Grade Separations** **\$ 75,000,000**

17.4 This appropriation is to the commissioner of
 17.5 transportation for trunk highway-rail grade
 17.6 separation projects (1) identified as priority
 17.7 grade separation recommendations in the final
 17.8 report on highway-rail grade crossing
 17.9 improvements submitted under Laws 2014,
 17.10 chapter 312, article 10, section 10; and (2) for
 17.11 which trunk highway bond proceeds are a
 17.12 permissible use. The commissioner must first
 17.13 prioritize grade separation projects that include
 17.14 elimination of a skewed intersection of two
 17.15 trunk highways.

17.16 If any proceeds under this subdivision remain
 17.17 following a determination by the
 17.18 commissioner that sufficient resources have
 17.19 been committed to complete all eligible
 17.20 projects, the remaining amount is available
 17.21 for the corridors of commerce program under
 17.22 Minnesota Statutes, section 161.088.

17.23 **Subd. 3. Transportation Facilities Capital** **\$ 30,000,000**

17.24 This appropriation is to the commissioner of
 17.25 transportation for the transportation facilities
 17.26 capital program under Minnesota Statutes,
 17.27 section 174.13.

17.28 **Sec. 3. BOND SALE EXPENSES** **\$ 250,000**

17.29 This appropriation is to the commissioner of
 17.30 management and budget for bond sale
 17.31 expenses under Minnesota Statutes, sections
 17.32 16A.641, subdivision 8, and 167.50,
 17.33 subdivision 4.

18.1 Sec. 4. **BOND SALE AUTHORIZATION.**

18.2 To provide the money appropriated in this article from the bond proceeds account in the
18.3 trunk highway fund, the commissioner of management and budget shall sell and issue bonds
18.4 of the state in an amount up to \$250,250,000 in the manner, upon the terms, and with the
18.5 effect prescribed by Minnesota Statutes, sections 167.50 to 167.52, and by the Minnesota
18.6 Constitution, article XIV, section 11, at the times and in the amounts requested by the
18.7 commissioner of transportation. The proceeds of the bonds, except accrued interest and any
18.8 premium received from the sale of the bonds, must be deposited in the bond proceeds account
18.9 in the trunk highway fund.

18.10 **ARTICLE 3**18.11 **TRANSPORTATION POLICY AND FINANCE**

18.12 Section 1. Minnesota Statutes 2017 Supplement, section 3.972, subdivision 4, is amended
18.13 to read:

18.14 Subd. 4. **Certain transit financial activity reporting.** (a) The legislative auditor must
18.15 perform a transit financial activity review of financial information for the Metropolitan
18.16 Council's Transportation Division ~~and the joint powers board under section 297A.992.~~
18.17 ~~Within 14 days of the end of each fiscal quarter, two times each year. The first report, due~~
18.18 April 1, must include the quarters ending on September 30 and December 31 of the previous
18.19 calendar year. The second report, due October 1, must include the quarters ending on March
18.20 31 and June 30 of the current year. The legislative auditor must submit the review to the
18.21 Legislative Audit Commission and the chairs and ranking minority members of the legislative
18.22 committees with jurisdiction over transportation policy and finance, finance, and ways and
18.23 means.

18.24 (b) At a minimum, each transit financial activity review must include:

18.25 (1) a summary of monthly financial statements, including balance sheets and operating
18.26 statements, that shows income, expenditures, and fund balance;

18.27 (2) a list of any obligations and agreements entered into related to transit purposes,
18.28 whether for capital or operating, including but not limited to bonds, notes, grants, and future
18.29 funding commitments;

18.30 (3) the amount of funds in clause (2) that has been committed;

18.31 (4) independent analysis by the fiscal oversight officer of the fiscal viability of revenues
18.32 and fund balance compared to expenditures, taking into account:

19.1 (i) all expenditure commitments;

19.2 (ii) cash flow;

19.3 (iii) sufficiency of estimated funds; and

19.4 (iv) financial solvency of anticipated transit projects; and

19.5 (5) a notification concerning whether the requirements under paragraph (c) have been
19.6 met.

19.7 (c) The Metropolitan Council ~~and the joint powers board under section 297A.992~~ must
19.8 produce monthly financial statements as necessary for the review under paragraph (b),
19.9 clause (1), and provide timely information as requested by the legislative auditor.

19.10 (d) This subdivision expires on April 15, 2023.

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

19.12 Sec. 2. Minnesota Statutes 2016, section 13.461, is amended by adding a subdivision to
19.13 read:

19.14 Subd. 33. **Metropolitan Council special transportation service.** Data sharing between
19.15 the commissioner of human services and the Metropolitan Council for purposes of
19.16 administering and coordinating transportation services for individuals with disabilities and
19.17 elderly individuals is governed by section 473.386, subdivision 9.

19.18 **EFFECTIVE DATE.** This section is effective the day following final enactment and
19.19 applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

19.20 Sec. 3. Minnesota Statutes 2016, section 13.6905, subdivision 3, is amended to read:

19.21 Subd. 3. **Motor vehicle registration.** Various data on motor vehicle registrations are
19.22 classified under sections 168.327, subdivision 3, and 168.346. Use of vehicle registration
19.23 data is governed by section 168.345.

19.24 Sec. 4. Minnesota Statutes 2016, section 13.72, subdivision 10, is amended to read:

19.25 Subd. 10. **Transportation service data.** (a) Personal, medical, financial, familial, or
19.26 locational information data pertaining to applicants for or users of services providing
19.27 transportation for ~~the disabled~~ individuals with disabilities or elderly individuals are private
19.28 data on individuals.

19.29 (b) Private transportation service data may be disclosed between the commissioner of
19.30 human services and the Metropolitan Council for purposes of administering and coordinating

20.1 human services programs and transportation services for individuals with disabilities and
 20.2 elderly individuals under section 473.386.

20.3 **EFFECTIVE DATE.** This section is effective the day following final enactment and
 20.4 applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

20.5 Sec. 5. Minnesota Statutes 2017 Supplement, section 160.02, subdivision 1a, is amended
 20.6 to read:

20.7 Subd. 1a. **Bikeway.** "**Bikeway**" ~~means a bicycle lane, bicycle path, shared use path,~~
 20.8 ~~bicycle route, or similar bicycle facility, regardless of whether designed for the exclusive~~
 20.9 ~~use of bicycles or for shared use with other transportation modes~~ has the meaning given in
 20.10 section 169.011, subdivision 9.

20.11 Sec. 6. Minnesota Statutes 2016, section 160.295, subdivision 5, is amended to read:

20.12 Subd. 5. **Rural agricultural business or tourist-oriented business.** (a) A rural
 20.13 agricultural or tourist-oriented business serviced by a specific service sign must be open a
 20.14 minimum of eight hours per day, six days per week, and 12 months per year. ~~However,~~

20.15 (b) A seasonal business may qualify if it is serviced by a specific service sign must be
 20.16 open eight hours per day and six days per week during the normal seasonal period.

20.17 (c) A farm winery serviced by a specific service sign must:

20.18 (1) be licensed under section 340A.315;

20.19 (2) be licensed by the Department of Health under section 157.16;

20.20 (3) provide continuous, staffed food service operation; and

20.21 (4) be open at least four hours per day and two days per week.

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

20.23 Sec. 7. Minnesota Statutes 2016, section 161.115, subdivision 111, is amended to read:

20.24 Subd. 111. **Route No. 180.** Beginning at a point on Route No. ~~392 southwest or west~~
 20.25 ~~of Ashby 3~~ at or near Erdahl, thence extending in a general northerly or northeasterly
 20.26 direction to a point on Route No. ~~153 as herein established at or near Ashby~~, ~~thence extending~~
 20.27 ~~in a northeasterly direction to a point on~~ Route No. 181 as herein established at or near
 20.28 Ottertail.

21.1 Sec. 8. Minnesota Statutes 2016, section 161.14, is amended by adding a subdivision to
21.2 read:

21.3 Subd. 87. **Specialist Noah Pierce Bridge.** The bridge on marked U.S. Highway 53 over
21.4 marked Trunk Highway 37 in the city of Eveleth is designated as "Specialist Noah Pierce
21.5 Bridge." Subject to section 161.139, the commissioner shall adopt a suitable design to mark
21.6 this bridge and erect appropriate signs.

21.7 Sec. 9. Minnesota Statutes 2016, section 161.14, is amended by adding a subdivision to
21.8 read:

21.9 Subd. 88. **Officer Bill Mathews Memorial Highway.** That segment of marked U.S.
21.10 Highway 12 within the city limits of Wayzata is designated as "Officer Bill Mathews
21.11 Memorial Highway." Subject to section 161.139, the commissioner shall adopt a suitable
21.12 design to mark this highway and erect appropriate signs.

21.13 Sec. 10. Minnesota Statutes 2016, section 161.14, is amended by adding a subdivision to
21.14 read:

21.15 Subd. 89. **Warrant Officer Dennis A. Groth Memorial Bridge.** The bridge on marked
21.16 U.S. Highway 52 over Dakota County State-Aid Highway 42, known as 145th Street within
21.17 the city of Rosemount, is designated as "Warrant Officer Dennis A. Groth Memorial Bridge."
21.18 Subject to section 161.139, the commissioner shall adopt a suitable design to mark the
21.19 bridge and erect appropriate signs.

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

21.21 Sec. 11. Minnesota Statutes 2016, section 161.14, is amended by adding a subdivision to
21.22 read:

21.23 Subd. 90. **State Trooper Ray Krueger Memorial Highway.** That segment of marked
21.24 Trunk Highway 210 within Cass County is designated as "State Trooper Ray Krueger
21.25 Memorial Highway." Subject to section 161.139, the commissioner shall adopt a suitable
21.26 design to mark this highway and erect appropriate signs in the vicinity of the location where
21.27 Trooper Krueger died.

21.28 Sec. 12. Minnesota Statutes 2016, section 161.32, subdivision 2, is amended to read:

21.29 Subd. 2. **Direct negotiation.** In cases where the estimated cost of construction work or
21.30 maintenance work does not exceed ~~\$150,000~~ \$250,000, the commissioner may enter into
21.31 a contract for the work by direct negotiation, by obtaining two or more quotations for the

22.1 work, and without advertising for bids or otherwise complying with the requirements of
22.2 competitive bidding if the total contractual obligation of the state for the directly negotiated
22.3 contract or contracts on any single project does not exceed ~~\$150,000~~ \$250,000. All quotations
22.4 obtained shall be kept on file for a period of at least one year after receipt of the quotation.

22.5 Sec. 13. [161.369] INDIAN EMPLOYMENT PREFERENCE.

22.6 As authorized by United States Code, title 23, section 140(d), the commissioner of
22.7 transportation may implement an Indian employment preference for members of federally
22.8 recognized tribes on projects carried out under United States Code, title 23, near an Indian
22.9 reservation. For purposes of this section, a project is near a reservation if: (1) the project is
22.10 within the distance a person seeking employment could reasonably be expected to commute
22.11 to and from each work day; or (2) the commissioner, in consultation with federally recognized
22.12 Minnesota tribes, determines a project is near an Indian reservation.

22.13 Sec. 14. Minnesota Statutes 2016, section 168.10, subdivision 1h, is amended to read:

22.14 Subd. 1h. **Collector military vehicle.** (a) A motor vehicle, including a truck, shall be
22.15 listed and registered under this section if it meets the following conditions:

22.16 (1) it is at least 20 years old;

22.17 (2) its first owner following its manufacture was a branch of the armed forces of the
22.18 United States and it presently conforms to the vehicle specifications required during the
22.19 time of military ownership, or it has been restored and presently conforms to the
22.20 specifications required by a branch of the armed forces for the model year that the restored
22.21 vehicle could have been owned by that branch of the armed forces; and

22.22 (3) it is owned by a nonprofit organization and operated solely as a collector's vehicle.
22.23 For purposes of this subdivision, "nonprofit organization" means a corporation, society,
22.24 association, foundation, or institution organized and operated exclusively for historical or
22.25 educational purposes, no part of the net earnings of which inures to the benefit of a private
22.26 individual.

22.27 (b) The owner of the vehicle shall execute an affidavit stating the name and address of
22.28 the person from whom purchased and of the new owner; the make, year, and model number
22.29 of the motor vehicle; the manufacturer's identification number; and the collector military
22.30 vehicle identification number, if any, located on the exterior of the vehicle. The affidavit
22.31 must affirm that the vehicle is owned by a nonprofit organization and is operated solely as
22.32 a collector's item and not for general transportation purposes. If the commissioner is satisfied

23.1 that the affidavit is true and correct and the owner pays a \$25 tax and the plate fee authorized
23.2 under section 168.12, the commissioner shall list the vehicle for taxation and registration
23.3 and shall issue number plates. The number plates shall bear the inscriptions "Collector" and
23.4 "Minnesota" and the registration number, but no date. The number plates are valid without
23.5 renewal as long as the vehicle is in existence in Minnesota. The commissioner may revoke
23.6 the plates for failure to comply with this subdivision.

23.7 (c) Notwithstanding section 168.09, 168.12, or other law to the contrary, the owner of
23.8 a registered collector military vehicle is not required to display registration plates on the
23.9 exterior of the vehicle if the vehicle has an exterior number identification that conforms to
23.10 the identifying system for military vehicles in effect when the vehicle was last owned by
23.11 the branch of the armed forces of the United States or in effect in the year to which the
23.12 collector military vehicle has been restored. However, the state registration plates must be
23.13 carried in or on the collector military vehicle at all times.

23.14 (d) The owner of a registered collector military vehicle that is not required to display
23.15 registration plates under paragraph (c) may tow a registered trailer behind it. The trailer is
23.16 not required to display registration plates if the trailer:

23.17 (1) does not exceed a gross weight of 15,000 pounds;

23.18 (2) otherwise conforms to registration, licensing, and safety laws and specifications;

23.19 (3) conforms to military specifications for appearance and identification;

23.20 (4) is intended to represent and does represent a military trailer; and

23.21 (5) carries registration plates on or in the trailer or the collector military vehicle towing
23.22 the trailer.

23.23 (e) This subdivision does not apply to a decommissioned military vehicle that (1) was
23.24 also manufactured and sold as a comparable civilian vehicle, and (2) has the same size
23.25 dimensions and vehicle weight as the comparable civilian vehicle. A decommissioned
23.26 military vehicle under this paragraph is eligible for a motor vehicle title under chapter 168A
23.27 and is subject to the same registration, insurance, and operating requirements as a motor
23.28 vehicle.

23.29 Sec. 15. Minnesota Statutes 2016, section 168.101, subdivision 2a, is amended to read:

23.30 Subd. 2a. **Failure to send to registrar submit within ten days.** Any person who fails
23.31 to mail in the application for registration or transfer with appropriate taxes and fees to the
23.32 commissioner or a deputy registrar of motor vehicles, or otherwise fails to submit said the

24.1 forms and remittance to the registrar, within ten days following date of sale shall be is guilty
24.2 of a misdemeanor.

24.3 **EFFECTIVE DATE.** This section is effective July 1, 2019.

24.4 Sec. 16. Minnesota Statutes 2016, section 168.127, subdivision 6, is amended to read:

24.5 Subd. 6. ~~Fee. Instead of the filing fee described in section 168.33, subdivision 7, For~~
24.6 each vehicle in the fleet, the applicant for fleet registration shall pay:

24.7 (1) the filing fee in section 168.33, subdivision 7, for transactions processed by a deputy
24.8 registrar; or

24.9 (2) an equivalent administrative fee to the for transactions processed by the commissioner
24.10 for each vehicle in the fleet, which is imposed instead of the filing fee in section 168.33,
24.11 subdivision 7.

24.12 **EFFECTIVE DATE.** This section is effective July 1, 2019.

24.13 Sec. 17. Minnesota Statutes 2016, section 168.326, is amended to read:

24.14 **168.326 EXPEDITED DRIVER AND VEHICLE SERVICES; FEE.**

24.15 (a) When an applicant requests and pays an expedited service fee of \$20, in addition to
24.16 other specified and statutorily mandated fees and taxes, the commissioner or, if appropriate,
24.17 a driver's license agent or deputy registrar, shall expedite the processing of an application
24.18 for a driver's license, driving instruction permit, Minnesota identification card, or vehicle
24.19 title transaction.

24.20 (b) A driver's license agent or deputy registrar may retain \$10 of the expedited service
24.21 fee for each expedited service request processed by the licensing agent or deputy registrar.

24.22 (c) When expedited service is requested, materials must be mailed or delivered to the
24.23 requester within three days of receipt of the expedited service fee excluding Saturdays,
24.24 Sundays, or the holidays listed in section 645.44, subdivision 5. The requester shall comply
24.25 with all relevant requirements of the requested document.

24.26 (d) The commissioner may decline to accept an expedited service request if it is apparent
24.27 at the time it is made that the request cannot be granted. The commissioner must not decline
24.28 an expedited service request and must not prevent a driver's license agent or deputy from
24.29 accepting an expedited service request solely on the basis of limitations of the driver and
24.30 vehicle services information technology system.

25.1 (e) The expedited service fees collected under this section for an application for a driver's
25.2 license, driving instruction permit, or Minnesota identification card minus any portion
25.3 retained by a licensing agent or deputy registrar under paragraph (b) must be paid into the
25.4 driver services operating account in the special revenue fund specified under section
25.5 299A.705.

25.6 (f) The expedited service fees collected under this section for a transaction for a vehicle
25.7 service minus any portion retained by a licensing agent or deputy registrar under paragraph
25.8 (b) must be paid into the vehicle services operating account in the special revenue fund
25.9 specified under section 299A.705.

25.10 **EFFECTIVE DATE.** This section is effective November 1, 2019.

25.11 Sec. 18. Minnesota Statutes 2016, section 168.33, is amended by adding a subdivision to
25.12 read:

25.13 **Subd. 8b. Transactions by mail.** A deputy registrar may receive motor vehicle
25.14 applications and submissions under this chapter and chapter 168A by mail and may process
25.15 the transactions including retention of the appropriate filing fee under subdivision 7.

25.16 **EFFECTIVE DATE.** This section is effective July 1, 2019.

25.17 Sec. 19. **[168.335] DEPUTY REGISTRAR REIMBURSEMENTS.**

25.18 **Subdivision 1. Reimbursement grants.** (a) By August 1 of a fiscal year in which funds
25.19 are specifically made available for purposes of this section, the commissioner of management
25.20 and budget must provide reimbursement grants to deputy registrars.

25.21 (b) The commissioner must use existing resources to administer the reimbursements.

25.22 **Subd. 2. Eligibility.** A deputy registrar office operated by the state is not eligible to
25.23 receive funds under this section.

25.24 **Subd. 3. Aid distribution.** (a) The reimbursement grant to each deputy registrar, as
25.25 identified by Driver and Vehicle Services designated office location number, is calculated
25.26 as follows:

25.27 (1) 50 percent of available funds allocated proportionally based on (i) the number of
25.28 transactions where a filing fee under section 168.33, subdivision 7, is retained by each
25.29 deputy registrar during the preceding fiscal year, compared to (ii) the total number of
25.30 transactions where a filing fee is retained by all deputy registrars during that time period;
25.31 and

26.1 (2) 50 percent of available funds allocated proportionally based on (i) the number of
26.2 transactions where a filing fee is retained by each deputy registrar from July 1, 2014, through
26.3 June 30, 2017, compared to (ii) the total number of transactions where a filing fee is retained
26.4 by all deputy registrars during that time period.

26.5 (b) For a deputy registrar appointed after July 1, 2014, the commissioner of management
26.6 and budget must identify whether a corresponding discontinued deputy registrar appointment
26.7 exists. If a corresponding discontinued deputy registrar is identified, the commissioner must
26.8 include the transactions of the discontinued deputy registrar in the calculations under
26.9 paragraph (a) for the deputy registrar appointed after July 1, 2014.

26.10 (c) For a deputy registrar appointed after July 1, 2014, for which paragraph (b) does not
26.11 apply, the commissioner of management and budget must calculate that deputy registrar's
26.12 proportional share under paragraph (a), clause (2), based on the average number of
26.13 transactions where a filing fee is retained among the deputy registrars, as calculated excluding
26.14 any deputy registrars for which this paragraph applies.

26.15 (d) In the calculations under paragraph (a), the commissioner of management and budget
26.16 must exclude transactions for (1) a deputy registrar office operated by the state, and (2) a
26.17 discontinued deputy registrar for which paragraph (b) does not apply.

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

26.19 Sec. 20. Minnesota Statutes 2016, section 168.345, subdivision 2, is amended to read:

26.20 Subd. 2. **Lessees; information.** The commissioner may not furnish information about
26.21 registered owners of passenger automobiles who are lessees under a lease for a term of 180
26.22 days or more to any person except the personnel of law enforcement agencies and trade
26.23 associations performing a member service under section 604.15, subdivision 4a, and federal,
26.24 state, and local governmental units, and, at the commissioner's discretion, to persons who
26.25 use the information to notify lessees of automobile recalls. The commissioner may release
26.26 information about lessees in the form of summary data, as defined in section 13.02, to
26.27 persons who use the information in conducting statistical analysis and market research.

26.28 Sec. 21. Minnesota Statutes 2016, section 168A.02, subdivision 1, is amended to read:

26.29 Subdivision 1. **Application for certificate of title.** (a) Except as provided in section
26.30 168A.03, every owner of a vehicle which is in this state and for which no currently effective
26.31 certificate of title has been issued in this state shall make application to the department for

27.1 a certificate of title of the vehicle, pursuant to rules adopted by the department under section
27.2 168A.24, subdivision 2, clause 3.

27.3 (b) A decommissioned military vehicle that (1) was also manufactured and sold as a
27.4 comparable civilian vehicle, and (2) has the same size dimensions and vehicle weight as
27.5 the comparable civilian vehicle, is eligible for a certificate of title under this chapter.

27.6 Sec. 22. Minnesota Statutes 2016, section 168A.151, subdivision 1, is amended to read:

27.7 Subdivision 1. **Salvage titles.** (a) When an insurer, licensed to conduct business in
27.8 Minnesota, acquires ownership of a ~~late-model or high-value~~ vehicle through payment of
27.9 damages, the insurer shall immediately apply for a salvage certificate of title or shall stamp
27.10 the existing certificate of title with the legend "SALVAGE CERTIFICATE OF TITLE" in
27.11 a manner prescribed by the department. Within ten days of obtaining the title of a vehicle
27.12 through payment of damages, an insurer must notify the department in a manner prescribed
27.13 by the department.

27.14 (b) A person shall immediately apply for a salvage certificate of title if the person acquires
27.15 a damaged ~~late-model or high-value~~ vehicle with an out-of-state title and the vehicle:

27.16 (1) is a vehicle that was acquired by an insurer through payment of damages;

27.17 (2) is a vehicle for which the cost of repairs exceeds the value of the damaged vehicle;

27.18 or

27.19 (3) has an out-of-state salvage certificate of title as proof of ownership.

27.20 (c) A self-insured owner of a ~~late-model or high-value~~ vehicle that sustains damage by
27.21 collision or other occurrence which exceeds 80 percent of its actual cash value shall
27.22 immediately apply for a salvage certificate of title.

27.23 Sec. 23. Minnesota Statutes 2016, section 168A.29, subdivision 1, is amended to read:

27.24 Subdivision 1. **Amounts.** (a) The department must be paid the following fees:

27.25 (1) for filing an application for and the issuance of an original certificate of title, ~~the~~
27.26 ~~sum of:~~

27.27 ~~(i) until December 31, 2016, \$6.25 of which \$3.25 must be paid into the vehicle services~~
27.28 ~~operating account of the special revenue fund under section 299A.705, and from July 1,~~
27.29 ~~2012, to June 30, 2016, a surcharge of \$1 must be added to the fee and credited to the driver~~
27.30 ~~and vehicle services technology account; and~~

28.1 ~~(ii) on and after January 1, 2017,~~ \$8.25 of which \$4.15 must be paid into the vehicle
28.2 services operating account under section 299A.705;

28.3 (2) for each security interest when first noted upon a certificate of title, including the
28.4 concurrent notation of any assignment thereof and its subsequent release or satisfaction, the
28.5 sum of \$2, except that no fee is due for a security interest filed by a public authority under
28.6 section 168A.05, subdivision 8;

28.7 ~~(3) until December 31, 2016, for the transfer of the interest of an owner and the issuance
28.8 of a new certificate of title, the sum of \$5.50 of which \$2.50 must be paid into the vehicle
28.9 services operating account of the special revenue fund under section 299A.705, and from
28.10 July 1, 2012, to June 30, 2016, a surcharge of \$1 must be added to the fee and credited to
28.11 the driver and vehicle services technology account;~~

28.12 ~~(4)~~ (3) for each assignment of a security interest when first noted on a certificate of title,
28.13 unless noted concurrently with the security interest, the sum of \$1; and

28.14 ~~(5)~~ (4) for issuing a duplicate certificate of title, the sum of \$7.25 of which \$3.25 must
28.15 be paid into the vehicle services operating account ~~of the special revenue fund~~ under section
28.16 299A.705; ~~from July 1, 2012, to June 30, 2016, a surcharge of \$1 must be added to the fee
28.17 and credited to the driver and vehicle services technology account.~~

28.18 (b) In addition to the fee required under paragraph (a), clause (1), the department must
28.19 be paid \$3.50. The additional \$3.50 fee collected under this paragraph must be deposited
28.20 in the special revenue fund and credited to the public safety motor vehicle account established
28.21 in section 299A.70.

28.22 **EFFECTIVE DATE.** This section is effective July 1, 2018.

28.23 Sec. 24. Minnesota Statutes 2016, section 169.011, subdivision 5, is amended to read:

28.24 Subd. 5. **Bicycle lane.** "Bicycle lane" means a portion of a roadway ~~or shoulder~~ designed
28.25 for exclusive or preferential use by persons using bicycles. Bicycle lanes are to be
28.26 distinguished from the portion of the roadway ~~or shoulder~~ used for motor vehicle traffic by
28.27 physical barrier, striping, marking, or other similar device.

28.28 Sec. 25. Minnesota Statutes 2016, section 169.011, subdivision 9, is amended to read:

28.29 Subd. 9. **Bikeway.** "Bikeway" means a bicycle lane, bicycle path, ~~or~~ bicycle route, shared
28.30 use path, or similar bicycle facility, regardless of whether it is designed for the exclusive
28.31 use of bicycles or ~~is to be~~ for shared use with other transportation modes.

29.1 Sec. 26. Minnesota Statutes 2016, section 169.011, subdivision 60, is amended to read:

29.2 Subd. 60. **Railroad train.** "Railroad train" means a steam engine, electric or other motor,
29.3 with or without cars coupled thereto, operated upon rails, except streetcars. Railroad train
29.4 includes on-track equipment or other rolling stock operated upon rails, whether self-propelled
29.5 or coupled to another device.

29.6 Sec. 27. Minnesota Statutes 2016, section 169.18, subdivision 3, is amended to read:

29.7 Subd. 3. **Passing.** ~~The following rules shall govern the overtaking and passing of vehicles~~
29.8 ~~proceeding in the same direction, subject to the limitations, exceptions, and special rules~~
29.9 ~~hereinafter stated:~~

29.10 ~~(1) (a)~~ The driver of a vehicle overtaking another vehicle proceeding in the same direction
29.11 ~~shall~~ must pass to the left ~~thereof~~ of the other vehicle at a safe distance and ~~shall not again~~
29.12 ~~drive~~ is prohibited from returning to the right side of the roadway until safely clear of the
29.13 overtaken vehicle;

29.14 ~~(2) (b)~~ Except when overtaking and passing on the right is permitted, the driver of an
29.15 overtaken vehicle ~~shall~~ must give way to the right in favor of the overtaking vehicle ~~on~~
29.16 ~~audible warning,~~ and ~~shall~~ must not increase the speed of the overtaken vehicle until
29.17 completely passed by the overtaking vehicle; ~~and.~~

29.18 ~~(3) (c)~~ The operator of a motor vehicle overtaking a bicycle or individual proceeding in
29.19 the same direction on the roadway ~~shall leave~~ or shoulder must:

29.20 (1) either (i) maintain a safe clearance distance while passing, but in no case less than
29.21 three feet clearance, when passing the bicycle or individual or one-half the width of the
29.22 motor vehicle, whichever is greater; or (ii) completely enter another lane of the roadway
29.23 while passing; and shall

29.24 (2) maintain clearance until the motor vehicle has safely past passed the overtaken bicycle
29.25 or individual.

29.26 Sec. 28. Minnesota Statutes 2016, section 169.222, subdivision 1, is amended to read:

29.27 Subdivision 1. **Traffic laws apply.** (a) Every person operating a bicycle shall have has
29.28 all of the rights and duties applicable to the driver of any other vehicle by this chapter,
29.29 except in respect to those provisions in this chapter relating expressly to bicycles and in
29.30 respect to those provisions of this chapter which by their nature cannot reasonably be applied
29.31 to bicycles. This subdivision applies to a bicycle operating on the shoulder of a roadway.

30.1 (b) A person lawfully operating a bicycle (1) on a sidewalk, or (2) across a roadway or
30.2 shoulder on a crosswalk, has all the rights and duties applicable to a pedestrian under the
30.3 same circumstances.

30.4 Sec. 29. Minnesota Statutes 2016, section 169.222, subdivision 4, is amended to read:

30.5 Subd. 4. **Riding rules.** (a) Every person operating a bicycle ~~upon a roadway shall~~ on a
30.6 road must ride as close as practicable to the right-hand curb or edge of the roadway except
30.7 under any of the following situations road as the bicycle operator determines is safe. A
30.8 person operating a bicycle is not required to ride as close to the right-hand curb when:

30.9 (1) ~~when~~ overtaking and passing another vehicle proceeding in the same direction;

30.10 (2) ~~when~~ preparing for a left turn at an intersection or into a private road or driveway;

30.11 (3) ~~when~~ reasonably necessary to avoid conditions that make it unsafe to continue along
30.12 the right-hand curb or edge, including fixed or moving objects, vehicles, pedestrians, animals,
30.13 surface hazards, or narrow width lanes, that make it unsafe to continue along the right-hand
30.14 curb or edge; or

30.15 (4) ~~when~~ operating on the shoulder of a roadway or in a bicycle lane; or

30.16 (5) operating in a right-hand turn lane prior to entering an intersection.

30.17 (b) If a bicycle is traveling on a shoulder of a roadway, the bicycle ~~shall~~ operator must
30.18 travel in the same direction as adjacent vehicular traffic.

30.19 (c) Persons riding bicycles upon a roadway or shoulder shall not ride more than two
30.20 abreast and shall not impede the normal and reasonable movement of traffic and, on a laned
30.21 roadway, shall ride within a single lane.

30.22 (d) A person operating a bicycle upon a sidewalk, or across a roadway or shoulder on a
30.23 crosswalk, shall yield the right-of-way to any pedestrian and shall give an audible signal
30.24 when necessary before overtaking and passing any pedestrian. No person shall ride a bicycle
30.25 upon a sidewalk within a business district unless permitted by local authorities. Local
30.26 authorities may prohibit the operation of bicycles on any sidewalk or crosswalk under their
30.27 jurisdiction.

30.28 (e) An individual operating a bicycle or other vehicle on a bikeway shall leave a safe
30.29 distance when overtaking a bicycle or individual proceeding in the same direction on the
30.30 bikeway, and shall maintain clearance until safely past the overtaken bicycle or individual.

31.1 ~~(f) A person lawfully operating a bicycle on a sidewalk, or across a roadway or shoulder~~
 31.2 ~~on a crosswalk, shall have all the rights and duties applicable to a pedestrian under the same~~
 31.3 ~~circumstances.~~

31.4 ~~(g)~~ (f) A person may operate an electric-assisted bicycle on the shoulder of a roadway,
 31.5 on a bikeway, or on a bicycle trail if not otherwise prohibited under section 85.015,
 31.6 subdivision 1d; 85.018, subdivision 2, paragraph (d); or 160.263, subdivision 2, paragraph
 31.7 (b), as applicable.

31.8 (g) Notwithstanding section 169.06, subdivision 4, a bicycle operator may cross an
 31.9 intersection proceeding from a dedicated right-hand turn lane without turning right.

31.10 Sec. 30. Minnesota Statutes 2016, section 169.26, subdivision 1, is amended to read:

31.11 Subdivision 1. **Requirements.** (a) Except as provided in section 169.28, subdivision 1,
 31.12 when any person driving a vehicle approaches a railroad grade crossing under any of the
 31.13 circumstances stated in this paragraph, the driver shall stop the vehicle not less than ten feet
 31.14 from the nearest railroad track and shall not proceed until safe to do so and until the roadway
 31.15 is clear of traffic so that the vehicle can proceed without stopping until the rear of the vehicle
 31.16 is at least ten feet past the farthest railroad track. These requirements apply when:

31.17 (1) a clearly visible electric or mechanical signal device warns of the immediate approach
 31.18 of a railroad train; or

31.19 (2) an approaching railroad train is plainly visible and is in hazardous proximity.

31.20 (b) The fact that a moving railroad train approaching a railroad grade crossing is visible
 31.21 from the crossing is prima facie evidence that it is not safe to proceed.

31.22 (c) The driver of a vehicle shall stop and remain stopped and not traverse the grade
 31.23 crossing when a human flagger signals the approach or passage of a railroad train or when
 31.24 a crossing gate is lowered warning of the immediate approach or passage of a railroad train.
 31.25 No person may drive a vehicle past a flagger at a railroad crossing until the flagger signals
 31.26 that the way is clear to proceed or drive a vehicle past a lowered crossing gate.

31.27 Sec. 31. Minnesota Statutes 2016, section 169.28, is amended to read:

31.28 **169.28 CERTAIN VEHICLES TO STOP AT RAILROAD CROSSING.**

31.29 Subdivision 1. **Requirements.** (a) The driver of any motor vehicle carrying passengers
 31.30 for hire, or of any school bus whether carrying passengers or not, or of any Head Start bus
 31.31 whether carrying passengers or not, or of any vehicle that is required to stop at railroad

32.1 grade crossings under Code of Federal Regulations, title 49, section 392.10, before crossing
32.2 at grade any track or tracks of a railroad, shall stop the vehicle not less than 15 feet nor more
32.3 than 50 feet from the nearest rail of the railroad and while so stopped shall listen and look
32.4 in both directions along the track for any approaching railroad train, and for signals indicating
32.5 the approach of a railroad train, except as ~~hereinafter~~ otherwise provided, ~~and~~ in this section.
32.6 The driver shall not proceed until safe to do so and until the roadway is clear of traffic so
32.7 that the vehicle can proceed without stopping until the rear of the vehicle is at least ten feet
32.8 past the farthest railroad track. The driver must not shift gears while crossing the railroad
32.9 tracks.

32.10 (b) A school bus or Head Start bus shall not be flagged across railroad grade crossings
32.11 except at those railroad grade crossings that the local school administrative officer may
32.12 designate.

32.13 (c) A type III vehicle, as defined in section 169.011, is exempt from the requirement of
32.14 school buses to stop at railroad grade crossings.

32.15 (d) The requirements of this subdivision do not apply to the crossing of light rail vehicle
32.16 track or tracks that are located in a public street when:

32.17 (1) the crossing occurs within the intersection of two or more public streets;

32.18 (2) the intersection is controlled by a traffic-control signal; and

32.19 (3) the intersection is marked with signs indicating to drivers that the requirements of
32.20 this subdivision do not apply. Notwithstanding any other provision of law, the owner or
32.21 operator of the track or tracks is authorized to place, maintain, and display the signs upon
32.22 and in the view of the public street or streets.

32.23 Subd. 2. **Exempt crossing.** (a) The commissioner may designate a crossing as an exempt
32.24 crossing:

32.25 (1) if the crossing is on a rail line on which service has been abandoned;

32.26 (2) if the crossing is on a rail line that carries fewer than five trains each year, traveling
32.27 at speeds of ten miles per hour or less; or

32.28 (3) as agreed to by the operating railroad and the Department of Transportation, following
32.29 a diagnostic review of the crossing.

32.30 (b) The commissioner shall direct the railroad to erect at the crossing signs bearing the
32.31 word "Exempt" that conform to section 169.06. The installation or presence of an exempt
32.32 sign does not relieve a driver of the duty to use due care.

33.1 (c) A railroad train must not proceed across an exempt crossing unless a police officer
33.2 is present to direct traffic or a railroad employee is on the ground to warn traffic until the
33.3 railroad train enters the crossing.

33.4 ~~(e)~~ (d) A vehicle that must stop at grade crossings under subdivision 1 is not required
33.5 to stop at a marked exempt crossing unless directed otherwise by a police officer or a railroad
33.6 employee.

33.7 Sec. 32. Minnesota Statutes 2016, section 169.29, is amended to read:

33.8 **169.29 CROSSING RAILROAD TRACKS WITH CERTAIN EQUIPMENT.**

33.9 (a) No person shall operate or move any caterpillar tractor, steam shovel, derrick, roller,
33.10 or any equipment or structure having a normal operating speed of six or less miles per hour
33.11 or a vertical body or load clearance of less than nine inches above the level surface of a
33.12 roadway upon or across any tracks at a railroad grade crossing without first complying with
33.13 this section.

33.14 (b) Before making any crossing, the person operating or moving any vehicle or equipment
33.15 set forth in this section shall first stop the same not less than ten, nor more than 50, feet
33.16 from the nearest rail of the railway, and while so stopped shall listen and look in both
33.17 directions along the track for any approaching railroad train and for signals indicating the
33.18 approach of a railroad train, and shall not proceed until the crossing can be made safely.

33.19 (c) No crossing shall be made when warning is given by automatic signal or crossing
33.20 gates or a flagger or otherwise of the immediate approach of a railroad train or car.

33.21 (d) No stop need be made at a crossing on a rail line on which service has been abandoned
33.22 and where a sign erected in conformance with section 169.06 and bearing the word "Exempt"
33.23 has been installed, unless directed otherwise by a flagger. The installation or presence of
33.24 an exempt sign shall not relieve any driver of the duty to use due care.

33.25 Sec. 33. Minnesota Statutes 2016, section 169.345, subdivision 2, is amended to read:

33.26 Subd. 2. **Definitions.** (a) For the purpose of section 168.021 and this section, the following
33.27 terms have the meanings given them in this subdivision.

33.28 (b) "Health professional" means a licensed physician, licensed physician assistant,
33.29 advanced practice registered nurse, licensed physical therapist, or licensed chiropractor.

33.30 (c) "Long-term certificate" means a certificate issued for a period greater than 12 months
33.31 but not greater than 71 months.

34.1 (d) "Organization certificate" means a certificate issued to an entity other than a natural
34.2 person for a period of three years.

34.3 (e) "Permit" refers to a permit that is issued for a period of 30 days, in lieu of the
34.4 certificate referred to in subdivision 3, while the application is being processed.

34.5 (f) "Physically disabled person" means a person who:

34.6 (1) because of disability cannot walk without significant risk of falling;

34.7 (2) because of disability cannot walk 200 feet without stopping to rest;

34.8 (3) because of disability cannot walk without the aid of another person, a walker, a cane,
34.9 crutches, braces, a prosthetic device, or a wheelchair;

34.10 (4) is restricted by a respiratory disease to such an extent that the person's forced
34.11 (respiratory) expiratory volume for one second, when measured by spirometry, is less than
34.12 one liter;

34.13 (5) has an arterial oxygen tension (PaO₂) of less than 60 mm/Hg on room air at rest;

34.14 (6) uses portable oxygen;

34.15 (7) has a cardiac condition to the extent that the person's functional limitations are
34.16 classified in severity as class III or class IV according to standards set by the American
34.17 Heart Association;

34.18 (8) has lost an arm or a leg and does not have or cannot use an artificial limb; or

34.19 (9) has a disability that would be aggravated by walking 200 feet under normal
34.20 environmental conditions to an extent that would be life threatening.

34.21 (g) "Short-term certificate" means a certificate issued for a period greater than six months
34.22 but not greater than 12 months.

34.23 (h) "Six-year certificate" means a certificate issued for a period of six years.

34.24 (i) "Temporary certificate" means a certificate issued for a period not greater than six
34.25 months.

34.26 Sec. 34. Minnesota Statutes 2016, section 169.4503, subdivision 5, is amended to read:

34.27 Subd. 5. **Colors.** Fenderettes may be black. The beltline may be painted yellow over
34.28 black or black over yellow. The rub rails ~~shall~~ must be black or yellow. The area around
34.29 the lenses of alternately flashing signal lamps extending outward from the edge of the lamp
34.30 three inches, plus or minus one-quarter inch, to the sides and top and at least one inch to

35.1 the bottom, ~~shall~~ must be black. Visors or hoods, black in color, with a minimum of four
35.2 inches may be provided.

35.3 Sec. 35. Minnesota Statutes 2016, section 169.81, is amended by adding a subdivision to
35.4 read:

35.5 Subd. 11. **Automobile transporter.** (a) For purposes of this subdivision, the following
35.6 terms have the meanings given them:

35.7 (1) "automobile transporter" means any vehicle combination designed and used to
35.8 transport assembled highway vehicles, including truck camper units;

35.9 (2) "stinger-steered combination automobile transporter" means a truck tractor semitrailer
35.10 having the fifth wheel located on a drop frame located behind and below the rear-most axle
35.11 of the power unit; and

35.12 (3) "backhaul" means the return trip of a vehicle transporting cargo or general freight,
35.13 especially when carrying goods back over all or part of the same route.

35.14 (b) Stinger-steered combination automobile transporters having a length of 80 feet or
35.15 less may be operated on interstate highways and other highways designated in this section,
35.16 and in addition may carry a load that extends the length by four feet or less in the front of
35.17 the vehicle and six feet or less in the rear of the vehicle.

35.18 (c) An automobile transporter may transport cargo or general freight on a backhaul,
35.19 provided it complies with weight limitations for a truck tractor and semitrailer combination
35.20 under section 169.824.

35.21 Sec. 36. Minnesota Statutes 2016, section 169.8261, subdivision 2, is amended to read:

35.22 Subd. 2. **Conditions.** (a) A vehicle or combination of vehicles described in subdivision
35.23 1 must:

35.24 (1) comply with seasonal load restrictions in effect between the dates set by the
35.25 commissioner under section 169.87, subdivision 2;

35.26 (2) comply with bridge load limits posted under section 169.84;

35.27 (3) be equipped and operated with six or more axles and brakes on all wheels;

35.28 (4) not exceed 90,000 pounds gross vehicle weight, or 99,000 pounds gross vehicle
35.29 weight during the time when seasonal increases are authorized under section 169.826;

35.30 (5) not be operated on interstate highways;

36.1 (6) obtain an annual permit from the commissioner of transportation;

36.2 (7) obey all road postings; and

36.3 (8) not exceed 20,000 pounds gross weight on any single axle.

36.4 (b) A vehicle operated under this section may exceed the legal axle weight limits listed
36.5 in section 169.824 by not more than 12.5 percent; except that, the weight limits may be
36.6 exceeded by not more than 23.75 percent during the time when seasonal increases are
36.7 authorized under section 169.826, subdivision 1.

36.8 (c) Notwithstanding paragraph (a), clause (5), a vehicle or combination of vehicles
36.9 hauling raw or unfinished forest products may also operate on the segment of Interstate
36.10 Route 35 provided under United States Code, title 23, section 127.

36.11 Sec. 37. Minnesota Statutes 2017 Supplement, section 169.829, subdivision 4, is amended
36.12 to read:

36.13 Subd. 4. **Certain emergency vehicles.** (a) The provisions of sections 169.80 to 169.88
36.14 governing size, weight, and load do not apply to a fire apparatus, a law enforcement special
36.15 response vehicle, or a licensed land emergency ambulance service vehicle.

36.16 (b) Emergency vehicles designed to transport personnel and equipment to support the
36.17 suppression of fires and to mitigate other hazardous situations are subject to the following
36.18 weight limitations when operated on an interstate highway: (1) 24,000 pounds on a single
36.19 steering axle; (2) 33,500 pounds on a single drive axle; (3) 52,000 pounds on a tandem rear
36.20 drive steer axle; and (4) 62,000 pounds on a tandem axle. The gross weight of an emergency
36.21 vehicle operating on an interstate highway must not exceed 86,000 pounds.

36.22 Sec. 38. Minnesota Statutes 2016, section 169.829, is amended by adding a subdivision
36.23 to read:

36.24 Subd. 5. **Sewage septic tank trucks.** (a) Sections 169.823 and 169.826 to 169.828 do
36.25 not apply to a sewage septic tank truck used exclusively to transport sewage from septic or
36.26 holding tanks.

36.27 (b) The weight limitations under section 169.824 are increased by ten percent for a
36.28 single-unit vehicle transporting sewage from the point of service to (1) another point of
36.29 service, or (2) the point of unloading.

37.1 (c) Notwithstanding sections 169.824, subdivision 1, paragraph (d); 169.826, subdivision
 37.2 3; or any other law to the contrary, a permit is not required to operate a vehicle under this
 37.3 subdivision.

37.4 (d) The seasonal weight increases under section 169.826, subdivision 1, do not apply to
 37.5 a vehicle operated under this subdivision.

37.6 (e) A vehicle operated under this subdivision is subject to bridge load limits posted under
 37.7 section 169.84.

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

37.9 Sec. 39. Minnesota Statutes 2016, section 169.87, subdivision 6, is amended to read:

37.10 **Subd. 6. Recycling and garbage vehicles.** ~~(a) Except as provided in paragraph (b) While~~
 37.11 a vehicle is engaged in the type of collection the vehicle was designed to perform, weight
 37.12 restrictions imposed under subdivisions 1 and 2 do not apply to:

37.13 (1) a vehicle that does not exceed 20,000 pounds per single axle and is designed and
 37.14 used exclusively for recycling, while engaged in recycling operating in a political subdivision
 37.15 that mandates curbside recycling pickup;

37.16 ~~(b) Weight restrictions imposed under subdivisions 1 and 2 do not apply to: (1) (2) a~~
 37.17 vehicle that does not exceed 14,000 pounds per single axle and is used exclusively for
 37.18 recycling as described in paragraph (a), while operating in a political subdivision that
 37.19 mandates curbside recycling pickup;

37.20 ~~(2) (3) a vehicle that does not exceed 14,000 pounds per single axle and is designed and~~
 37.21 used exclusively for collecting mixed municipal solid waste, as defined in section 115A.03,
 37.22 subdivision 21, while engaged in such collection; or

37.23 ~~(3) (4) a portable toilet service vehicle that does not exceed 14,000 pounds per single~~
 37.24 axle or 26,000 pounds gross vehicle weight, and is designed and used exclusively for
 37.25 collecting liquid waste from portable toilets, while engaged in such collection; or

37.26 (4) a sewage septic tank truck that is designed and used exclusively to haul sewage from
 37.27 septic or holding tanks.

37.28 ~~(e) (b) Notwithstanding section 169.80, subdivision 1, a violation of the owner or operator~~
 37.29 of a vehicle that violates the weight restrictions imposed under subdivisions 1 and 2 by a
 37.30 vehicle designed and used exclusively for recycling while engaged in recycling in a political
 37.31 subdivision that mandates curbside recycling pickup while engaged in such collection, by
 37.32 a vehicle that is designed and used exclusively for collecting mixed municipal solid waste

38.1 ~~as defined in section 115A.03, subdivision 21, while engaged in such collection, or by a~~
38.2 ~~portable toilet service vehicle that is designed and used exclusively for collecting liquid~~
38.3 ~~waste from portable toilets, while engaged in such collection,~~ is not subject to criminal
38.4 penalties but is subject to a civil penalty for excess weight under section 169.871 if the
38.5 vehicle (1) meets the requirements under paragraph (a), and (2) is engaged in the type of
38.6 collection the vehicle was designed to perform.

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

38.8 Sec. 40. Minnesota Statutes 2016, section 169.974, subdivision 2, is amended to read:

38.9 Subd. 2. **License endorsement and permit requirements.** (a) No person shall operate
38.10 a motorcycle on any street or highway without having a valid driver's license with a
38.11 two-wheeled vehicle endorsement as provided by law. A person may operate an autocycle
38.12 without a two-wheeled vehicle endorsement, provided the person has a valid driver's license
38.13 issued under section 171.02.

38.14 (b) The commissioner of public safety shall issue a two-wheeled vehicle endorsement
38.15 only if the applicant (1) has in possession a valid two-wheeled vehicle instruction permit
38.16 as provided in paragraph (c), (2) has passed a written examination and road test administered
38.17 by the Department of Public Safety for the endorsement, and (3) in the case of applicants
38.18 under 18 years of age, presents a certificate or other evidence of having successfully
38.19 completed an approved two-wheeled vehicle driver's safety course in this or another state,
38.20 in accordance with rules adopted by the commissioner of public safety for courses offered
38.21 by a public, private, or commercial school or institute. The commissioner of public safety
38.22 may waive the road test for any applicant on determining that the applicant possesses a valid
38.23 license to operate a two-wheeled vehicle issued by a jurisdiction that requires a comparable
38.24 road test for license issuance.

38.25 (c) The commissioner of public safety shall issue a two-wheeled vehicle instruction
38.26 permit to any person over 16 years of age who (1) is in possession of a valid driver's license,
38.27 (2) is enrolled in an approved two-wheeled vehicle driver's safety course, and (3) has passed
38.28 a written examination for the permit and paid a fee prescribed by the commissioner of public
38.29 safety. A two-wheeled vehicle instruction permit is effective for one year and may be
38.30 renewed under rules prescribed by the commissioner of public safety.

38.31 (d) No person who is operating by virtue of a two-wheeled vehicle instruction permit
38.32 shall:

39.1 (1) carry any passengers on the streets and highways of this state on the motorcycle
39.2 while the person is operating the motorcycle;

39.3 (2) drive the motorcycle at night; or

39.4 ~~(3) drive the motorcycle on any highway marked as an interstate highway pursuant to~~
39.5 ~~title 23 of the United States Code; or~~

39.6 ~~(4)~~ (3) drive the motorcycle without wearing protective headgear that complies with
39.7 standards established by the commissioner of public safety.

39.8 (e) Notwithstanding paragraphs (a) to (d), the commissioner of public safety may issue
39.9 a special motorcycle permit, restricted or qualified as the commissioner of public safety
39.10 deems proper, to any person demonstrating a need for the permit and unable to qualify for
39.11 a driver's license.

39.12 Sec. 41. Minnesota Statutes 2017 Supplement, section 171.06, subdivision 2, is amended
39.13 to read:

39.14 Subd. 2. **Fees.** (a) The fees for a license and Minnesota identification card are as follows:

39.15	REAL ID Compliant or				
39.16	Noncompliant Classified				
39.17	Driver's License	D-\$17.25	C-\$21.25	B-\$28.25	A-\$36.25
39.18	REAL ID Compliant or				
39.19	Noncompliant Classified				
39.20	Under-21 D.L.	D-\$17.25	C-\$21.25	B-\$28.25	A-\$16.25
39.21	Enhanced Driver's License	D-\$32.25	C-\$36.25	B-\$43.25	A-\$51.25
39.22	REAL ID Compliant or				
39.23	Noncompliant Instruction				
39.24	Permit				\$5.25
39.25	Enhanced Instruction				
39.26	Permit				\$20.25
39.27	Commercial Learner's				
39.28	Permit				\$2.50
39.29	REAL ID Compliant or				
39.30	Noncompliant Provisional				
39.31	License				\$8.25
39.32	Enhanced Provisional				
39.33	License				\$23.25
39.34	Duplicate REAL ID				
39.35	Compliant or Noncompliant				
39.36	License or duplicate REAL				
39.37	ID Compliant or				
39.38	Noncompliant identification				
39.39	card				\$6.75

40.1	Enhanced Duplicate	
40.2	License or enhanced	
40.3	duplicate identification card	\$21.75
40.4	REAL ID Compliant or	
40.5	Noncompliant Minnesota	
40.6	identification card or REAL	
40.7	ID Compliant or	
40.8	Noncompliant Under-21	
40.9	Minnesota identification	
40.10	card, other than duplicate,	
40.11	except as otherwise	
40.12	provided in section 171.07,	
40.13	subdivisions 3 and 3a	\$11.25
40.14	Enhanced Minnesota	
40.15	identification card	\$26.25

40.16 ~~In addition to each fee required in this paragraph, the commissioner shall collect a surcharge~~
40.17 ~~of: (1) \$1.75 until June 30, 2012; and (2) \$1.00 from July 1, 2012, to June 30, 2016.~~
40.18 ~~Surcharges collected under this paragraph must be credited to the driver and vehicle services~~
40.19 ~~technology account in the special revenue fund under section 299A.705.~~

40.20 (b) Notwithstanding paragraph (a), an individual who holds a provisional license and
40.21 has a driving record free of (1) convictions for a violation of section 169A.20, 169A.33,
40.22 169A.35, sections 169A.50 to 169A.53, or section 171.177, (2) convictions for crash-related
40.23 moving violations, and (3) convictions for moving violations that are not crash related, shall
40.24 have a \$3.50 credit toward the fee for any classified under-21 driver's license. "Moving
40.25 violation" has the meaning given it in section 171.04, subdivision 1.

40.26 (c) In addition to the driver's license fee required under paragraph (a), the commissioner
40.27 shall collect an additional \$4 processing fee from each new applicant or individual renewing
40.28 a license with a school bus endorsement to cover the costs for processing an applicant's
40.29 initial and biennial physical examination certificate. The department shall not charge these
40.30 applicants any other fee to receive or renew the endorsement.

40.31 (d) In addition to the fee required under paragraph (a), a driver's license agent may charge
40.32 and retain a filing fee as provided under section 171.061, subdivision 4.

40.33 (e) In addition to the fee required under paragraph (a), the commissioner shall charge a
40.34 filing fee at the same amount as a driver's license agent under section 171.061, subdivision
40.35 4. Revenue collected under this paragraph must be deposited in the driver services operating
40.36 account.

40.37 (f) An application for a Minnesota identification card, instruction permit, provisional
40.38 license, or driver's license, including an application for renewal, must contain a provision

41.1 that allows the applicant to add to the fee under paragraph (a), a \$2 donation for the purposes
41.2 of public information and education on anatomical gifts under section 171.075.

41.3 Sec. 42. [174.13] TRANSPORTATION FACILITIES CAPITAL PROGRAM.

41.4 Subdivision 1. Program established. (a) A transportation facilities capital program is
41.5 established to prioritize among eligible projects that:

41.6 (1) support the programmatic mission of the department;

41.7 (2) extend the useful life of existing buildings; or

41.8 (3) renovate or construct facilities to meet the department's current and future operational
41.9 needs.

41.10 (b) Projects under the transportation facilities capital program may be funded by proceeds
41.11 from the sale of trunk highway bonds or from other funds appropriated for the purposes of
41.12 this section.

41.13 Subd. 2. Accounts. (a) A transportation facilities capital account is established in the
41.14 trunk highway fund. The account consists of all money made available from the trunk
41.15 highway fund for the purposes of this section and any other money donated, allotted,
41.16 transferred, or otherwise provided to the account by law. Money in the account is appropriated
41.17 to the commissioner for the purposes specified and consistent with the standards and criteria
41.18 set forth in this section.

41.19 (b) A transportation facilities capital account is established in the bond proceeds account
41.20 of the trunk highway fund. The account consists of trunk highway bond proceeds appropriated
41.21 to the commissioner for the transportation facilities capital program. Money in the account
41.22 may only be expended on trunk highway purposes, which includes the purposes in this
41.23 section.

41.24 Subd. 3. Standards. (a) The legislature finds that many projects for preservation and
41.25 replacement of portions of existing capital assets constitute the construction, improvement,
41.26 and maintenance of the public highway system within the meaning of the Minnesota
41.27 Constitution, article XIV, section 11, and capital expenditures under generally accepted
41.28 accounting principles as applied to public expenditures. Projects can be financed more
41.29 efficiently and economically under the program than by direct appropriations for specific
41.30 projects.

41.31 (b) When allocating funding under this section, the commissioner must review the
41.32 projects deemed eligible under subdivision 4 and prioritize allocations using the criteria in

42.1 subdivision 5. Money allocated to a specific project in an appropriation or other law must
42.2 be allocated as provided by the law.

42.3 Subd. 4. **Eligible expenditures; limitations.** (a) A project is eligible under this section
42.4 only if it is a capital expenditure on a capital building asset owned or to be owned by the
42.5 state within the meaning of generally accepted accounting principles as applied to public
42.6 expenditures.

42.7 (b) Capital budget expenditures that are eligible under this section include, but are not
42.8 limited to: acquisition of land and buildings, and the predesign, engineering, construction,
42.9 furnishing and equipping of district headquarter buildings, truck stations, salt storage or
42.10 other unheated storage buildings, deicing and anti-icing facilities, fuel dispensing facilities,
42.11 highway rest areas, and vehicle weigh and inspection stations.

42.12 Subd. 5. **Criteria for priorities.** When prioritizing funding allocation among projects
42.13 eligible under subdivision 4, the commissioner must consider:

42.14 (1) whether a project ensures the effective and efficient condition and operation of the
42.15 facility;

42.16 (2) the urgency in ensuring the safe use of existing buildings;

42.17 (3) the project's total life-cycle cost;

42.18 (4) additional criteria for priorities otherwise specified in state law, statute, or rule that
42.19 applies to a category listed in the act making an appropriation for the program; and

42.20 (5) any other criteria the commissioner deems necessary.

42.21 Sec. 43. Minnesota Statutes 2016, section 174.66, is amended to read:

42.22 **174.66 CONTINUATION OF CARRIER RULES.**

42.23 (a) Orders and directives in force, issued, or promulgated under authority of chapters
42.24 174A, 216A, 218, 219, 221, and 222 remain and continue in force and effect until repealed,
42.25 modified, or superseded by duly authorized orders or directives of the commissioner of
42.26 transportation. To the extent allowed under federal law or regulation, rules adopted under
42.27 authority of the following sections are transferred to the commissioner of transportation
42.28 and continue in force and effect until repealed, modified, or superseded by duly authorized
42.29 rules of the commissioner:

42.30 (1) section 218.041 except rules related to the form and manner of filing railroad rates,
42.31 railroad accounting rules, and safety rules;

43.1 (2) section 219.40;

43.2 (3) rules relating to rates or tariffs, or the granting, limiting, or modifying of permits
43.3 under section 221.031, subdivision 1; and

43.4 (4) ~~rules relating to rates, charges, and practices under section 221.161, subdivision 4;~~
43.5 ~~and~~

43.6 ~~(5)~~ rules relating to rates, tariffs, or the granting, limiting, or modifying of permits under
43.7 section 221.121.

43.8 (b) The commissioner shall review the transferred rules, orders, and directives and, when
43.9 appropriate, develop and adopt new rules, orders, or directives.

43.10 Sec. 44. Minnesota Statutes 2016, section 221.031, subdivision 2d, is amended to read:

43.11 Subd. 2d. **Hours of service exemptions.** The federal regulations incorporated in section
43.12 221.0314, subdivision 9, for ~~maximum driving and on-duty time,~~ hours of service do not
43.13 apply to drivers engaged in intrastate transportation within a 150-air-mile radius from the
43.14 source of the commodities, or from the retail or wholesale distribution point of the farm
43.15 supplies, for:

43.16 (1) agricultural commodities; or

43.17 (2) farm supplies for agricultural purposes ~~from March 15 to December 15 of each year;~~
43.18 ~~or.~~

43.19 ~~(2) sugar beets from September 1 to May 15 of each year.~~

43.20 Sec. 45. Minnesota Statutes 2016, section 221.0314, subdivision 9, is amended to read:

43.21 Subd. 9. **Hours of service of driver.** (a) Code of Federal Regulations, title 49, part 395,
43.22 is incorporated by reference, except that paragraphs (a), (c), (d), (f), (h), (i), ~~(k)~~, (m), and
43.23 (n) of section 395.1 of that part are not incorporated. In addition, cross-references to sections
43.24 or paragraphs not incorporated in this subdivision are not incorporated by reference.

43.25 (b) For purposes of Code of Federal Regulations, title 49, part 395.1, paragraph (k), the
43.26 planting and harvest period for Minnesota is from January 1 through December 31 of each
43.27 year.

43.28 (c) The requirements of Code of Federal Regulations, title 49, part 395, do not apply to
43.29 drivers of lightweight vehicles.

44.1 Sec. 46. Minnesota Statutes 2016, section 221.036, subdivision 1, is amended to read:

44.2 Subdivision 1. **Order.** The commissioner may issue an order requiring violations to be
44.3 corrected and administratively assessing monetary penalties for a violation of (1) section
44.4 221.021; (2) section 221.033, subdivision 2b; (3) section 221.171; (4) section 221.141; (5)
44.5 a federal, state, or local law, regulation, rule, or ordinance pertaining to railroad-highway
44.6 grade crossings; or (6) rules of the commissioner relating to the transportation of hazardous
44.7 waste, motor carrier operations, or insurance, ~~or tariffs and accounting~~. An order must be
44.8 issued as provided in this section.

44.9 Sec. 47. Minnesota Statutes 2016, section 221.036, subdivision 3, is amended to read:

44.10 Subd. 3. **Amount of penalty; considerations.** (a) The commissioner may issue an order
44.11 assessing a penalty of up to \$5,000 for all violations identified during a single audit or
44.12 investigation of (1) section 221.021¹, 221.141¹, or 221.171, or (2) rules of the commissioner
44.13 relating to motor carrier operations, or insurance, ~~or tariffs and accounting~~, identified during
44.14 ~~a single inspection, audit, or investigation.~~

44.15 (b) The commissioner may issue an order assessing a penalty up to a maximum of
44.16 \$10,000 for all violations of section 221.033, subdivision 2b, identified during a single
44.17 inspection or audit.

44.18 (c) In determining the amount of a penalty, the commissioner shall consider:

44.19 (1) the willfulness of the violation;

44.20 (2) the gravity of the violation, including damage to humans, animals, air, water, land,
44.21 or other natural resources of the state;

44.22 (3) the history of past violations, including the similarity of the most recent violation
44.23 and the violation to be penalized, the time elapsed since the last violation, the number of
44.24 previous violations, and the response of the person to the most recent violation identified;

44.25 (4) the economic benefit gained by the person by allowing or committing the violation;
44.26 and

44.27 (5) other factors as justice may require, if the commissioner specifically identifies the
44.28 additional factors in the commissioner's order.

44.29 (d) The commissioner shall assess a penalty in accordance with Code of Federal
44.30 Regulations, title 49, section 383.53, against:

44.31 (1) a driver who is convicted of a violation of an out-of-service order;

45.1 (2) an employer who knowingly allows or requires an employee to operate a commercial
45.2 motor vehicle in violation of an out-of-service order; or

45.3 (3) an employer who knowingly allows or requires an employee to operate a commercial
45.4 motor vehicle in violation of a federal, state, or local law or regulation pertaining to
45.5 railroad-highway grade crossings.

45.6 Sec. 48. Minnesota Statutes 2016, section 221.122, subdivision 1, is amended to read:

45.7 Subdivision 1. **Registration, insurance, and filing requirements.** (a) An order issued
45.8 by the commissioner which grants a certificate or permit must contain a service date.

45.9 (b) The person to whom the order granting the certificate or permit is issued shall do
45.10 the following within 45 days from the service date of the order:

45.11 (1) register vehicles which will be used to provide transportation under the permit or
45.12 certificate with the commissioner and pay the vehicle registration fees required by law; and

45.13 (2) file and maintain insurance or bond as required by section 221.141 and rules of the
45.14 commissioner; and

45.15 ~~(3) file rates and tariffs as required by section 221.161 and rules of the commissioner.~~

45.16 Sec. 49. Minnesota Statutes 2016, section 221.161, subdivision 1, is amended to read:

45.17 Subdivision 1. ~~Filing; hearing upon commissioner initiative~~ Tariff maintenance and
45.18 contents. A household goods carrier shall file and mover must maintain with the
45.19 ~~commissioner~~ a tariff showing rates and charges for transporting household goods. ~~Tariffs~~
45.20 ~~must be prepared and filed in accordance with the rules of the commissioner. When tariffs~~
45.21 ~~are filed in accordance with the rules and accepted by the commissioner, the filing constitutes~~
45.22 ~~notice to the public and interested parties of the contents of the tariffs. The commissioner~~
45.23 ~~shall not accept for filing tariffs that are unjust, unreasonable, unjustly discriminatory,~~
45.24 ~~unduly preferential or prejudicial, or otherwise in violation of this section or rules adopted~~
45.25 ~~under this section. If the tariffs appear to be unjust, unreasonable, unjustly discriminatory,~~
45.26 ~~unduly preferential or prejudicial, or otherwise in violation of this section or rules adopted~~
45.27 ~~under this section, after notification and investigation by the department, the commissioner~~
45.28 ~~may suspend and postpone the effective date of the tariffs and assign the tariffs for hearing~~
45.29 ~~upon notice to the household goods carrier filing the proposed tariffs and to other interested~~
45.30 ~~parties, including users of the service and competitive carriers by motor vehicle and rail.~~
45.31 ~~At the hearing, the burden of proof is on the household goods carrier filing the proposed~~
45.32 ~~tariff to sustain the validity of the proposed schedule of rates and charges. The tariffs and~~

46.1 ~~subsequent supplements to them or reissues of them must state the effective date, which~~
 46.2 ~~may not be less than ten days following the date of filing, unless the period of time is reduced~~
 46.3 ~~by special permission of the commissioner.~~ A household goods mover must prepare a tariff
 46.4 under this section in accordance with Code of Federal Regulations, title 49, part 1310.3,
 46.5 which is incorporated by reference.

46.6 Sec. 50. Minnesota Statutes 2016, section 221.161, is amended by adding a subdivision
 46.7 to read:

46.8 Subd. 5. **Tariff availability.** (a) A household goods mover subject to this section must
 46.9 maintain all of its effective tariffs at its principal place of business and at each of its terminal
 46.10 locations, and must make the tariffs available to the public for inspection at all times the
 46.11 household goods mover is open for business. Any publication referred to in a tariff must be
 46.12 maintained with that tariff.

46.13 (b) Upon request, a household goods mover must provide copies of tariffs, specific tariff
 46.14 provisions, or tariff subscriptions to the commissioner or any interested person.

46.15 Sec. 51. Minnesota Statutes 2016, section 221.171, subdivision 1, is amended to read:

46.16 Subdivision 1. **Compensation fixed by schedule on file.** ~~No~~ A household goods carrier
 46.17 ~~shall~~ mover must not charge or receive a greater, lesser, or different compensation for the
 46.18 ~~transportation of persons or property or for related service; provided that the rates and~~
 46.19 ~~charges named in the carrier's schedule on file and in effect with the commissioner including~~
 46.20 ~~any rate fixed by the commissioner specified in the tariff under section 221.161; nor shall.~~
 46.21 A household goods carrier mover must not refund or remit in any manner or by any device,
 46.22 directly or indirectly, the rates and charges required to be collected by the carrier mover
 46.23 under the carrier's mover's schedules or under the rates, if any, fixed by the commissioner.

46.24 Sec. 52. Minnesota Statutes 2016, section 222.46, is amended to read:

46.25 **222.46 FREIGHT RAIL SERVICE IMPROVEMENT ACT; PURPOSE.**

46.26 The legislature finds and determines that integrated transportation systems, including
 46.27 railways, highways and airways, are necessary in order to meet the economic and energy
 46.28 needs of the citizens of the state, both now and in the future. The legislature finds that a
 46.29 portion of the present railroad system in the state does not provide adequate service to
 46.30 citizens of the state. The legislature further finds and determines that it is in the best interest
 46.31 of the state to establish and fund a freight rail service improvement economic development

47.1 program and to establish a railroad planning process in order to preserve and improve
47.2 essential rail service in the state.

47.3 **EFFECTIVE DATE.** This section is effective June 30, 2018.

47.4 Sec. 53. Minnesota Statutes 2016, section 222.50, subdivision 3, is amended to read:

47.5 Subd. 3. **Commissioner's powers; rules.** The commissioner ~~shall have~~ has the power
47.6 to:

47.7 (1) ~~set priorities for the allocation and expenditure of money or in kind contributions~~
47.8 ~~authorized under the rail service improvement program and develop criteria for eligibility~~
47.9 ~~and approval of projects under the program. The criteria shall include the anticipated~~
47.10 ~~economic and social benefits to the state and to the area being served and the economic~~
47.11 ~~viability of the project;~~

47.12 (2) negotiate and enter into contracts for rail line rehabilitation or other rail service
47.13 improvement;

47.14 (3) (2) disburse state and federal money for rail service improvements; and

47.15 (4) (3) adopt rules necessary to carry out the purposes of sections 222.46 to 222.54.

47.16 **EFFECTIVE DATE.** This section is effective June 30, 2018.

47.17 Sec. 54. Minnesota Statutes 2016, section 222.50, subdivision 4, is amended to read:

47.18 Subd. 4. **Contract.** The commissioner may negotiate and enter into contracts for the
47.19 purpose of rail service improvement and may incorporate funds available from the federal
47.20 government. The participants in these contracts shall be railroads, rail users, and the
47.21 department, and may be political subdivisions of the state and the federal government. In
47.22 such contracts, participation by all parties shall be voluntary. The commissioner may provide
47.23 a portion of the money required to carry out the terms of any such contract by expenditure
47.24 from the freight rail service improvement account.

47.25 **EFFECTIVE DATE.** This section is effective June 30, 2018.

47.26 Sec. 55. **[222.505] FREIGHT RAIL ECONOMIC DEVELOPMENT PROGRAM.**

47.27 Subdivision 1. **Definition.** (a) For purposes of this section, "program" means the freight
47.28 rail economic development program established in this section.

48.1 Subd. 2. **Program established.** (a) The commissioner, in consultation with the
48.2 commissioner of employment and economic development, must establish a freight rail
48.3 economic development program as provided in this section.

48.4 (b) By January 1, 2019, the commissioners must implement the program and begin
48.5 accepting applications.

48.6 Subd. 3. **Freight rail accounts; appropriation.** (a) A freight rail account is established
48.7 in the special revenue fund. The account consists of funds as provided in paragraphs (b)
48.8 and (c) and in section 222.63, subdivision 8, and any other money donated, allotted,
48.9 transferred, or otherwise provided to the account. The account must not include any bond
48.10 proceeds authorized by the Minnesota Constitution, article XI, section 5, clause (i). Funds
48.11 in the account are annually appropriated to the commissioner of transportation for the
48.12 program under this section.

48.13 (b) All funds provided to the commissioner from agreements or loans under section
48.14 222.50 must be deposited in the freight rail account in the special revenue fund.

48.15 (c) All funds made available to the commissioner from the disposition of railroad
48.16 right-of-way or of any other property acquired pursuant to sections 222.46 to 222.62 must
48.17 be deposited in the freight rail account in the special revenue fund.

48.18 (d) A freight rail account is established in the bond proceeds fund. The account consists
48.19 of state bond proceeds appropriated to the commissioner for the program under this section.
48.20 Money in the account may only be expended for bond-eligible purposes.

48.21 Subd. 4. **Program administration.** (a) The commissioner, in consultation with the
48.22 commissioner of employment and economic development, must establish a project selection
48.23 process for financial assistance under the program. The process must include public notice
48.24 of available funds, procedures to submit applications, publicly available information on
48.25 project evaluation and selection, and financial assistance awards. The process must minimize
48.26 applicant burdens and the length of time for application evaluation.

48.27 (b) The commissioner must maintain on an ongoing basis a project requests list that
48.28 identifies all eligible projects that have been evaluated for grant awards under the program.

48.29 (c) An applicant must apply for financial assistance in the manner and at the times
48.30 determined by the commissioners.

48.31 (d) The commissioner must make reasonable efforts to (1) publicize each solicitation
48.32 for applications among all eligible recipients, and (2) provide technical and informational
48.33 assistance related to applications.

49.1 Subd. 5. **Consultation.** In developing the program and on an ongoing basis, the
49.2 commissioner must consult with eligible recipients of financial assistance under subdivision
49.3 8 and with counties and statutory and home rule charter cities in which industrial parks are
49.4 located or proposed to be located. At a minimum, consultation must address:

49.5 (1) the project selection process, including project eligibility requirements, evaluation
49.6 criteria and prioritization, and any significant policies in the program;

49.7 (2) flexibility of evaluation criteria to address unique situations;

49.8 (3) timeliness of project evaluation and award of financial assistance;

49.9 (4) adequacy of the program funding level; and

49.10 (5) legislative proposals for program funding.

49.11 Subd. 6. **Financial assistance; grants and loans.** The commissioner may provide
49.12 financial assistance under the program through grants or through loans in the manner provided
49.13 under section 222.50, subdivisions 4 and 5.

49.14 Subd. 7. **Financial assistance; limitations.** (a) When calculated in conjunction with
49.15 any other state sources of funds, a grant award under the program must not provide combined
49.16 state funding that exceeds 85 percent of the total project cost estimate.

49.17 (b) The commissioner must ensure that financial assistance is provided in a manner that
49.18 is balanced throughout the state, including with respect to (1) the number of projects receiving
49.19 funding in a particular geographic location or region of the state, and (2) the total amount
49.20 of financial assistance provided for projects in a particular geographic location or region of
49.21 the state.

49.22 Subd. 8. **Award recipient eligibility.** (a) Eligible recipients of financial assistance under
49.23 the program are:

49.24 (1) railroad companies that are classified by federal law or regulation as Class II railroads,
49.25 Class II rail carriers, Class III railroads, or Class III rail carriers;

49.26 (2) rail users; and

49.27 (3) political subdivisions.

49.28 (b) An eligible recipient may receive funds regardless of rail facility ownership.

49.29 Subd. 9. **Project eligibility.** (a) The commissioner, in consultation with the commissioner
49.30 of employment and economic development, must establish project eligibility criteria under
49.31 the program. At a minimum, an eligible project must:

50.1 (1) improve safety, efficiency, service, or capacity of railroad freight movement;

50.2 (2) provide for rail line capital maintenance, preservation, rehabilitation, or improvements;

50.3 (3) improve rail service for a rail user or rail carrier; or

50.4 (4) promote the development of industrial parks primarily or substantially served by rail
50.5 service.

50.6 (b) A project must be consistent with transportation plans adopted by the commissioner,
50.7 including the statewide freight and passenger rail plan under section 174.03, subdivision
50.8 1b.

50.9 Subd. 10. **Project evaluation and prioritization.** The commissioner, in consultation
50.10 with the commissioner of employment and economic development, must establish project
50.11 evaluation criteria for grant awards under the program. At a minimum, the criteria must
50.12 objectively prioritize projects based on:

50.13 (1) economic and employment impacts, including but not limited to responsiveness to
50.14 emergent market conditions;

50.15 (2) addressing rail lines that have deteriorated or are in danger of deteriorating to such
50.16 a degree that the rail line is unable to carry the speeds and weights necessary to efficiently
50.17 transport goods and products; and

50.18 (3) percentage commitment of funding or in-kind assistance for the project from nonpublic
50.19 sources.

50.20 Subd. 11. **Expenditures.** The commissioner may provide financial assistance and expend
50.21 funds under the program for:

50.22 (1) capital improvement projects designed to improve a rail user or a rail carrier's rail
50.23 service which includes but is not limited to rail track, track structures, and rail facilities and
50.24 buildings;

50.25 (2) rehabilitation projects designed to improve a rail user or a rail carrier's rail service;

50.26 (3) rail-related development of industrial parks primarily or substantially served by rail
50.27 service, which:

50.28 (i) includes capital improvements to or rehabilitation of main industrial lead track; and

50.29 (ii) excludes siding track designed to serve areas of an industrial park for which occupants
50.30 are unidentified or uncommitted;

51.1 (4) highway-rail grade crossing improvement or grade separation projects, including
 51.2 but not limited to the local matching portion for federal grants;

51.3 (5) capital improvement projects designed to improve capacity or safety at rail yards;

51.4 (6) acquisition, maintenance, management, and disposition of railroad right-of-way
 51.5 under the state rail bank program in section 222.63;

51.6 (7) acquisition of a rail line by a regional railroad authority established under chapter
 51.7 398A;

51.8 (8) rail planning studies;

51.9 (9) costs related to contractual agreements under section 222.52; and

51.10 (10) financial assistance under this section.

51.11 Subd. 12. **Design, engineering, and construction standards.** (a) The commissioner is
 51.12 prohibited from establishing specifications or engineering standards that are more restrictive
 51.13 than federal track safety standards under Code of Federal Regulations, title 49, part 213, or
 51.14 successor requirements, for track and track structures awarded financial assistance under
 51.15 the program.

51.16 (b) The relevant requirements under sections 16B.30 to 16B.355 do not apply to rail
 51.17 facilities and buildings awarded financial assistance under the program.

51.18 Subd. 13. **Political subdivisions.** Any political subdivision may, with the approval of
 51.19 the commissioner, appropriate money for freight rail or rail service improvement and may
 51.20 participate in the freight rail economic development program and federal rail programs.

51.21 **EFFECTIVE DATE.** This section is effective June 30, 2018.

51.22 Sec. 56. Minnesota Statutes 2016, section 222.52, is amended to read:

51.23 **222.52 COOPERATION BETWEEN STATES.**

51.24 The commissioner may cooperate with other states in connection with the freight rail
 51.25 service improvement economic development program under section 222.505 and the railroad
 51.26 planning process. In exercising the authority conferred by this section, the commissioner
 51.27 may enter into contractual agreements with other states, including multistate coalitions.

51.28 **EFFECTIVE DATE.** This section is effective June 30, 2018.

51.29 Sec. 57. Minnesota Statutes 2016, section 222.57, is amended to read:

51.30 **222.57 RAIL USER AND RAIL CARRIER LOAN GUARANTEE ACCOUNT.**

52.1 There is created a rail user and rail carrier loan guarantee account as a separate account
 52.2 in the rail service improvement account, which shall be used by the commissioner for
 52.3 carrying out the provisions of sections 222.55 to 222.62 with respect to loans insured under
 52.4 section 222.58. The commissioner may transfer to the rail user and rail carrier loan guarantee
 52.5 account from money otherwise available in the freight rail service improvement account
 52.6 whatever amount is necessary to implement the rail user and rail carrier loan guarantee
 52.7 program, except that bond proceeds may not be transferred to the account for insurance of
 52.8 loans made for the purposes specified in section 222.58, subdivision 2, paragraph (b), clauses
 52.9 (3) to (5). The commissioner may withdraw any amount from the rail user and rail carrier
 52.10 loan guarantee account that is not required to insure outstanding loans as provided in section
 52.11 222.60, subdivision 1.

52.12 **EFFECTIVE DATE.** This section is effective June 30, 2018.

52.13 Sec. 58. Minnesota Statutes 2016, section 222.63, subdivision 8, is amended to read:

52.14 Subd. 8. **Rail bank accounts; appropriation.** (a) ~~A special account shall be maintained~~
 52.15 ~~in the state treasury, designated as the rail bank maintenance account, is established in the~~
 52.16 special revenue fund to record the receipts and expenditures of the commissioner of
 52.17 transportation for the maintenance of rail bank property. Funds received by the commissioner
 52.18 of transportation from interest earnings, administrative payments, rentals, fees, or charges
 52.19 for the use of rail bank property, or received from rail line rehabilitation contracts ~~shall be~~
 52.20 are credited to the rail bank maintenance account and must be used for the maintenance of
 52.21 that property and held as a reserve for maintenance expenses in an amount determined by
 52.22 the commissioner, ~~and~~. Amounts received in the rail bank maintenance account in excess
 52.23 of the reserve requirements ~~shall~~ must be transferred to the freight rail service improvement
 52.24 account under section 222.505, subdivision 3.

52.25 (b) All proceeds of the sale of abandoned rail lines ~~shall~~ must be deposited in the freight
 52.26 rail ~~service improvement~~ account.

52.27 (c) All money ~~to be~~ deposited in ~~this~~ the rail service improvement bank maintenance
 52.28 account as provided in this subdivision is appropriated to the commissioner of transportation
 52.29 for the purposes of this section. The appropriations ~~shall~~ do not lapse ~~but shall be~~ and are
 52.30 available until the purposes for which the funds are appropriated are accomplished.

52.31 **EFFECTIVE DATE.** This section is effective June 30, 2018.

53.1 Sec. 59. **[299A.704] DRIVER AND VEHICLE SERVICES FUND.**

53.2 A driver and vehicle services fund is established within the state treasury. The fund
53.3 consists of accounts and money as specified by law, and any other money otherwise donated,
53.4 allotted, appropriated, or legislated to the fund.

53.5 Sec. 60. Minnesota Statutes 2016, section 299A.705, is amended to read:

53.6 **299A.705 DRIVER AND VEHICLE SERVICES ACCOUNTS.**

53.7 Subdivision 1. **Vehicle services operating account.** (a) The vehicle services operating
53.8 account is created in the ~~special revenue~~ driver and vehicle services fund, consisting of all
53.9 money from the vehicle services fees specified in chapters 168, 168A, and 168D, and any
53.10 other money otherwise donated, allotted, appropriated, or legislated to ~~this~~ the account.

53.11 (b) Funds appropriated ~~are available~~ from this account must be used by the commissioner
53.12 of public safety to administer the vehicle services as specified in chapters 168, 168A, and
53.13 168D, and section 169.345, including:

53.14 (1) designing, producing, issuing, and mailing vehicle registrations, plates, emblems,
53.15 and titles;

53.16 (2) collecting title and registration taxes and fees;

53.17 (3) transferring vehicle registration plates and titles;

53.18 (4) maintaining vehicle records;

53.19 (5) issuing disability certificates and plates;

53.20 (6) licensing vehicle dealers;

53.21 (7) appointing, monitoring, and auditing deputy registrars; and

53.22 (8) inspecting vehicles when required by law.

53.23 Subd. 2. **Driver services operating account.** (a) The driver services operating account
53.24 is created in the ~~special revenue~~ driver and vehicle services fund, consisting of all money
53.25 collected under chapter 171 and any other money otherwise donated, allotted, appropriated,
53.26 or legislated to the account.

53.27 (b) ~~Money in the~~ Funds appropriated from this account must be used by the commissioner
53.28 of public safety to administer the driver services specified in chapters 169A and 171,
53.29 including the activities associated with producing and mailing drivers' licenses and
53.30 identification cards and notices relating to issuance, renewal, or withdrawal of driving and

54.1 identification card privileges for any fiscal year or years and for the testing and examination
54.2 of drivers.

54.3 Subd. 3. **Driver and vehicle services technology account.** (a) The driver and vehicle
54.4 services technology account is created in the ~~special revenue~~ driver and vehicle services
54.5 fund, consisting of the technology surcharge collected as specified in ~~chapters 168, 168A,~~
54.6 ~~and 171; the filing fee revenue collected under section 168.33, subdivision 7; section 168.33~~
54.7 and any other money otherwise donated, allotted, appropriated, or legislated to this account.

54.8 (b) Money in the account is annually appropriated to the commissioner of public safety
54.9 to support the research, development, deployment, and maintenance of a driver and vehicle
54.10 services information system.

54.11 (c) Following completion of the deposit of filing fee revenue into the driver and vehicle
54.12 services technology account as provided under section 168.33, subdivision 7, the
54.13 commissioner shall submit a notification to the chairs and ranking minority members of the
54.14 legislative committees with jurisdiction over transportation policy and finance concerning
54.15 driver and vehicle services information system implementation, which must include
54.16 information on (1) total revenue deposited in the driver and vehicle services technology
54.17 account, with a breakdown by sources of funds; (2) total project costs incurred, with a
54.18 breakdown by key project components; and (3) an estimate of ongoing system maintenance
54.19 costs.

54.20 Subd. 4. **Prohibited expenditures.** The commissioner is prohibited from expending
54.21 money from driver and vehicle services accounts created in the ~~special revenue~~ driver and
54.22 vehicle services fund for any purpose that is not specifically authorized in this section or in
54.23 the chapters specified in this section.

54.24 Sec. 61. Minnesota Statutes 2016, section 360.013, is amended by adding a subdivision
54.25 to read:

54.26 Subd. 46a. **Comprehensive plan.** "Comprehensive plan" has the meaning given in
54.27 section 394.22, subdivision 9, or 462.352, subdivision 5.

54.28 Sec. 62. Minnesota Statutes 2016, section 360.017, subdivision 1, is amended to read:

54.29 Subdivision 1. **Creation; authorized disbursements.** (a) There is hereby created a
54.30 fund to be known as the state airports fund. The fund shall consist of all money appropriated
54.31 to it, or directed to be paid into it, by the legislature.

55.1 (b) The state airports fund shall be paid out on authorization of the commissioner and
55.2 shall be used:

55.3 (1) to acquire, construct, improve, maintain, and operate airports and other air navigation
55.4 facilities;

55.5 (2) to assist municipalities in the planning, acquisition, construction, improvement, and
55.6 maintenance of airports and other air navigation facilities;

55.7 (3) to assist municipalities to initiate, enhance, and market scheduled air service at their
55.8 airports;

55.9 (4) to promote interest and safety in aeronautics through education and information; and

55.10 (5) to pay the salaries and expenses of the Department of Transportation related to
55.11 aeronautic planning, administration, and operation. All allotments of money from the state
55.12 airports fund for salaries and expenses shall be approved by the commissioner of management
55.13 and budget.

55.14 ~~(c) A municipality that adopts a comprehensive plan that the commissioner finds is~~
55.15 ~~incompatible with the state aviation plan is not eligible for assistance from the state airports~~
55.16 ~~fund.~~

55.17 Sec. 63. Minnesota Statutes 2016, section 360.021, subdivision 1, is amended to read:

55.18 Subdivision 1. **Authority to establish.** The commissioner is authorized and empowered,
55.19 on behalf of and in the name of this state, within the limitation of available appropriations,
55.20 to acquire, by purchase, gift, devise, lease, condemnation proceedings, or otherwise, property,
55.21 real or personal, for the purpose of establishing and constructing restricted landing areas
55.22 and other air navigation facilities and to acquire in like manner, own, control, establish,
55.23 construct, enlarge, improve, maintain, equip, operate, regulate, and police such restricted
55.24 landing areas and other air navigation facilities, either within or without this state; and to
55.25 make, prior to any such acquisition, investigations, surveys, and plans. The commissioner
55.26 may maintain, equip, operate, regulate, and police airports, either within or without this
55.27 state. The operation and maintenance of airports is an essential public service. The
55.28 commissioner may maintain at such airports facilities for the servicing of aircraft and for
55.29 the comfort and accommodation of air travelers. The commissioner may dispose of any
55.30 such property, airport, restricted landing area, or any other air navigation facility, by sale,
55.31 lease, or otherwise, in accordance with the laws of this state governing the disposition of
55.32 other like property of the state. The commissioner may not acquire or take over any restricted
55.33 landing area, or other air navigation facility without the consent of the owner. The

56.1 commissioner shall not acquire any additional state airports nor establish any additional
 56.2 state-owned airports. The commissioner may erect, equip, operate, and maintain on any
 56.3 airport buildings and equipment necessary and proper to maintain, and conduct such airport
 56.4 and air navigation facilities connected therewith. The commissioner shall not expend money
 56.5 for land acquisition, or for the construction, improvement, or maintenance of airports, or
 56.6 for air navigation facilities for an airport, unless the ~~governmental unit~~ municipality, county,
 56.7 or joint airport zoning board involved has or is establishing a zoning authority for that
 56.8 airport, and the authority has made a good-faith showing that it is in the process of and will
 56.9 complete with due diligence, an airport zoning ordinance in accordance with sections 360.061
 56.10 to 360.074. The commissioner may provide funds to support airport safety projects that
 56.11 maintain existing infrastructure, regardless of a zoning authority's efforts to complete a
 56.12 zoning regulation. The commissioner may withhold funding from only the airport subject
 56.13 to the proposed zoning ordinance. Notwithstanding the foregoing prohibition, the
 56.14 commissioner may continue to maintain the state-owned airport at Pine Creek.

56.15 Sec. 64. Minnesota Statutes 2016, section 360.062, is amended to read:

56.16 **360.062 AIRPORT HAZARD PREVENTION; PROTECTING EXISTING**
 56.17 **NEIGHBORHOOD LAND USES.**

56.18 (a) It is hereby found that an airport hazard endangers the lives and property of users of
 56.19 the airport and of occupants of land in its vicinity, and may reduce the size of the area
 56.20 available for the landing, takeoff, and maneuvering of aircraft, thereby impairing the utility
 56.21 of the airport and the public investment therein. It is also found that the social and financial
 56.22 costs of disrupting existing land uses around airports ~~in built-up urban areas, particularly~~
 56.23 ~~established residential neighborhoods,~~ often outweigh the benefits of a reduction in airport
 56.24 hazards that might result from the elimination or removal of those uses.

56.25 (b) Accordingly, it is hereby declared: (1) ~~that~~ the creation or establishment of an airport
 56.26 hazard is a public nuisance and an injury to the community served by the airport in question;
 56.27 (2) ~~that~~ it is ~~therefor~~ necessary in the interest of the public health, public safety, and general
 56.28 welfare that the creation or establishment of airport hazards be prevented and that this should
 56.29 be accomplished to the extent legally possible, by exercise of the police power, without
 56.30 compensation; and (3) ~~that~~ the elimination or removal of existing land uses, ~~particularly~~
 56.31 ~~established residential neighborhoods in built-up urban areas,~~ or their designation as
 56.32 nonconforming uses is not in the public interest and should be avoided whenever possible
 56.33 consistent with reasonable standards of safety.

57.1 (c) It is further declared that the prevention of the creation or establishment of airport
57.2 hazards and the elimination, removal, alteration, mitigation, or marking and lighting of
57.3 existing airport hazards are essential public purposes services for which political subdivisions
57.4 may raise and expend public funds and acquire land or property interests therein.

57.5 Sec. 65. Minnesota Statutes 2016, section 360.063, subdivision 1, is amended to read:

57.6 Subdivision 1. **Enforcement under police power.** (a) In order to prevent the creation
57.7 or establishment of airport hazards, every municipality having an airport hazard area within
57.8 its territorial limits may, unless a joint airport zoning board is permitted under subdivision
57.9 3, adopt, amend from time to time, administer, and enforce, under the police power and in
57.10 the manner and upon the conditions hereinafter prescribed, airport zoning regulations for
57.11 such airport hazard area, which regulations may divide such area into zones, and, within
57.12 such zones, specify the land uses permitted and regulate and restrict the height to which
57.13 structures and trees may be erected or allowed to grow.

57.14 (b) ~~For the purpose of promoting~~ In order to promote health, safety, order, convenience,
57.15 prosperity, general welfare and ~~for conserving~~ to conserve property values and ~~encouraging~~
57.16 encourage the most appropriate use of land, the municipality may regulate ~~the location, size~~
57.17 ~~and use of buildings and the density of population in that portion of an airport hazard area~~
57.18 ~~under approach zones for a distance not to exceed two miles from the airport boundary and~~
57.19 ~~in other portions of an~~ in airport hazard area may regulate by land use zoning for a distance
57.20 ~~not to exceed one mile from the airport boundary, and by height-restriction zoning for a~~
57.21 ~~distance not to exceed 1-1/2 miles from the airport boundary~~ areas: (1) land use; (2) height
57.22 restrictions; (3) the location, size, and use of buildings; and (4) the density of population.

57.23 (c) The powers granted by this subdivision may be exercised by metropolitan airports
57.24 commissions in contiguous cities of the first class in and for which they have been created.

57.25 (d) In the case of airports owned or operated by the state of Minnesota such powers shall
57.26 be exercised by the state airport zoning boards or by the commissioner of transportation as
57.27 authorized herein.

57.28 Sec. 66. Minnesota Statutes 2016, section 360.063, subdivision 3, is amended to read:

57.29 Subd. 3. **Joint airport zoning board.** (a) Where an airport is owned or controlled by a
57.30 municipality and an airport hazard area appertaining to the airport is located within the
57.31 territorial limits of another county or municipality, the municipality owning or controlling
57.32 the airport may request a county or municipality in which an airport hazard area is located:

58.1 (1) to adopt and enforce airport zoning regulations for the area in question ~~that conform~~
58.2 ~~to standards prescribed by the commissioner pursuant to subdivision 4~~ under sections
58.3 360.0655 and 360.0656; or

58.4 (2) to join in creating a joint airport zoning board pursuant to paragraph (b). The owning
58.5 or controlling municipality shall determine which of these actions it shall request, except
58.6 as provided in paragraph (e) for the Metropolitan Airports Commission. The request shall
58.7 be made by certified mail to the governing body of each county and municipality in which
58.8 an airport hazard area is located.

58.9 (b) Where an airport is owned or controlled by a municipality and an airport hazard area
58.10 appertaining to the airport is located within the territorial limits of another county or
58.11 municipality, the municipality owning or controlling the airport and the county or other
58.12 municipality within which the airport hazard area is located may, by ordinance or resolution
58.13 duly adopted, create a joint airport zoning board, which board shall have the same power
58.14 to adopt, administer, and enforce airport zoning regulations applicable to the airport hazard
58.15 area in question as that vested by subdivision 1 in the municipality within which the area
58.16 is located. A joint board shall have as members two representatives appointed by the
58.17 municipality owning or controlling the airport and two from the county or municipality, or
58.18 in case more than one county or municipality is involved two from each county or
58.19 municipality, in which the airport hazard is located, and in addition a chair elected by a
58.20 majority of the members so appointed. All members shall serve at the pleasure of their
58.21 respective appointing authority. Notwithstanding any other provision of law to the contrary,
58.22 if the owning and controlling municipality is a city of the first class it shall appoint four
58.23 members to the board, and the chair of the board shall be elected from the membership of
58.24 the board.

58.25 (c) If a county or municipality, within 60 days of receiving a request from an owning
58.26 or controlling municipality pursuant to paragraph (a), fails to adopt, or thereafter fails to
58.27 enforce, the zoning regulations or fails to join in creating a joint airport zoning board, the
58.28 owning or controlling municipality, or a joint airport zoning board created without
58.29 participation by the subdivisions which fail to join the board, may itself adopt, administer,
58.30 and enforce airport zoning regulations for the airport hazard area in question. In the event
58.31 of conflict between the regulations and airport zoning regulations adopted by the county or
58.32 municipality within which the airport hazard area is located, section 360.064, subdivision
58.33 2, applies.

58.34 (d) "Owning or controlling municipality," as used in this subdivision, includes:

59.1 (1) a joint airport operating board created pursuant to section 360.042 that has been
 59.2 granted all the powers of a municipality in zoning matters under the agreement creating the
 59.3 board;

59.4 (2) a joint airport operating board created pursuant to section 360.042 that has not been
 59.5 granted zoning powers under the agreement creating the board; provided that the board shall
 59.6 not itself adopt zoning regulations nor shall a joint airport zoning board created at its request
 59.7 adopt zoning regulations unless all municipalities that created the joint operating board join
 59.8 to create the joint zoning board; and

59.9 (3) the Metropolitan Airports Commission established and operated pursuant to chapter
 59.10 473.

59.11 (e) The Metropolitan Airports Commission shall request creation of one joint airport
 59.12 zoning board for each airport operated under its authority.

59.13 Sec. 67. Minnesota Statutes 2016, section 360.064, subdivision 1, is amended to read:

59.14 Subdivision 1. **Comprehensive regulations.** In the event that a municipality has adopted,
 59.15 or hereafter adopts, a comprehensive zoning ordinance regulating, among other things the
 59.16 height of buildings, any airport zoning regulations applicable to the same area or portion
 59.17 thereof ~~may~~ must be incorporated by reference or incorporated in and made a part of such
 59.18 comprehensive zoning regulations and be administered and enforced in connection therewith.

59.19 Sec. 68. Minnesota Statutes 2016, section 360.065, subdivision 1, is amended to read:

59.20 Subdivision 1. **Notice of proposed zoning regulations, hearing.** (a) No airport zoning
 59.21 regulations shall be adopted, amended, or changed under sections 360.011 to 360.076,
 59.22 except by action of the governing body of the municipality ~~or~~ county in question, or joint
 59.23 airport zoning board under section 360.0655 or 360.0656, or the boards provided for in
 59.24 section 360.063, subdivisions 3 and 7, or by the commissioner as provided in subdivisions
 59.25 6 and 8, after public hearings, at which parties in interest and citizens shall have an
 59.26 opportunity to be heard.

59.27 (b) A public hearing ~~shall~~ must be held on the proposed airport zoning regulations
 59.28 proposed by a municipality, county, or joint airport zoning board before they are submitted
 59.29 for approval to the commissioner and after that approval but before final adoption by the
 59.30 local zoning authority for approval. If any changes that alter the regulations placed on a
 59.31 parcel of land are made to the proposed airport zoning regulations after the initial public
 59.32 hearing, the municipality, county, or joint airport zoning board must hold a second public

60.1 hearing before final adoption of the regulation. The commissioner may require a second
60.2 hearing as determined necessary.

60.3 (c) Notice of a hearing ~~required pursuant to this subdivision shall~~ must be published by
60.4 the ~~local zoning authority~~ municipality, county, or joint airport zoning board at least three
60.5 times during the period between 15 days and five days before the hearing in an official
60.6 newspaper and in a second newspaper designated by that authority which has a wide general
60.7 circulation in the area affected by the proposed regulations and posted on the municipality's,
60.8 county's, or joint airport zoning board's Web site. If there is not a second newspaper of wide
60.9 general circulation in the area that the municipality, county, or joint airport zoning board
60.10 can designate for the notice, the municipality, county, or joint airport zoning board is only
60.11 required to publish the notice once in the official newspaper of the jurisdiction. The notice
60.12 shall not be published in the legal notice section of a newspaper. The notice must specify
60.13 the time, location, and purpose of the hearing, and must identify any additional location and
60.14 time the proposed regulations will be available for public inspection. A copy of the published
60.15 notice must be added to the record of the proceedings.

60.16 (d) Notice of a hearing ~~shall also be mailed to the governing body of each political~~
60.17 ~~subdivision in which property affected by the regulations is located. Notice shall~~ must be
60.18 given by mail at least ~~15~~ ten days before each hearing to ~~any persons in municipalities that~~
60.19 ~~own land proposed to be included in safety zone A or B as provided in the rules of the~~
60.20 ~~Department of Transportation~~ and landowners where the location or size of a building, or
60.21 the density of population, will be regulated. Mailed notice must also be provided at least
60.22 ten days before each hearing to persons or municipalities that have previously requested
60.23 such notice from the ~~authority~~ municipality, county, or joint airport zoning board. The notice
60.24 must specify the time, location, and purpose of the hearing, and must identify any additional
60.25 location and time the proposed regulations will be made available for public inspection.
60.26 Mailed notice must also identify the property affected by the regulations. For the purpose
60.27 of ~~giving~~ providing mailed notice, the ~~authority~~ municipality, county, or joint airport zoning
60.28 board may use any appropriate records to determine the names and addresses of owners. A
60.29 copy of the notice and a list of the owners and addresses to which the notice was sent ~~shall~~
60.30 ~~be attested to by the responsible person and shall~~ must be ~~made a part of~~ added to the records
60.31 of the proceedings. ~~The~~ Failure to ~~give~~ provide mailed notice to individual property owners;
60.32 or ~~defects~~ a defect in the notice, ~~shall~~ does not invalidate the proceedings; ~~provided if~~ if a
60.33 bona fide attempt to comply with this subdivision ~~has been~~ was made. ~~A notice shall describe~~
60.34 ~~the property affected by the proposed regulations and the restrictions to be imposed on the~~

61.1 ~~property by the regulations and shall state the place and time at which the proposed~~
61.2 ~~regulations are available for public inspection.~~

61.3 Sec. 69. **[360.0655] AIRPORT ZONING REGULATIONS BASED ON**
61.4 **COMMISSIONER'S STANDARDS; SUBMISSION PROCESS.**

61.5 Subdivision 1. **Submission to commissioner; review.** (a) Except as provided in section
61.6 360.0656, prior to adopting zoning regulations, the municipality, county, or joint airport
61.7 zoning board must submit the proposed regulations to the commissioner for the commissioner
61.8 to determine whether the regulations conform to the standards prescribed by the
61.9 commissioner. The municipality, county, or joint airport zoning board may elect to complete
61.10 custom airport zoning under section 360.0656 instead of using the commissioner's standard,
61.11 but only after providing written notice to the commissioner.

61.12 (b) Notwithstanding section 15.99, the commissioner must examine the proposed
61.13 regulations within 90 days of receipt of the regulations and report to the municipality, county,
61.14 or joint airport zoning board the commissioner's approval or objections, if any. Failure to
61.15 respond within 90 days is deemed an approval. The commissioner may request additional
61.16 information from the municipality, county, or joint airport zoning board within the 90-day
61.17 review period. If the commissioner requests additional information, the 90-day review period
61.18 is tolled until the commissioner receives information and deems the information satisfactory.

61.19 (c) If the commissioner objects on the grounds that the regulations do not conform to
61.20 the standards prescribed by the commissioner, the municipality, county, or joint airport
61.21 zoning board must make amendments necessary to resolve the objections or provide written
61.22 notice to the commissioner that the municipality, county, or joint airport zoning board will
61.23 proceed with zoning under section 360.0656.

61.24 (d) If the municipality, county, or joint airport zoning board makes revisions to the
61.25 proposed regulations after its initial public hearing, the municipality, county, or joint airport
61.26 zoning board must conduct a second public hearing on the revisions and resubmit the revised
61.27 proposed regulations to the commissioner for review. The commissioner must examine the
61.28 revised proposed regulations within 90 days of receipt to determine whether the revised
61.29 proposed regulations conform to the standards prescribed by the commissioner.

61.30 (e) If, after a second review period, the commissioner determines that the municipality,
61.31 county, or joint airport zoning board failed to submit proposed regulations that conform to
61.32 the commissioner's standards, the commissioner must provide a final written decision to
61.33 the municipality, county, or joint airport zoning board.

62.1 (f) The municipality, county, or joint airport zoning board must not adopt regulations
62.2 or take other action until the proposed regulations are approved by the commissioner.

62.3 (g) The commissioner may approve local zoning ordinances that are more stringent than
62.4 the commissioner's standards.

62.5 (h) If the commissioner approves the proposed regulations, the municipality, county, or
62.6 joint airport zoning board may adopt the regulations.

62.7 (i) A copy of the adopted regulations must be filed with the county recorder in each
62.8 county that contains a zoned area subject to the regulations.

62.9 (j) Substantive rights that existed and had been exercised prior to August 1, 2018, are
62.10 not affected by the filing of the regulations.

62.11 Subd. 2. **Protection of existing land uses.** (a) In order to ensure minimum disruption
62.12 of existing land uses, the commissioner's airport zoning standards and local airport zoning
62.13 ordinances or regulations adopted under section 360.0655 must distinguish between the
62.14 creation or establishment of a use and the elimination of an existing use, and must avoid
62.15 the elimination, removal, or reclassification of existing uses to the extent consistent with
62.16 reasonable safety standards. The commissioner's standards must include criteria for
62.17 determining when an existing land use may constitute an airport hazard so severe that public
62.18 safety considerations outweigh the public interest in preventing disruption to that land use.

62.19 (b) Airport zoning regulations that classify as a nonconforming use or require
62.20 nonconforming use classification with respect to any existing low-density structure or
62.21 existing isolated low-density building lots must be adopted under sections 360.061 to
62.22 360.074.

62.23 (c) A local airport zoning authority may classify a land use described in paragraph (b)
62.24 as an airport hazard if the authority finds that the classification is justified by public safety
62.25 considerations and is consistent with the commissioner's airport zoning standards. Any land
62.26 use described in paragraph (b) that is classified as an airport hazard must be acquired, altered,
62.27 or removed at public expense.

62.28 (d) This subdivision must not be construed to affect the classification of any land use
62.29 under any zoning ordinances or regulations not adopted under sections 360.061 to 360.074.

62.30 Sec. 70. **[360.0656] CUSTOM AIRPORT ZONING STANDARDS.**

62.31 Subdivision 1. **Custom airport zoning standards; factors.** (a) Notwithstanding section
62.32 360.0655, a municipality, county, or joint airport zoning board must provide notice to the

63.1 commissioner when the municipality, county, or joint airport zoning board intends to establish
63.2 and adopt custom airport zoning regulations under this section.

63.3 (b) Airport zoning regulations submitted to the commissioner under this subdivision are
63.4 not subject to the commissioner's zoning regulations under section 360.0655 or Minnesota
63.5 Rules, part 8800.2400.

63.6 (c) When developing and adopting custom airport zoning regulations under this section,
63.7 the municipality, county, or joint airport zoning board must include in the record a detailed
63.8 analysis that explains how the proposed custom airport zoning regulations addressed the
63.9 following factors to ensure a reasonable level of safety:

63.10 (1) the location of the airport, the surrounding land uses, and the character of
63.11 neighborhoods in the vicinity of the airport, including:

63.12 (i) the location of vulnerable populations, including schools, hospitals, and nursing
63.13 homes, in the airport hazard area;

63.14 (ii) the location of land uses that attract large assemblies of people in the airport hazard
63.15 area;

63.16 (iii) the availability of contiguous open spaces in the airport hazard area;

63.17 (iv) the location of wildlife attractants in the airport hazard area;

63.18 (v) airport ownership or control of the federal Runway Protection Zone and the
63.19 department's Clear Zone;

63.20 (vi) land uses that create or cause interference with the operation of radio or electronic
63.21 facilities used by the airport or aircraft;

63.22 (vii) land uses that make it difficult for pilots to distinguish between airport lights and
63.23 other lights, result in glare in the eyes of pilots using the airport, or impair visibility in the
63.24 vicinity of the airport;

63.25 (viii) land uses that otherwise inhibit a pilot's ability to land, take off, or maneuver the
63.26 aircraft;

63.27 (ix) airspace protection to prevent the creation of air navigation hazards in the airport
63.28 hazard area; and

63.29 (x) the social and economic costs of restricting land uses;

63.30 (2) the airport's type of operations and how the operations affect safety surrounding the
63.31 airport;

64.1 (3) the accident rate at the airport compared to a statistically significant sample, including
64.2 an analysis of accident distribution based on the rate with a higher accident incidence;

64.3 (4) the planned land uses within an airport hazard area, including any applicable platting,
64.4 zoning, comprehensive plan, or transportation plan; and

64.5 (5) any other information relevant to safety or the airport.

64.6 Subd. 2. **Submission to commissioner; review.** (a) Except as provided in section
64.7 360.0655, prior to adopting zoning regulations, the municipality, county, or joint airport
64.8 zoning board must submit its proposed regulations and the supporting record to the
64.9 commissioner for review. The commissioner must determine whether the proposed custom
64.10 airport zoning regulations and supporting record (1) evaluate the criteria under subdivision
64.11 1, and (2) provide a reasonable level of safety.

64.12 (b) Notwithstanding section 15.99, the commissioner must examine the proposed
64.13 regulations within 90 days of receipt of the regulations and report to the municipality, county,
64.14 or joint airport zoning board the commissioner's approval or objections, if any. Failure to
64.15 respond within 90 days is deemed an approval. The commissioner may request additional
64.16 information from the municipality, county, or joint airport zoning board within the 90-day
64.17 review period.

64.18 (c) If the commissioner objects on the grounds that the regulations do not provide a
64.19 reasonable level of safety, the municipality, county, or joint airport zoning board must
64.20 review, consider, and provide a detailed explanation demonstrating how it evaluated the
64.21 objections and what action it took or did not take in response to the objections. If the
64.22 municipality, county, or joint airport zoning board submits amended regulations after its
64.23 initial public hearing, the municipality, county, or joint airport zoning board must conduct
64.24 a second public hearing on the revisions and resubmit the revised proposed regulations to
64.25 the commissioner for review. The commissioner must examine the revised proposed
64.26 regulations within 90 days of receipt of the regulations. If the commissioner requests
64.27 additional information, the 90-day review period is tolled until satisfactory information is
64.28 received by the commissioner. Failure to respond within 90 days is deemed an approval.

64.29 (d) If, after the second review period, the commissioner determines that the municipality,
64.30 county, or joint airport zoning board failed to submit proposed regulations that provide a
64.31 reasonable safety level, the commissioner must provide a final written decision to the
64.32 municipality, county, or joint airport zoning board.

65.1 (e) A municipality, county, or joint airport zoning board is prohibited from adopting
 65.2 custom regulations or taking other action until the proposed regulations are approved by
 65.3 the commissioner.

65.4 (f) If the commissioner approves the proposed regulations, the municipality, county, or
 65.5 joint airport zoning board may adopt the regulations.

65.6 (g) A copy of the adopted regulations must be filed with the county recorder in each
 65.7 county that contains a zoned area subject to the regulations.

65.8 (h) Substantive rights that existed and had been exercised prior to August 1, 2018, are
 65.9 not affected by the filing of the regulations.

65.10 Sec. 71. Minnesota Statutes 2016, section 360.066, subdivision 1, is amended to read:

65.11 Subdivision 1. **Reasonableness.** ~~Standards of the commissioner~~ Zoning standards defining
 65.12 airport hazard areas and the categories of uses permitted and airport zoning regulations
 65.13 adopted under sections 360.011 to 360.076, shall be reasonable, and none shall impose a
 65.14 requirement or restriction which is not reasonably necessary to effectuate the purposes of
 65.15 sections 360.011 to 360.076. ~~In determining what minimum airport zoning regulations may~~
 65.16 ~~be adopted, the commissioner and a local airport zoning authority shall consider, among~~
 65.17 ~~other things, the character of the flying operations expected to be conducted at the airport,~~
 65.18 ~~the location of the airport, the nature of the terrain within the airport hazard area, the existing~~
 65.19 ~~land uses and character of the neighborhood around the airport, the uses to which the property~~
 65.20 ~~to be zoned are planned and adaptable, and the social and economic costs of restricting land~~
 65.21 ~~uses versus the benefits derived from a strict application of the standards of the commissioner.~~

65.22 Sec. 72. Minnesota Statutes 2016, section 360.067, is amended by adding a subdivision
 65.23 to read:

65.24 Subd. 5. **Federal no hazard determination.** (a) Notwithstanding subdivisions 1 and 2,
 65.25 a municipality, county, or joint airport zoning board may include in its custom airport zoning
 65.26 regulations adopted under section 360.0656 an option to permit construction of a structure,
 65.27 an increase or alteration of the height of a structure, or the growth of an existing tree without
 65.28 a variance from height restrictions if the Federal Aviation Administration has analyzed the
 65.29 proposed construction, alteration, or growth under Code of Federal Regulations, title 14,
 65.30 part 77, and has determined the proposed construction, alteration, or growth does not:

65.31 (1) pose a hazard to air navigation;

65.32 (2) require changes to airport or aircraft operations; or

66.1 (3) require any mitigation conditions by the Federal Aviation Administration that cannot
66.2 be satisfied by the landowner.

66.3 (b) A municipality, county, or joint airport zoning board that permits an exception to
66.4 height restrictions under this subdivision must require the applicant to file the Federal
66.5 Aviation Administration's no hazard determination with the applicable zoning administrator.
66.6 The applicant must obtain written approval of the zoning administrator before construction,
66.7 alteration, or growth may occur. Failure of the administrator to respond within 60 days to
66.8 a filing under this subdivision is deemed a denial. The Federal Aviation Administration's
66.9 no hazard determination does not apply to requests for variation from land use, density, or
66.10 any other requirement unrelated to the height of structures or the growth of trees.

66.11 Sec. 73. Minnesota Statutes 2016, section 360.071, subdivision 2, is amended to read:

66.12 Subd. 2. **Membership.** (a) Where a zoning board of appeals or adjustment already exists,
66.13 it may be appointed as the board of adjustment. Otherwise, the board of adjustment shall
66.14 consist of five members, each to be appointed for a term of three years by the authority
66.15 adopting the regulations and to be removable by the appointing authority for cause, upon
66.16 written charges and after public hearing. The length of initial appointments may be staggered.

66.17 (b) In the case of a Metropolitan Airports Commission, five members shall be appointed
66.18 by the commission chair from the area in and for which the commission was created, any
66.19 of whom may be members of the commission. In the case of an airport owned or operated
66.20 by the state of Minnesota, the board of commissioners of the county, or counties, in which
66.21 the airport hazard area is located shall constitute the airport board of adjustment and shall
66.22 exercise the powers and duties of such board as provided herein.

66.23 Sec. 74. Minnesota Statutes 2016, section 360.305, subdivision 6, is amended to read:

66.24 Subd. 6. **Zoning required.** The commissioner ~~shall~~ must not expend money for planning
66.25 or land acquisition, ~~or~~ for the construction, improvement, or maintenance of airports, or for
66.26 air navigation facilities for an airport, unless the ~~governmental unit~~ municipality, county,
66.27 or joint airport zoning board involved has or is establishing a zoning authority for that
66.28 airport, and the authority has made a good-faith showing that it is in the process of and will
66.29 complete with due diligence, an airport zoning ordinance in accordance with sections 360.061
66.30 to 360.074. The commissioner may provide funds to support airport safety projects that
66.31 maintain existing infrastructure, regardless of a zoning authority's efforts to complete a
66.32 zoning regulation. The commissioner ~~shall~~ must make maximum use of zoning and easements
66.33 to eliminate runway and other potential airport hazards rather than land acquisition in fee.

67.1 Sec. 75. Minnesota Statutes 2016, section 394.22, is amended by adding a subdivision to
67.2 read:

67.3 Subd. 1a. **Airport safety zone.** "Airport safety zone" means an area subject to land use
67.4 zoning controls adopted under sections 360.061 to 360.074 if the zoning controls regulate
67.5 (1) the size or location of buildings, or (2) the density of population.

67.6 Sec. 76. Minnesota Statutes 2016, section 394.23, is amended to read:

67.7 **394.23 COMPREHENSIVE PLAN.**

67.8 The board has the power and authority to prepare and adopt by ordinance, a
67.9 comprehensive plan. A comprehensive plan or plans when adopted by ordinance must be
67.10 the basis for official controls adopted under the provisions of sections 394.21 to 394.37.
67.11 The commissioner of natural resources must provide the natural heritage data from the
67.12 county biological survey, if available, to each county for use in the comprehensive plan.
67.13 When adopting or updating the comprehensive plan, the board must, if the data is available
67.14 to the county, consider natural heritage data resulting from the county biological survey. In
67.15 a county that is not a greater than 80 percent area, as defined in section 103G.005, subdivision
67.16 10b, the board must consider adopting goals and objectives that will protect open space and
67.17 the environment. The board must consider the location and dimensions of airport safety
67.18 zones in any portion of the county, and of any airport improvements, identified in the airport's
67.19 most recent approved airport layout plan.

67.20 Sec. 77. Minnesota Statutes 2016, section 394.231, is amended to read:

67.21 **394.231 COMPREHENSIVE PLANS IN GREATER MINNESOTA; OPEN SPACE.**

67.22 A county adopting or updating a comprehensive plan in a county outside the metropolitan
67.23 area as defined by section 473.121, subdivision 2, and that is not a greater than 80 percent
67.24 area, as defined in section 103G.005, subdivision 10b, shall consider adopting goals and
67.25 objectives for the preservation of agricultural, forest, wildlife, and open space land, and
67.26 minimizing development in sensitive shoreland areas. Within three years of updating the
67.27 comprehensive plan, the county shall consider adopting ordinances as part of the county's
67.28 official controls that encourage the implementation of the goals and objectives. The county
67.29 shall consider the following goals and objectives:

67.30 (1) minimizing the fragmentation and development of agricultural, forest, wildlife, and
67.31 open space lands, including consideration of appropriate minimum lot sizes;

67.32 (2) minimizing further development in sensitive shoreland areas;

68.1 (3) minimizing development near wildlife management areas, scientific and natural
68.2 areas, and nature centers;

68.3 (4) encouraging land uses in airport safety zones that are compatible with the safe
68.4 operation of the airport and the safety of people in the vicinity of the airport;

68.5 ~~(4)~~ (5) identification of areas of preference for higher density, including consideration
68.6 of existing and necessary water and wastewater services, infrastructure, other services, and
68.7 to the extent feasible, encouraging full development of areas previously zoned for
68.8 nonagricultural uses;

68.9 ~~(5)~~ (6) encouraging development close to places of employment, shopping centers,
68.10 schools, mass transit, and other public and private service centers;

68.11 ~~(6)~~ (7) identification of areas where other developments are appropriate; and

68.12 ~~(7)~~ (8) other goals and objectives a county may identify.

68.13 Sec. 78. Minnesota Statutes 2016, section 394.25, subdivision 3, is amended to read:

68.14 Subd. 3. **In district zoning, maps.** Within each such district zoning ordinances or maps
68.15 may also be adopted designating or limiting the location, height, width, bulk, type of
68.16 foundation, number of stories, size of, and the specific uses for which dwellings, buildings,
68.17 and structures may be erected or altered; the minimum and maximum size of yards, courts,
68.18 or other open spaces; setback from existing roads and highways and roads and highways
68.19 designated on an official map; protective measures necessary to protect the public interest
68.20 including but not limited to controls relating to appearance, signs, lighting, hours of operation
68.21 and other aesthetic performance characteristics including but not limited to noise, heat,
68.22 glare, vibrations and smoke; the area required to provide for off street loading and parking
68.23 facilities; heights of trees and structures near airports; and to avoid too great concentration
68.24 or scattering of the population. All such provisions shall be uniform for each class of land
68.25 or building throughout each district, but the provisions in one district may differ from those
68.26 in other districts. No provision may prohibit earth sheltered construction as defined in section
68.27 216C.06, subdivision 14, or manufactured homes built in conformance with sections 327.31
68.28 to 327.35 that comply with all other zoning ordinances promulgated pursuant to this section.
68.29 Airport safety zones must be included on maps that illustrate boundaries of zoning districts
68.30 and that are adopted as official controls.

68.31 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to maps
68.32 created or updated under this section on or after that date.

69.1 Sec. 79. Minnesota Statutes 2016, section 462.352, is amended by adding a subdivision
69.2 to read:

69.3 Subd. 1a. **Airport safety zone.** "Airport safety zone" has the meaning given in section
69.4 394.22, subdivision 1a.

69.5 Sec. 80. Minnesota Statutes 2016, section 462.355, subdivision 1, is amended to read:

69.6 Subdivision 1. **Preparation and review.** The planning agency shall prepare the
69.7 comprehensive municipal plan. In discharging this duty the planning agency shall consult
69.8 with and coordinate the planning activities of other departments and agencies of the
69.9 municipality to insure conformity with and to assist in the development of the comprehensive
69.10 municipal plan. In its planning activities the planning agency shall take due cognizance of
69.11 the planning activities of adjacent units of government and other affected public agencies.
69.12 The planning agency shall periodically review the plan and recommend amendments
69.13 whenever necessary. When preparing or recommending amendments to the comprehensive
69.14 plan, the planning agency of a municipality located within a county that is not a greater than
69.15 80 percent area, as defined in section 103G.005, subdivision 10b, must consider adopting
69.16 goals and objectives that will protect open space and the environment. When preparing or
69.17 recommending amendments to the comprehensive plan, the planning agency must consider
69.18 (1) the location and dimensions of airport safety zones in any portion of the municipality,
69.19 and (2) any airport improvements identified in the airport's most recent approved airport
69.20 layout plan.

69.21 Sec. 81. Minnesota Statutes 2016, section 462.357, is amended by adding a subdivision
69.22 to read:

69.23 Subd. 1i. **Airport safety zones on zoning maps.** Airport safety zones must be included
69.24 on maps that illustrate boundaries of zoning districts and that are adopted as official controls.

69.25 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to maps
69.26 created or updated under this section on or after that date.

69.27 Sec. 82. Minnesota Statutes 2016, section 462.357, subdivision 9, is amended to read:

69.28 Subd. 9. **Development goals and objectives.** In adopting official controls after July 1,
69.29 2008, in a municipality outside the metropolitan area, as defined by section 473.121,
69.30 subdivision 2, the municipality shall consider restricting new residential, commercial, and
69.31 industrial development so that the new development takes place in areas subject to the
69.32 following goals and objectives:

70.1 (1) minimizing the fragmentation and development of agricultural, forest, wildlife, and
70.2 open space lands, including consideration of appropriate minimum lot sizes;

70.3 (2) minimizing further development in sensitive shoreland areas;

70.4 (3) minimizing development near wildlife management areas, scientific and natural
70.5 areas, and nature centers;

70.6 (4) encouraging land uses in airport safety zones that are compatible with the safe
70.7 operation of the airport and the safety of people in the vicinity of the airport;

70.8 ~~(4)~~ (5) identification of areas of preference for higher density, including consideration
70.9 of existing and necessary water and wastewater services, infrastructure, other services, and
70.10 to the extent feasible, encouraging full development of areas previously zoned for
70.11 nonagricultural uses;

70.12 ~~(5)~~ (6) encouraging development close to places of employment, shopping centers,
70.13 schools, mass transit, and other public and private service centers;

70.14 ~~(6)~~ (7) identification of areas where other developments are appropriate; and

70.15 ~~(7)~~ (8) other goals and objectives a municipality may identify.

70.16 Sec. 83. Minnesota Statutes 2016, section 473.13, is amended by adding a subdivision to
70.17 read:

70.18 Subd. 1d. **Budget amendments.** In conjunction with the adoption of any amendment
70.19 to a budget under subdivision 1, the council must submit a summary of the budget changes
70.20 and a copy of the amended budget to the members and staff of the legislative committees
70.21 with jurisdiction over transportation policy and finance and to the Legislative Commission
70.22 on Metropolitan Government.

70.23 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following
70.24 final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey,
70.25 Scott, and Washington.

70.26 Sec. 84. Minnesota Statutes 2016, section 473.13, is amended by adding a subdivision to
70.27 read:

70.28 Subd. 6. **Overview of revenues and expenditures; forecast.** (a) In cooperation with
70.29 the Department of Management and Budget and as required by section 16A.103, the council
70.30 must prepare in February and November of each year a financial overview and forecast of
70.31 revenues and expenditures for the transportation components of the council's budget.

- 71.1 (b) At a minimum, the financial overview and forecast must identify:
- 71.2 (1) actual revenues, expenditures, transfers, reserves, and balances for each of the previous
- 71.3 four budget years;
- 71.4 (2) budgeted and forecasted revenues, expenditures, transfers, reserves, and balances
- 71.5 for each year within the state forecast period; and
- 71.6 (3) a comparison of the information under clause (2) to the prior forecast, including any
- 71.7 changes made.
- 71.8 (c) The information under paragraph (b), clauses (1) and (2), must include:
- 71.9 (1) a breakdown for each transportation operating budget category established by the
- 71.10 council, including but not limited to bus, light rail transit, commuter rail, planning, special
- 71.11 transportation service under section 473.386, and assistance to replacement service providers
- 71.12 under section 473.388;
- 71.13 (2) data for both transportation operating and capital expenditures; and
- 71.14 (3) fund balances for each replacement service provider under section 473.388.
- 71.15 (d) The financial overview and forecast must summarize reserve policies, identify the
- 71.16 methodology for cost allocation, and review revenue assumptions and variables affecting
- 71.17 the assumptions.
- 71.18 (e) The council must review the financial overview and forecast information with the
- 71.19 chairs, ranking minority members, and staff of the legislative committees with jurisdiction
- 71.20 over finance, ways and means, and transportation finance no later than two weeks following
- 71.21 the release of the forecast.
- 71.22 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following
- 71.23 final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey,
- 71.24 Scott, and Washington.
- 71.25 Sec. 85. Minnesota Statutes 2016, section 473.386, subdivision 3, is amended to read:
- 71.26 Subd. 3. **Duties of council.** In implementing the special transportation service, the council
- 71.27 shall:
- 71.28 (a) encourage participation in the service by public, private, and private nonprofit
- 71.29 providers of special transportation currently receiving capital or operating assistance from
- 71.30 a public agency;

72.1 (b) when feasible and cost-efficient, contract with public, private, and private nonprofit
 72.2 providers that have demonstrated their ability to effectively provide service at a reasonable
 72.3 cost;

72.4 (c) encourage individuals using special transportation to use the type of service most
 72.5 appropriate to their particular needs;

72.6 (d) encourage shared rides to the greatest extent practicable;

72.7 (e) encourage public agencies that provide transportation to eligible individuals as a
 72.8 component of human services and educational programs to coordinate with this service and
 72.9 to allow reimbursement for transportation provided through the service at rates that reflect
 72.10 the public cost of providing that transportation;

72.11 (f) establish criteria to be used in determining individual eligibility for special
 72.12 transportation services;

72.13 (g) consult with the Transportation Accessibility Advisory Committee in a timely manner
 72.14 before changes are made in the provision of special transportation services;

72.15 (h) provide for effective administration and enforcement of council policies and standards;
 72.16 and

72.17 (i) ensure that, taken as a whole including contracts with public, private, and private
 72.18 nonprofit providers, the geographic coverage area of the special transportation service is
 72.19 continuous within the boundaries of the transit taxing district, as defined as of March 1,
 72.20 2006, in section 473.446, subdivision 2, and any area added to the transit taxing district
 72.21 under section 473.4461 that received capital improvements financed in part by the Minnesota
 72.22 Urban Partnership Agreement (UPA) under the United States Department of Transportation
 72.23 UPA program.

72.24 **EFFECTIVE DATE; APPLICATION.** This section is effective July 1, 2019, and
 72.25 applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

72.26 Sec. 86. Minnesota Statutes 2016, section 473.386, is amended by adding a subdivision
 72.27 to read:

72.28 **Subd. 9. Data practices.** (a) For purposes of administering this section, and only with
 72.29 the consent of the data subject, the commissioner of human services and the Metropolitan
 72.30 Council may share the following private data on individuals eligible for special transportation
 72.31 services:

72.32 (1) name;

73.1 (2) date of birth;

73.2 (3) residential address; and

73.3 (4) program eligibility status with expiration date for the purposes of informing the other
73.4 party of program eligibility.

73.5 (b) The commissioner of human services and the Metropolitan Council must provide
73.6 notice regarding data sharing to each individual applying for or renewing eligibility to use
73.7 special transportation services. The notice must seek consent to engage in data sharing under
73.8 paragraph (a), and must state how and for what purposes the individual's private data will
73.9 be shared between the commissioner of human services and the Metropolitan Council. A
73.10 consent to engage in data sharing is effective until the individual's eligibility expires, but
73.11 may be renewed if the individual applies to renew eligibility.

73.12 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following
73.13 final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey,
73.14 Scott, and Washington. Within 60 days of this section's effective date, the commissioner
73.15 of human services and the Metropolitan Council must provide notice regarding data sharing
73.16 to each individual who is currently receiving special transportation services under Minnesota
73.17 Statutes, section 473.386. The notice must provide an opportunity to opt out of data sharing
73.18 under paragraph (a) of this section, and must state how and for what purposes the individual's
73.19 private data will be shared between the commissioner of human services and the Metropolitan
73.20 Council. An individual who is currently receiving special transportation services on this
73.21 section's effective date is presumed to have consented to data sharing under paragraph (a)
73.22 unless, within 60 days of the dissemination of the notice, the individual appropriately informs
73.23 the commissioner of human services or the Metropolitan Council that the individual opts
73.24 out of data sharing.

73.25 Sec. 87. Minnesota Statutes 2017 Supplement, section 473.4051, subdivision 2, is amended
73.26 to read:

73.27 Subd. 2. **Operating costs.** (a) After operating revenue and federal money have been
73.28 used to pay for light rail transit operations, 50 percent of the remaining operating costs must
73.29 be paid by the state.

73.30 (b) Notwithstanding paragraph (a), all operating and ongoing capital maintenance costs
73.31 must be paid from nonstate sources for a segment of a light rail transit line or line extension
73.32 project that formally entered the engineering phase of the Federal Transit Administration's

74.1 "New Starts" capital investment grant program between August 1, 2016, and December 31,
74.2 2016.

74.3 (c) For purposes of this subdivision, operating costs consist of the costs associated with
74.4 light rail system daily operations and the maintenance costs associated with keeping light
74.5 rail services and facilities operating. Operating costs do not include costs incurred to construct
74.6 new buildings or facilities, purchase new vehicles, or make technology improvements.

74.7 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following
74.8 final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey,
74.9 Scott, and Washington.

74.10 Sec. 88. Minnesota Statutes 2016, section 473.4051, subdivision 3, is amended to read:

74.11 Subd. 3. **Capital costs.** State money ~~may~~ must not be used ~~to pay more than ten percent~~
74.12 ~~of~~ for the ~~total~~ capital cost of a light rail transit project.

74.13 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following
74.14 final enactment for appropriations encumbered on or after that date and applies in the
74.15 counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

74.16 Sec. 89. Minnesota Statutes 2016, section 574.26, subdivision 1a, is amended to read:

74.17 Subd. 1a. **Exemptions: certain manufacturers; commissioner of transportation;**
74.18 **road maintenance.** (a) Sections 574.26 to 574.32 do not apply to a manufacturer of public
74.19 transit buses that manufactures at least 100 public transit buses in a calendar year. For
74.20 purposes of this section, "public transit bus" means a motor vehicle designed to transport
74.21 people, with a design capacity for carrying more than 40 passengers, including the driver.
74.22 The term "public transit bus" does not include a school bus, as defined in section 169.011,
74.23 subdivision 71.

74.24 (b) At the discretion of the commissioner of transportation, sections 574.26 to 574.32
74.25 do not apply to any projects of the Department of Transportation (1) costing less than the
74.26 amount in section 471.345, subdivision 3, ~~or~~ (2) involving the permanent or semipermanent
74.27 installation of heavy machinery, fixtures, or other capital equipment to be used primarily
74.28 for maintenance or repair, or (3) awarded under section 161.32, subdivision 2.

74.29 (c) Sections 574.26 to 574.32 do not apply to contracts for snow removal, ice removal,
74.30 grading, or other similar routine road maintenance on town roads.

75.1 **Sec. 90. LEGISLATIVE ROUTE NO. 222 REMOVED.**

75.2 (a) Minnesota Statutes, section 161.115, subdivision 153, is repealed effective the day
75.3 after the commissioner of transportation receives a copy of the agreement between the
75.4 commissioner and the governing body of Red Lake County to transfer jurisdiction of
75.5 Legislative Route No. 222 and after the commissioner notifies the revisor of statutes under
75.6 paragraph (b).

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

75.10 **Sec. 91. LEGISLATIVE ROUTE NO. 253 REMOVED.**

75.11 (a) Minnesota Statutes, section 161.115, subdivision 184, is repealed effective the day
75.12 after the commissioner of transportation receives a copy of the agreement between the
75.13 commissioner and the governing body of Faribault County to transfer jurisdiction of
75.14 Legislative Route No. 253 and after the commissioner notifies the revisor of statutes under
75.15 paragraph (b).

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

75.19 **Sec. 92. LEGISLATIVE ROUTE NO. 254 REMOVED.**

75.20 (a) Minnesota Statutes, section 161.115, subdivision 185, is repealed effective the day
75.21 after the commissioner of transportation receives a copy of the agreement between the
75.22 commissioner and the governing body of Faribault County to transfer jurisdiction of
75.23 Legislative Route No. 254 and after the commissioner notifies the revisor of statutes under
75.24 paragraph (b).

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

75.28 **Sec. 93. LEGISLATIVE ROUTE NO. 277 REMOVED.**

75.29 (a) Minnesota Statutes, section 161.115, subdivision 208, is repealed effective the day
75.30 after the commissioner of transportation receives a copy of the agreement between the
75.31 commissioner and the governing body of Chippewa County to transfer jurisdiction of

76.1 Legislative Route No. 277 and after the commissioner notifies the revisor of statutes under
76.2 paragraph (b).

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

76.6 **Sec. 94. LEGISLATIVE ROUTE NO. 298 REMOVED.**

76.7 (a) Minnesota Statutes, section 161.115, subdivision 229, is repealed effective the day
76.8 after the commissioner of transportation receives a copy of the agreement between the
76.9 commissioner and the governing body of the city of Faribault to transfer jurisdiction of
76.10 Legislative Route No. 298 and after the commissioner notifies the revisor of statutes under
76.11 paragraph (b).

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

76.15 **Sec. 95. LEGISLATIVE ROUTE NO. 299 REMOVED.**

76.16 (a) Minnesota Statutes, section 161.115, subdivision 230, is repealed effective the day
76.17 after the commissioner of transportation receives a copy of the agreement between the
76.18 commissioner and the governing body of the city of Faribault to transfer jurisdiction of
76.19 Legislative Route No. 299 and after the commissioner notifies the revisor of statutes under
76.20 paragraph (b).

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

76.24 **Sec. 96. LEGISLATIVE ROUTE NO. 323 REMOVED.**

76.25 (a) Minnesota Statutes, section 161.115, subdivision 254, is repealed effective the day
76.26 after the commissioner of transportation receives a copy of the agreement between the
76.27 commissioner and the governing body of the city of Faribault to transfer jurisdiction of
76.28 Legislative Route No. 323 and after the commissioner notifies the revisor of statutes under
76.29 paragraph (b).

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

77.4 **Sec. 97. DEPARTMENT OF TRANSPORTATION LOAN CONVERSION AND**
77.5 **LIEN RELEASE.**

77.6 The commissioner of transportation must (1) convert to a grant the remaining balance
77.7 on Minnesota Department of Transportation Contract No. 1000714, originally executed as
77.8 of June 1, 2015, with Minnesota Commercial Railway Company; (2) cancel all future
77.9 payments under the contract; and (3) release liens on the locomotives designated as MNNR
77.10 49 and MNNR 84, and perform the appropriate filing. The commissioner is prohibited from
77.11 requiring or accepting additional payments under the contract as of the effective date of this
77.12 section. Notwithstanding the loan conversion and payment cancellation under this section,
77.13 all other terms and conditions under Contract No. 1000714 remain effective for the duration
77.14 of the period specified in the contract.

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

77.16 **Sec. 98. NORTHSTAR CORRIDOR EXTENSION; NEGOTIATIONS.**

77.17 The Department of Transportation must contact Burlington Northern Santa Fe Railway
77.18 (BNSF) to negotiate an extension of the Northstar Corridor between Big Lake and St. Cloud.
77.19 Negotiations under this section are subject to the following conditions:

77.20 (1) the Northstar Corridor will add at least one morning round trip departure between
77.21 the St. Cloud Amtrak Depot and Big Lake Station with continuing service to Target Station
77.22 each weekday, plus one evening round trip between Big Lake Station and St. Cloud Amtrak
77.23 Depot that must begin at Target Station, with the departure and arrival times set so that
77.24 approximately ten or more hours elapse between the morning departure and evening return
77.25 each day for both round trips. The Department of Transportation may also negotiate weekend
77.26 departures and arrivals between St. Cloud and Target Station;

77.27 (2) the Department of Transportation may negotiate for fewer round trip departures from
77.28 Big Lake to Target Station each weekday, and fewer round trip departures on weekends;

77.29 (3) BNSF must continue to crew and dispatch all trains and provide other track-related
77.30 services;

77.31 (4) the St. Cloud Metropolitan Transit Commission (MTC) must be responsible for fare
77.32 collection in St. Cloud and must negotiate with Amtrak for using the Amtrak station. The

78.1 MTC must negotiate an agreement with the Metropolitan Council, which is subject to
78.2 approval by the city of St. Cloud, regarding the sharing of revenues and expenses related
78.3 to the Amtrak station, fare collection, and advertising. The MTC, city of St. Cloud, and
78.4 Stearns, Benton, and Sherburne Counties are prohibited from entering into agreements with
78.5 the Metropolitan Council on any subject other than the operation of the Northstar Corridor;

78.6 (5) the Department of Transportation is prohibited from committing to spend any state
78.7 funds on capital expenditures;

78.8 (6) the Department of Transportation is prohibited from committing to spend any more
78.9 state funds on operating costs than the total sum it and the Metropolitan Council have
78.10 budgeted for the Northstar Corridor; and

78.11 (7) the Department of Transportation may negotiate with the federal government, counties
78.12 and cities, or the Northstar Corridor Development Authority to provide additional funding
78.13 for services necessary to extend the Northstar Corridor.

78.14 **Sec. 99. COMMERCIAL DRIVER'S LICENSE FEDERAL REGULATION WAIVER**
78.15 **REQUEST.**

78.16 The commissioner of public safety must apply to the Federal Motor Carrier Safety
78.17 Administration for a waiver from the federal regulation that requires a person to have a
78.18 passenger endorsement for driving a bus with no passengers for the sole purpose of delivering
78.19 the bus to the purchaser.

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

78.21 **Sec. 100. REVISOR INSTRUCTIONS.**

78.22 (a) The revisor of statutes shall renumber Minnesota Statutes, section 160.02, subdivision
78.23 27a, as Minnesota Statutes, section 169.011, subdivision 73a. The revisor shall correct any
78.24 cross-references made necessary by this renumbering.

78.25 (b) The revisor of statutes shall change the term "special revenue fund" to "driver and
78.26 vehicle services fund" wherever the term appears in Minnesota Statutes when referring to
78.27 the accounts under Minnesota Statutes, section 299A.705.

78.28 **Sec. 101. REPEALER.**

78.29 (a) Minnesota Statutes 2016, section 168.013, subdivision 21, is repealed.

78.30 (b) Minnesota Statutes 2016, section 221.161, subdivisions 2, 3, and 4, are repealed.

79.1 (c) Minnesota Statutes 2016, sections 360.063, subdivision 4; 360.065, subdivision 2;
 79.2 and 360.066, subdivisions 1a and 1b, are repealed.

79.3 (d) Minnesota Statutes 2016, sections 222.47; 222.50, subdivisions 1 and 7; and 222.51,
 79.4 are repealed.

79.5 (e) Minnesota Statutes 2017 Supplement, sections 222.49; and 222.50, subdivision 6,
 79.6 are repealed.

79.7 **Sec. 102. EFFECTIVE DATE; APPLICATION.**

79.8 (a) Sections 61 to 82 and section 101, paragraph (c), are effective August 1, 2018, and
 79.9 apply to airport sponsors that make or plan to make changes to runway lengths or
 79.10 configurations on or after that date.

79.11 (b) Sections 61 to 82 and section 101, paragraph (c), do not apply to airports that (1)
 79.12 have airport safety zoning ordinances approved by this commissioner in effect on August
 79.13 1, 2018; (2) have not made and are not planning to make changes to runway lengths or
 79.14 configurations; and (3) are not required to update airport safety zoning ordinances."

79.15 Delete the title and insert:

79.16 "A bill for an act
 79.17 relating transportation; amending various transportation policy and finance
 79.18 provisions; appropriating money; amending Minnesota Statutes 2016, sections
 79.19 13.461, by adding a subdivision; 13.6905, subdivision 3; 13.72, subdivision 10;
 79.20 160.295, subdivision 5; 161.115, subdivision 111; 161.14, by adding subdivisions;
 79.21 161.32, subdivision 2; 168.10, subdivision 1h; 168.101, subdivision 2a; 168.127,
 79.22 subdivision 6; 168.326; 168.33, by adding a subdivision; 168.345, subdivision 2;
 79.23 168A.02, subdivision 1; 168A.151, subdivision 1; 168A.29, subdivision 1; 169.011,
 79.24 subdivisions 5, 9, 60; 169.18, subdivision 3; 169.222, subdivisions 1, 4; 169.26,
 79.25 subdivision 1; 169.28; 169.29; 169.345, subdivision 2; 169.4503, subdivision 5;
 79.26 169.81, by adding a subdivision; 169.8261, subdivision 2; 169.829, by adding a
 79.27 subdivision; 169.87, subdivision 6; 169.974, subdivision 2; 174.66; 221.031,
 79.28 subdivision 2d; 221.0314, subdivision 9; 221.036, subdivisions 1, 3; 221.122,
 79.29 subdivision 1; 221.161, subdivision 1, by adding a subdivision; 221.171, subdivision
 79.30 1; 222.46; 222.50, subdivisions 3, 4; 222.52; 222.57; 222.63, subdivision 8;
 79.31 299A.705; 360.013, by adding a subdivision; 360.017, subdivision 1; 360.021,
 79.32 subdivision 1; 360.062; 360.063, subdivisions 1, 3; 360.064, subdivision 1; 360.065,
 79.33 subdivision 1; 360.066, subdivision 1; 360.067, by adding a subdivision; 360.071,
 79.34 subdivision 2; 360.305, subdivision 6; 394.22, by adding a subdivision; 394.23;
 79.35 394.231; 394.25, subdivision 3; 462.352, by adding a subdivision; 462.355,
 79.36 subdivision 1; 462.357, subdivision 9, by adding a subdivision; 473.13, by adding
 79.37 subdivisions; 473.386, subdivision 3, by adding a subdivision; 473.4051,
 79.38 subdivision 3; 574.26, subdivision 1a; Minnesota Statutes 2017 Supplement,
 79.39 sections 3.972, subdivision 4; 160.02, subdivision 1a; 169.829, subdivision 4;
 79.40 171.06, subdivision 2; 473.4051, subdivision 2; Laws 2017, First Special Session
 79.41 chapter 3, article 1, sections 2, subdivision 2; 4, subdivisions 1, 2; proposing coding
 79.42 for new law in Minnesota Statutes, chapters 161; 168; 174; 222; 299A; 360;
 79.43 repealing Minnesota Statutes 2016, sections 168.013, subdivision 21; 221.161,
 79.44 subdivisions 2, 3, 4; 222.47; 222.50, subdivisions 1, 7; 222.51; 360.063, subdivision

- 80.1 4; 360.065, subdivision 2; 360.066, subdivisions 1a, 1b; Minnesota Statutes 2017
- 80.2 Supplement, sections 222.49; 222.50, subdivision 6."