

26.14 **ARTICLE 3**
 26.15 **TRANSPORTATION POLICY AND FINANCE**

22.1 **ARTICLE 3**
 22.2 **GROSS RECEIPTS TAX**

28.14 **ARTICLE 4**
 28.15 **VEHICLE REGISTRATION TAX**

30.1 **ARTICLE 5**
 30.2 **METROPOLITAN TRANSIT IMPROVEMENT AREA SALES TAX**

36.27 **ARTICLE 6**
 36.28 **OTHER TAXES, FEES, AND TRANSFERS**

61.4 **ARTICLE 7**
 61.5 **EFFICIENCY MEASURES**

75.12 **ARTICLE 8**
 75.13 **TRANSPORTATION POLICY**

26.16 Section 1. Minnesota Statutes 2014, section 16A.11, subdivision 3a, is amended to read:

26.17 Subd. 3a. **Part three: detailed capital budget.** The detailed capital budget must:
 26.18 (1) include recommendations for capital projects to be funded during the next six fiscal
 26.19 years, including any request for project funding from the metropolitan transit capital
 26.20 account in the transportation stability fund under section 16A.89; and; (2) if applicable,
 26.21 ~~must~~ meet the requirements under section 174.93, subdivision 1a. It must be submitted
 26.22 with projects recommended by the governor and in order of importance among that
 26.23 agency's requests as determined by the agency originating the request.

26.24 Sec. 2. Minnesota Statutes 2014, section 16A.86, subdivision 2, is amended to read:

26.25 Subd. 2. **Budget request.** A political subdivision that requests an appropriation
 26.26 of state money for a local capital improvement project, including a request for project
 26.27 funding from the metropolitan transit capital account in the transportation stability
 26.28 fund under section 16A.89, is encouraged to submit the request to the commissioner
 26.29 of management and budget by July 15 of an odd-numbered year to ensure its full
 26.30 consideration. The requests must be submitted in the form and with the supporting
 26.31 documentation required by the commissioner of management and budget. All requests
 26.32 timely received by the commissioner must be submitted to the legislature, along with the
 27.1 governor's recommendations, whether or not the governor recommends that a request be
 27.2 funded, by the deadline established in section 16A.11, subdivision 1.

27.3 Sec. 3. Minnesota Statutes 2014, section 16A.88, subdivision 1a, is amended to read:

27.4 Subd. 1a. **Greater Minnesota transit account; base appropriation.** (a) The
 27.5 greater Minnesota transit account is established within the transit assistance fund in the
 27.6 state treasury. Money in the account is ~~annually appropriated to the commissioner of~~
 27.7 ~~transportation~~ for assistance to transit systems outside the metropolitan area under section
 27.8 174.24. The commissioner may use up to \$408,000 in fiscal year 2008 and \$416,000 in
 27.9 ~~fiscal year 2009 and thereafter annually~~ for administration of the transit program. The
 27.10 commissioner shall use funds appropriated by law from the account for transit operations
 27.11 as provided in section 174.24 and related program administration.

27.12 (b) The base appropriations from the account to the commissioner of transportation
 27.13 for each forecasted fiscal year after the current biennium equals the balance in the account
 27.14 for each year as identified in the latest forecast under sections 16A.103 and 174.03,
 27.15 subdivision 9.

27.16 Sec. 4. Minnesota Statutes 2014, section 16A.88, subdivision 2, is amended to read:

27.17 Subd. 2. **Metropolitan area transit account; base appropriation.** (a) The
 27.18 metropolitan area transit account is established within the transit assistance fund in the
 27.19 state treasury. ~~All money in the account is annually appropriated to~~ The Metropolitan
 27.20 Council shall use funds appropriated by law from the account for the funding of transit
 27.21 systems within the metropolitan area under sections 473.384, 473.386, 473.387, 473.388,
 27.22 and 473.405 to 473.449.

27.23 (b) The base appropriations from the account to the Metropolitan Council for each
 27.24 forecasted fiscal year after the current biennium equals the balance in the account for each
 27.25 year as identified in the latest forecast under sections 16A.103 and 174.03, subdivision 9.

27.26 Sec. 5. **[16A.89] TRANSPORTATION STABILITY FUND.**

27.27 Subdivision 1. **Fund established.** A transportation stability fund is established in
 27.28 the state treasury under the budgetary jurisdiction of the legislative committees having
 27.29 jurisdiction over transportation finance. The fund consists of money provided by law,
 27.30 and any other funds donated, allotted, transferred, or otherwise provided. Money in the
 27.31 fund must be allocated solely for transportation purposes as specified in this section and
 27.32 as provided by law.

28.1 Subd. 2. **Financial reports.** Any report or financial statement submitted to
 28.2 the legislature providing financial information on the fund must include accounting
 28.3 information on each account established within the fund, including revenues and sources,
 28.4 transfers, uses, and account balance.

28.5 Subd. 3. **Highway allocation account.** (a) A highway allocation account is
 28.6 established in the transportation stability fund. The account consists of funds allocated
 28.7 under section 297A.94 from the estimated general sales tax on motor vehicle repair and
 28.8 replacement parts, and any other funds as provided by law.

- 28.9 (b) The commissioner of transportation shall promptly transfer any funds deposited
 28.10 in the account to the highway user tax distribution fund.
- 28.11 Subd. 4. **Transit allocation account.** (a) A transit allocation account is established
 28.12 in the transportation stability fund. The account consists of funds allocated under section
 28.13 297A.815, subdivision 3, from a portion of estimated motor vehicle lease sales tax.
- 28.14 (b) The commissioner of transportation shall promptly transfer any funds deposited
 28.15 in the account to the greater Minnesota transit account in the transit assistance fund.
- 28.16 Subd. 5. **County highway allocation account.** (a) A county highway allocation
 28.17 account is established in the transportation stability fund. The account consists of funds
 28.18 allocated under section 297A.815, subdivision 3, from a portion of estimated motor
 28.19 vehicle lease sales tax.
- 28.20 (b) The commissioner of transportation shall promptly transfer any funds deposited
 28.21 in the account to the county state-aid highway fund. Notwithstanding any other law to
 28.22 the contrary, the commissioner of transportation shall allocate the funds transferred under
 28.23 this paragraph to the counties in the metropolitan area, as defined in section 473.121,
 28.24 subdivision 4, excluding the counties of Hennepin and Ramsey, so that each county receives
 28.25 from that amount the percentage that its population, as defined in section 477A.011,
 28.26 subdivision 3, estimated or established by July 15 of the year prior to the current calendar
 28.27 year, bears to the total population of the counties receiving funds under this paragraph.
- 28.28 Subd. 6. **Metropolitan transit capital account.** (a) A metropolitan transit capital
 28.29 account is established in the transportation stability fund. The account consists of funds
 28.30 allocated under section 297A.94 from the general sales tax on rental motor vehicles,
 28.31 and any other funds as provided by law.
- 28.32 (b) Money in the metropolitan transit capital account is for transit projects, as
 28.33 specified by law, of a capital nature in metropolitan counties, as defined in section 473.121,
 28.34 subdivision 4, with priority for arterial bus rapid transit and express bus facilities. No
 28.35 funds in the account may be expended for light rail transit, commuter rail, or streetcars.
- 29.1 (c) The base appropriations from the metropolitan transit capital account for each
 29.2 forecasted fiscal year after the current biennium equals the balance in the account for each
 29.3 year as identified in the latest forecast under sections 16A.103 and 174.03, subdivision 9.
- 29.4 **EFFECTIVE DATE.** This section is effective the day following final enactment.

36.29 Section 1. Minnesota Statutes 2014, section 115A.908, is amended to read:
 36.30 **115A.908 MOTOR VEHICLE TRANSFER FEE.**

36.31 Subdivision 1. **Fee charged.** (a) A fee of \$10 shall be charged on the initial
 36.32 registration and each subsequent transfer of title within the state, other than transfers for
 37.1 resale purposes, of every motor vehicle weighing more than 1,000 pounds. The fee shall
 37.2 be collected by the commissioner of public safety. Registration plates or certificates
 37.3 of title may not be issued by the commissioner of public safety for the ownership or
 37.4 operation of a motor vehicle subject to the transfer fee unless the fee is paid. The fee may
 37.5 not be charged on the transfer of:

37.6 (1) previously registered vehicles if the transfer is to the same person;

37.7 (2) vehicles subject to the conditions specified in section 297A.70, subdivision 2; or

37.8 (3) vehicles purchased in another state by a resident of another state if more than 60
 37.9 days have elapsed after the date of purchase and the purchaser is transferring title to this
 37.10 state and has become a resident of this state after the purchase.

37.11 (b) A surcharge of \$10 is imposed on each fee charged under paragraph (a).

37.12 Subd. 2. **Deposit of revenue.** (a) Fee revenue collected under this section shall be
 37.13 credited to the environmental fund.

37.14 (b) The commissioner of transportation shall deposit the proceeds of the surcharge
 37.15 as follows:

37.16 (1) 50 percent in the small city streets and bridges account under section 174.54,
 37.17 subdivision 1; and

37.18 (2) 50 percent in the larger city streets and bridges account under section 174.54,
 37.19 subdivision 2.

32.6 Sec. 12. Minnesota Statutes 2014, section 161.04, is amended by adding a subdivision
 32.7 to read:

32.8 Subd. 7. **Trunk highway fund base appropriations.** In conjunction with each
 32.9 forecast under sections 16A.103 and 174.03, subdivision 9, the commissioner shall
 32.10 identify base appropriations in each forecasted fiscal year from the trunk highway fund to
 32.11 the commissioner for the operations and maintenance and state road construction budget
 32.12 activities within the state roads budgetary program. The base appropriations must be
 32.13 adjusted such that, following the financial policies of the department, 90 percent of the
 32.14 unreserved trunk highway fund balance calculated absent the requirement under this
 32.15 subdivision is forecasted for the operations and maintenance and state road construction
 32.16 budget activities.

32.20 Sec. 2. Minnesota Statutes 2014, section 161.081, subdivision 1, is amended to read:

37.21 Subdivision 1. **Distribution of five percent.** ~~(a)~~ Pursuant to article 14, section 5, of
 37.22 the Constitution, five percent of the net highway user tax distribution fund is set aside, and
 37.23 apportioned to the county state-aid highway fund.

37.24 ~~(b)~~ That apportionment is further distributed as follows:

37.25 ~~(1)~~ 30.5 percent to the town road account created in section 162.081;

37.26 ~~(2)~~ 16 percent to the town bridge account, which is created in the state treasury 56.5
 37.27 percent to the county state-aid highway fund, consisting of: (i) 30.5 percent to the town
 37.28 road account created in section 162.081; (ii) 16 percent to the town bridge account created
 37.29 in the state treasury; and (iii) ten percent to the county municipal accounts for purposes
 37.30 described in section 162.08; and

37.31 ~~(3)~~ 53.5 percent to the flexible highway account created in subdivision 3 (2) 43.5
 37.32 percent to the municipal state-aid street fund.

37.33 **EFFECTIVE DATE.** This section is effective July 1, 2015.

37.34 Sec. 3. Minnesota Statutes 2014, section 161.082, subdivision 1, is amended to read:

38.1 Subdivision 1. **Creation of account; rules.** (a) The county turnback account is
 38.2 created in the state treasury, consisting of money allotted or appropriated to the account
 38.3 from the trunk highway fund or from any other source that will be used for the restoration
 38.4 of trunk highways that have reverted or that will revert to counties.

38.5 ~~(b)~~ Except as provided in this section and in section 161.081, all money accruing
 38.6 to the county turnback account shall be expended in accordance with rules of the
 38.7 commissioner of transportation in paying a county for the restoration of former trunk
 38.8 highways, or portions thereof, that have reverted to the county in accordance with law, and
 38.9 have become a part of the county state-aid highway system.

38.10 ~~(c)~~ The legislature finds that restoration of trunk highways that have reverted or
 38.11 will revert to counties is a trunk highway purpose within the meaning of the Minnesota
 38.12 Constitution, article XIV, section 2.

38.13 Sec. 4. Minnesota Statutes 2014, section 161.082, is amended by adding a subdivision
 38.14 to read:

38.15 Subd. 1a. **Budget submission.** As part of each biennial budget submission to the
 38.16 legislature, the commissioner shall include a request for an appropriation to the county
 38.17 turnback account.

38.18 Sec. 5. Minnesota Statutes 2014, section 161.083, is amended to read:
 38.19 **161.083 MUNICIPAL TURNBACK ACCOUNT, EXPENDITURE.**

38.20 Subdivision 1. **Creation of account.** (a) The municipal turnback account is created
 38.21 in the state treasury, consisting of money allotted or appropriated to the account from the
 38.22 trunk highway fund or from any other source that will be used for the restoration of trunk
 38.23 highways that have reverted or that will revert to cities.

38.24 (b) Except as ~~hereinafter~~ provided in this section, all money accruing to the
 38.25 municipal turnback account shall be expended in accordance with rules of the
 38.26 commissioner of transportation in paying a municipality having a population of 5,000 or
 38.27 more for the reconstruction and improvement of former trunk highways, or portions
 38.28 thereof, that have reverted to such municipality in accordance with law, and have become
 38.29 a part of the municipal state-aid street system.

38.30 (c) The legislature finds that restoration of trunk highways that have reverted or
 38.31 will revert to cities is a trunk highway purpose within the meaning of the Minnesota
 38.32 Constitution, article XIV, section 2.

39.1 Subd. 2. **Biennial budget submission.** As part of each biennial budget submission
 39.2 to the legislature, the commissioner shall include a request for an appropriation to the
 39.3 municipal turnback account.

61.19 Sec. 2. Minnesota Statutes 2014, section 161.088, subdivision 5, is amended to read:

61.20 Subd. 5. **Project selection process; criteria.** (a) The commissioner shall establish a
 61.21 process for identification, evaluation, and selection of projects under the program.

61.22 (b) As part of the project selection process, the commissioner shall annually accept
 61.23 recommendations on candidate projects from area transportation partnerships and other
 61.24 interested stakeholders in each Department of Transportation district. For each candidate
 61.25 project identified under this paragraph, the commissioner shall determine eligibility,
 61.26 classify, and if appropriate, evaluate the project for the program.

61.27 (c) Project evaluation and prioritization must be performed on the basis of objective
 61.28 criteria, which must include:

61.29 (1) a return on investment measure that provides for comparison across eligible
 61.30 projects;

61.31 (2) measurable impacts on commerce and economic competitiveness;

61.32 (3) efficiency in the movement of freight, including but not limited to:

62.1 (i) measures of annual average daily traffic and commercial vehicle miles traveled,
 62.2 which may include data near the project location on that trunk highway or on connecting
 62.3 trunk and local highways; and

62.4 (ii) measures of congestion or travel time reliability, which may be within or near
 62.5 the project limits, or both;

- 62.6 (4) improvements to traffic safety;
- 62.7 (5) connections to regional trade centers, local highway systems, and other
- 62.8 transportation modes;
- 62.9 (6) the extent to which the project addresses multiple transportation system policy
- 62.10 objectives and principles; ~~and~~
- 62.11 (7) support and consensus for the project among members of the surrounding
- 62.12 community; ~~and~~
- 62.13 (8) the extent to which land has been acquired for the project.
- 62.14 (d) As part of the project selection process, the commissioner may divide funding
- 62.15 to be separately available among projects within each classification under subdivision 3,
- 62.16 and may apply separate or modified criteria among those projects falling within each
- 62.17 classification.

32.17 Sec. 13. **[161.126] PROHIBITION ON AESTHETIC ENHANCEMENTS.**

32.18 (a) The commissioner may not use public funds for any aesthetic enhancements that
 32.19 increase the total cost of a project on a highway or bridge.

32.20 (b) For purposes of this subdivision:

32.21 (1) "aesthetic enhancements" includes monuments, markers, memorials, sculptures,
 32.22 statues, decorative fixtures, alternative materials, specialty signage, and other treatments
 32.23 designed to impact the perceived beauty or visual appeal of the infrastructure;

32.24 (2) "public funds" includes but is not limited to funding from federal and state
 32.25 sources; and

32.26 (3) "total cost" includes costs of ongoing maintenance.

32.27 **EFFECTIVE DATE.** This section is effective the day following final enactment,
 32.28 and applies to any project for which a contract has not been entered into or let for bidding
 32.29 on or after that date.

62.18 Sec. 3. Minnesota Statutes 2014, section 161.20, is amended by adding a subdivision
 62.19 to read:

62.20 Subd. 3a. **Transfer of appropriations.** With the approval of the commissioner of
 62.21 management and budget, the commissioner of transportation may transfer unencumbered
 62.22 balances among appropriations from the trunk highway fund and the state airports fund.
 62.23 No transfer may be made from appropriations for state road construction, for operations
 62.24 and maintenance, or for debt service. Transfers under this paragraph may not be made
 62.25 between funds. Transfers under this paragraph must be reported immediately to the
 62.26 chairs and ranking minority members of the legislative committees and divisions with
 62.27 jurisdiction over transportation finance.

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

62.29 Sec. 4. **[161.225] LOANS FOR LAND ACQUISITION FOR HIGHWAY**
 62.30 **PROJECTS.**

62.31 Subdivision 1. **Account established.** The state right-of-way acquisition loan
 62.32 account is created in the trunk highway fund for the purposes specified in this section.
 62.33 Money in the account is annually appropriated to the commissioner and does not lapse.
 63.1 Interest from the investment of money in this account must be deposited in the state
 63.2 right-of-way acquisition loan account.

63.3 Subd. 2. **Loans.** (a) The commissioner may make loans to counties, towns, and
 63.4 statutory and home rule charter cities to purchase property within the right-of-way of
 63.5 a state trunk highway shown on an official map adopted pursuant to section 394.361
 63.6 or 462.359, or to purchase property within the proposed right-of-way of a principal or
 63.7 intermediate arterial highway. The loans shall be made from the fund established under this
 63.8 subdivision for purchases approved by the commissioner. The loans shall bear no interest.

63.9 (b) The commissioner shall make loans only to:

63.10 (1) accelerate the acquisition of primarily undeveloped property when there
 63.11 is a reasonable probability that the property will increase in value before highway
 63.12 construction, and to update an expired environmental impact statement on a project for
 63.13 which the right-of-way is being purchased;

63.14 (2) avert the imminent conversion or the granting of approvals which would allow
 63.15 the conversion of property to uses which would jeopardize its availability for highway
 63.16 construction;

63.17 (3) advance planning and environmental activities on highest priority major
 63.18 metropolitan river crossing projects under the transportation development guide chapter
 63.19 policy plan; or

63.20 (4) take advantage of open market opportunities when developed properties become
 63.21 available for sale, provided all parties involved are agreeable to the sale and funds are
 63.22 available.

63.23 (c) The commissioner shall not make loans to purchase property at a price which
63.24 exceeds the fair market value of the property or which includes the costs of relocating or
63.25 moving persons or property. The eminent domain process may be used to settle differences
63.26 of opinion as to fair market value, provided all parties agree to the process.

63.27 (d) A private property owner may elect to receive the purchase price either
63.28 in a lump sum or in not more than four annual installments without interest on the
63.29 deferred installments. If the purchase agreement provides for installment payments,
63.30 the commissioner shall make the loan in installments corresponding to those in the
63.31 purchase agreement. The recipient of an acquisition loan shall convey the property for the
63.32 construction of the highway at the same price which the recipient paid for the property. The
63.33 price may include the costs of preparing environmental documents that were required for
63.34 the acquisition and that were paid for with money that the recipient received from the loan
63.35 fund. Upon notification by the commissioner that the plan to construct the highway has been
63.36 abandoned or the anticipated location of the highway has changed, the recipient shall sell
64.1 the property at market value in accordance with the procedures required for the disposition
64.2 of the property. All rents and other money received because of the recipient's ownership
64.3 of the property and all proceeds from the conveyance or sale of the property shall be paid
64.4 to the commissioner. If a recipient is not permitted to include in the conveyance price the
64.5 cost of preparing environmental documents that were required for the acquisition, then the
64.6 recipient is not required to repay the commissioner an amount equal to 40 percent of the
64.7 money received from the loan fund and spent in preparing the environmental documents.

64.8 (e) For administration of the loan program, the commissioner may expend from the
64.9 fund each year an amount no greater than three percent of the amount of the proceeds for
64.10 that year.

64.11 Subd. 3. **Loans for acquisition and relocation.** (a) The commissioner may
64.12 make loans to acquiring authorities within the metropolitan area to purchase homestead
64.13 property located in a proposed state trunk highway right-of-way or project, and to provide
64.14 relocation assistance. Acquiring authorities are authorized to accept the loans and to
64.15 acquire the property. Except as provided in this subdivision, the loans shall be made as
64.16 provided in subdivision 2. Loans shall be in the amount of the fair market value of the
64.17 homestead property plus relocation costs and less salvage value. Before construction of
64.18 the highway begins, the acquiring authority shall convey the property to the commissioner
64.19 at the same price it paid, plus relocation costs and less its salvage value. Acquisition and
64.20 assistance under this subdivision must conform to sections 117.50 to 117.56.

64.21 (b) The commissioner may make loans only when:

64.22 (1) the owner of affected homestead property requests acquisition and relocation
64.23 assistance from an acquiring authority;

64.24 (2) federal or state financial participation is not available;

64.25 (3) the owner is unable to sell the homestead property at its appraised market value
 64.26 because the property is located in a proposed state trunk highway right-of-way or project as
 64.27 indicated on an official map or plat adopted under section 160.085, 394.361, or 462.359; and

64.28 (4) the commissioner agrees to and approves the fair market value of the homestead
 64.29 property, which approval shall not be unreasonably withheld.

64.30 (c) For purposes of this subdivision, the following terms have the meanings given
 64.31 them:

64.32 (1) "acquiring authority" means counties, towns, and statutory and home rule
 64.33 charter cities;

64.34 (2) "homestead property" means: (i) a single-family dwelling occupied by the
 64.35 owner, and the surrounding land, not exceeding a total of ten acres; or (ii) a manufactured
 64.36 home, as defined in section 327B.01, subdivision 13; and

65.1 (3) "salvage value" means the probable sale price of the dwelling and other property
 65.2 that is severable from the land if offered for sale on the condition that it be removed from
 65.3 the land at the buyer's expense, allowing a reasonable time to find a buyer with knowledge
 65.4 of the possible uses of the property, including separate use of serviceable components and
 65.5 scrap when there is no other reasonable prospect of sale.

65.6 **EFFECTIVE DATE.** This section is effective January 1, 2016.

65.19 Sec. 6. Minnesota Statutes 2014, section 161.46, subdivision 2, is amended to read:

65.20 Subd. 2. **Relocation of facilities; reimbursement.** (a) Whenever the commissioner
 65.21 shall determine the relocation of any utility facility is necessitated by the construction of a
 65.22 project on the routes of federally aided state trunk highways, including urban extensions
 65.23 thereof, which routes are included within the National System of Interstate Highways, the
 65.24 owner or operator of such utility facility shall relocate the same in accordance with the
 65.25 order of the commissioner. After the completion of such relocation the cost thereof shall
 65.26 be ascertained and paid by the state out of trunk highway funds; provided, however, the
 65.27 amount to be paid by the state for such reimbursement shall not exceed the amount on
 65.28 which the federal government bases its reimbursement for said interstate system.

65.29 (b) Notwithstanding paragraph (a), any utility facility installed after August 1, 2015,
 65.30 is not eligible for relocation reimbursement.

75.14 Section 1. Minnesota Statutes 2014, section 168.002, subdivision 24, is amended to read:

75.15 Subd. 24. **Passenger automobile.** (a) "Passenger automobile" means any motor
 75.16 vehicle designed and used for carrying not more than 15 individuals, including the driver.

75.17 (b) "Passenger automobile" does not include motorcycles, motor scooters, buses,
 75.18 school buses, or commuter vans as defined in section 168.126.

75.19 (c) "Passenger automobile" includes, but is not limited to:

75.20 (1) a vehicle that is a pickup truck or a van as defined in subdivisions 26 and 40;

75.21 (2) neighborhood electric vehicles, as defined in section 169.011, subdivision 47; ~~and~~

75.22 (3) medium-speed electric vehicles, as defined in section 169.011, subdivision 39; ~~and~~

75.23 (4) unconventional vehicles, as defined in section 169.011, subdivision 89a.

39.29 Sec. 7. Minnesota Statutes 2014, section 168.012, subdivision 1c, is amended to read:

39.30 Subd. 1c. **Payment of administrative, plate, and filing fee.** The annual
 39.31 administrative fee for a tax-exempt vehicle under this section is \$5. The license plate
 39.32 fee for a tax-exempt vehicle, except a trailer, is ~~\$10~~ \$12.50 for two plates per vehicle,
 39.33 payable only on the first tax-exempt registration of the vehicle. The registration period for
 40.1 a tax-exempt vehicle is biennial. The administrative fee is due on March 1 biennially and
 40.2 payable the preceding January 1, with validating stickers issued at time of payment.

28.16 Section 1. Minnesota Statutes 2014, section 168.013, subdivision 1a, is amended to read:

28.17 Subd. 1a. **Passenger automobile; hearse.** (a) On passenger automobiles as defined
 28.18 in section 168.002, subdivision 24, and hearses, except as otherwise provided, the tax
 28.19 shall be an amount equal to a combination of the following: \$10 for those vehicles with
 28.20 registration periods beginning on or before June 30, 2018; and \$20 for those vehicles
 28.21 with registration periods on or after July 1, 2018, plus an additional tax equal to ~~1.25~~ a
 28.22 percentage of 1.5 percent of the base value as specified in paragraph (h).

28.23 (b) Subject to the classification provisions herein, "base value" means the
 28.24 manufacturer's suggested retail price of the vehicle including destination charge using list
 28.25 price information published by the manufacturer or determined by the registrar if no
 28.26 suggested retail price exists, and shall not include the cost of each accessory or item of
 28.27 optional equipment separately added to the vehicle and the suggested retail price.

28.28 (c) If the manufacturer's list price information contains a single vehicle identification
 28.29 number followed by various descriptions and suggested retail prices, the registrar shall
 28.30 select from those listings only the lowest price for determining base value.

28.31 (d) If unable to determine the base value because the vehicle is specially constructed,
 28.32 or for any other reason, the registrar may establish such value upon the cost price to the
 28.33 purchaser or owner as evidenced by a certificate of cost but not including Minnesota sales
 28.34 or use tax or any local sales or other local tax.

29.1 (e) The registrar shall classify every vehicle in its proper base value class as follows:

29.2	FROM	TO
29.3	\$ 0	\$ 199.99
29.4	\$ 200	\$ 399.99

29.5 and thereafter a series of classes successively set in brackets having a spread of \$200
 29.6 consisting of such number of classes as will permit classification of all vehicles.

29.7 (f) The base value for purposes of this section shall be the middle point between
 29.8 the extremes of its class.

29.9 (g) The registrar shall establish the base value, when new, of every passenger
 29.10 automobile and hearse registered prior to the effective date of Extra Session Laws 1971,
 29.11 chapter 31, using list price information published by the manufacturer or any nationally
 29.12 recognized firm or association compiling such data for the automotive industry. If unable
 29.13 to ascertain the base value of any registered vehicle in the foregoing manner, the registrar
 29.14 may use any other available source or method. The registrar shall calculate tax using base
 29.15 value information available to dealers and deputy registrars at the time the application for
 29.16 registration is submitted. The tax on all previously registered vehicles shall be computed
 29.17 upon the base value thus determined taking into account the depreciation provisions of
 29.18 paragraph (h).

29.19 (h) The annual additional tax must be computed upon a the specified percentage of
 29.20 1.5 percent of the base value as follows: during the first year of vehicle life, upon 100
 29.21 percent of the base value; for the second year, 90 percent of such value; for the third year,
 29.22 80 percent of such value; for the fourth year, 70 percent of such value; for the fifth year, 60
 29.23 percent of such value; for the sixth year, 50 percent of such value; for the seventh year,
 29.24 40 percent of such value; for the eighth year, 30 percent of such value; for the ninth
 29.25 year, 20 percent of such value; for the tenth year, ten percent of such value; for the 11th
 29.26 and each succeeding year, the sum of \$25.

29.27 (i) In no event shall the annual additional tax be less than \$25.

29.28 (j) ~~For any vehicle previously registered in Minnesota, the annual additional tax~~
 29.29 ~~due under this subdivision must not exceed the smallest amount of annual additional~~
 29.30 ~~tax previously paid or due on the vehicle.~~

29.31 **EFFECTIVE DATE.** This section is effective the day following final enactment
 29.32 and applies to any tax for a registration period that begins on or after September 1, 2015.

66.22 Sec. 8. Minnesota Statutes 2014, section 168.013, subdivision 8, is amended to read:

66.23 Subd. 8. **Tax proceeds to highway user fund; fee proceeds to vehicle services**

66.24 **account.** (a) Unless otherwise specified in this chapter, the net proceeds of the registration
66.25 tax imposed under this chapter, including the penalty surcharge for late payment, imposed
66.26 in section 168.31, subdivision 1a, must be collected by the commissioner, paid into the
66.27 state treasury, and credited to the highway user tax distribution fund.

66.28 (b) All fees collected under this chapter, unless otherwise specified, must be
66.29 deposited in the vehicle services operating account in the special revenue fund under
66.30 section 299A.705.

66.31 **EFFECTIVE DATE.** This section is effective July 1, 2015, and applies to vehicle
66.32 registration taxes due and unpaid on and after that date.

66.33 Sec. 9. Minnesota Statutes 2014, section 168.12, subdivision 1, is amended to read:

67.1 Subdivision 1. **Plates; design, visibility, periods of issuance.** (a) The commissioner,
67.2 upon approval and payment, shall issue to the applicant the plates required by this chapter,
67.3 bearing the state name and an assigned vehicle registration number. The number assigned
67.4 by the commissioner may be a combination of a letter or sign with figures. The color of the
67.5 plates and the color of the abbreviation of the state name and the number assigned must
67.6 be in marked contrast. The plates must be lettered, spaced, or distinguished to suitably
67.7 indicate the registration of the vehicle according to the rules of the commissioner.

67.8 (b) When a vehicle is registered on the basis of total gross weight, the plates issued
67.9 must clearly indicate by letters or other suitable insignia the maximum gross weight
67.10 for which the tax has been paid.

67.11 (c) Plates issued to a noncommercial vehicle must bear the inscription
67.12 "noncommercial" unless the vehicle is displaying a special plate authorized and issued
67.13 under this chapter.

67.14 (d) A one-ton pickup truck that is used for commercial purposes and is subject to
67.15 section 168.185, is eligible to display special plates as authorized and issued under this
67.16 chapter.

67.17 (e) The plates must be so treated as to be at least 100 times brighter than the
67.18 conventional painted number plates. When properly mounted on an unlighted vehicle, the
67.19 plates, when viewed from a vehicle equipped with standard headlights, must be visible for
67.20 a distance of not less than 1,500 feet and readable for a distance of not less than 110 feet.

67.21 (f) The commissioner shall issue plates for the following periods:

67.22 (1) New plates issued pursuant to section 168.012, subdivision 1, must be issued to a
 67.23 vehicle for as long as the vehicle is owned by the exempt agency and the plate shall not be
 67.24 transferable from one vehicle to another but the plate may be transferred with the vehicle
 67.25 from one tax-exempt agency to another.

67.26 (2) Plates issued for passenger automobiles must be issued for a ~~seven-year~~ ten-year
 67.27 period. All plates issued under this paragraph must be replaced if they are ~~seven ten~~ years
 67.28 old or older at the time of registration renewal or will become so during the registration
 67.29 period.

67.30 (3) Plates issued under sections 168.053 and 168.27, subdivisions 16 and 17, must
 67.31 be for a ~~seven-year~~ ten-year period.

67.32 (4) Plates issued under subdivisions 2c and 2d and section 168.123 must be issued
 67.33 for the life of the veteran under section 169.79.

67.34 (5) Plates for any vehicle not specified in clauses (1) to (3) must be issued for the
 67.35 life of the vehicle.

68.1 (g) In a year in which plates are not issued, the commissioner shall issue for each
 68.2 registration a sticker to designate the year of registration. This sticker must show the year or
 68.3 years for which the sticker is issued, and is valid only for that period. The plates and stickers
 68.4 issued for a vehicle may not be transferred to another vehicle during the period for which
 68.5 the sticker is issued, except when issued for a vehicle registered under section 168.187.

68.6 (h) Despite any other provision of this subdivision, plates issued to a vehicle used
 68.7 for behind-the-wheel instruction in a driver education course in a public school may
 68.8 be transferred to another vehicle used for the same purpose without payment of any
 68.9 additional fee. The public school shall notify the commissioner of each transfer of plates
 68.10 under this paragraph. The commissioner may prescribe a format for notification.

40.32 Sec. 9. Minnesota Statutes 2014, section 168.12, subdivision 2, is amended to read:

40.33 Subd. 2. **Amateur radio licensee; special plates, rules.** (a) The commissioner shall
 40.34 issue amateur radio plates to an applicant who:

41.1 (1) is an owner of a passenger automobile or recreational vehicle;

41.2 (2) is a resident of this state;

41.3 (3) holds an official amateur radio station license or a citizens radio service class D
 41.4 license, in good standing, issued by the Federal Communications Commission;

41.5 (4) pays the registration tax required under section 168.013;

41.6 (5) pays a fee of ~~\$10~~ \$12.50 for each set of special plates and any other fees required
 41.7 by this chapter; and

41.8 (6) complies with this chapter and rules governing the registration of motor vehicles
41.9 and licensing of drivers;

41.10 (b) In lieu of the registration number required for identification under subdivision 1,
41.11 the plates must indicate the official amateur call letters of the applicant, as assigned by the
41.12 Federal Communications Commission, and the words "AMATEUR RADIO."

41.13 (c) This provision for the issue of special plates applies only if the applicant's motor
41.14 vehicle is already registered in Minnesota so that the applicant has valid regular Minnesota
41.15 plates issued for that motor vehicle under which to operate it during the time that it will
41.16 take to have the necessary special plates made.

41.17 (d) If owning more than one motor vehicle of the type specified in this subdivision,
41.18 the applicant may apply for special plates for each motor vehicle and, if each application
41.19 complies with this subdivision, the commissioner shall furnish the applicant with
41.20 the special plates, indicating the official amateur call letters and other distinguishing
41.21 information as the commissioner considers necessary, for each of the motor vehicles.

41.22 (e) The commissioner may make reasonable rules governing the use of the special
41.23 plates as will assure the full compliance by the owner of the special plates, with all existing
41.24 laws governing the registration of motor vehicles and the transfer and use of the plates.

41.25 (f) Despite any contrary provision of subdivision 1, the special plates issued under this
41.26 subdivision may be transferred by an owner to another motor vehicle listed in paragraph
41.27 (a) and registered to the same owner, upon the payment of a fee of \$5. The commissioner
41.28 must be notified before the transfer and may prescribe a format for the notification.

41.29 Sec. 10. Minnesota Statutes 2014, section 168.12, subdivision 2b, is amended to read:

41.30 Subd. 2b. **Firefighters; special plates, rules.** (a) The commissioner shall issue
41.31 special plates, or a single license plate in the case of a motorcycle plate, to any applicant
41.32 who:

41.33 (1) is a member of a fire department receiving state aid under chapter 69, has a
41.34 letter from the fire chief, and is an owner of a passenger automobile, a one-ton pickup
41.35 truck, or a motorcycle;

42.1 (2) pays a fee of ~~\$40~~ \$12.50 and any other fees required by this chapter;

42.2 (3) pays the registration tax required by this chapter for the motor vehicle; and

42.3 (4) complies with this chapter and rules governing the registration of motor vehicles
42.4 and licensing of drivers.

42.5 (b) In lieu of the identification required under subdivision 1, the special plates must
42.6 bear an emblem of a Maltese Cross together with any numbers or characters prescribed by
42.7 the commissioner.

42.8 (c) Special plates issued under this subdivision may only be used during the period
42.9 that the owner of the motor vehicle is a member of a fire department as specified in this
42.10 subdivision. When the individual to whom the special plates were issued is no longer a
42.11 member of a fire department or when the motor vehicle ownership is transferred, the
42.12 owner shall remove the special plates from the motor vehicle. If the commissioner
42.13 receives written notification that an individual is no longer qualified for these special
42.14 plates, the commissioner shall invalidate the plates and notify the individual of this
42.15 action. The individual may retain the plate only upon demonstrating compliance with the
42.16 qualifications of this subdivision. Upon removal or invalidation of the special plates or
42.17 special motorcycle plate, the owner or purchaser of the motor vehicle shall obtain regular
42.18 plates, a regular motorcycle plate, or special plates for the proper registration classification
42.19 for the motor vehicle.

42.20 (d) A special motorcycle license plate issued under this subdivision must be the
42.21 same size as a standard motorcycle license plate.

42.22 (e) Upon payment of a fee of \$5, plates issued under this subdivision for a passenger
42.23 automobile or truck may be transferred to another passenger automobile or truck owned
42.24 or jointly owned by the person to whom the plates were issued. On payment of a fee of
42.25 \$5, a plate issued under this subdivision for a motorcycle may be transferred to another
42.26 motorcycle owned or jointly owned by the person to whom the plate was issued.

42.27 (f) The commissioner may adopt rules under the Administrative Procedure Act,
42.28 sections 14.001 to 14.69, to govern the issuance and use of the special plates authorized
42.29 in this subdivision.

42.30 Sec. 11. Minnesota Statutes 2014, section 168.12, subdivision 2c, is amended to read:

42.31 Subd. 2c. **National Guard; special plates, rules.** (a) The commissioner shall
42.32 issue special plates to any applicant who:

42.33 (1) is a regularly enlisted, commissioned, or retired member of the Minnesota
42.34 National Guard, other than an inactive member who is not a retired member, and is an
42.35 owner of a passenger automobile;

43.1 (2) pays a fee of ~~\$40~~ \$12.50 and any other fees required by this chapter;

43.2 (3) pays the registration tax required by this chapter; and

43.3 (4) complies with this chapter and rules governing the registration of motor vehicles
43.4 and licensing of drivers.

43.5 (b) The adjutant general shall design the emblem for these special plates subject to
43.6 the approval of the commissioner.

43.7 (c) Special plates issued under this subdivision may only be used during the period
43.8 that the owner of the motor vehicle is an active or retired member of the Minnesota National
43.9 Guard as specified in this subdivision. When the individual to whom the special plates
43.10 were issued is no longer an active or retired member of the Minnesota National Guard,
43.11 the special plates must be removed from the vehicle by the owner. If the commissioner
43.12 receives written notification that an individual is no longer qualified for these special plates,
43.13 the commissioner shall invalidate the plates and notify the individual of this action. The
43.14 individual may retain the plate only upon demonstrating compliance with the qualifications
43.15 of this subdivision. Upon removal or invalidation of the special plates, either the owner or
43.16 purchaser of the motor vehicle shall obtain regular plates for the motor vehicle.

43.17 (d) While the person is an active or retired member of the Minnesota National
43.18 Guard, plates issued pursuant to this subdivision may be transferred to another motor
43.19 vehicle owned by that individual upon payment of a fee of \$5.

43.20 (e) For purposes of this subdivision, "retired member" means an individual placed on
43.21 the roll of retired officers or roll of retired enlisted members in the Office of the Adjutant
43.22 General under section 192.18 and who is not deceased.

43.23 (f) The commissioner may adopt rules under the Administrative Procedure Act to
43.24 govern the issuance and use of the special plates authorized by this subdivision.

43.25 Sec. 12. Minnesota Statutes 2014, section 168.12, subdivision 2d, is amended to read:

43.26 Subd. 2d. **Ready Reserve; special plates, rules.** (a) The commissioner shall issue
43.27 special plates to an applicant who:

43.28 (1) is not eligible for special National Guard plates under subdivision 2c, is a
43.29 member of the United States armed forces ready reserve as described in United States
43.30 Code, title 10, section 10142 or 10143, or a retired reserve as described in United States
43.31 Code, title 10, section 10154, and is an owner of a passenger automobile;

43.32 (2) pays a fee of \$10 ~~\$12.50~~ and any other fees required by this chapter;

43.33 (3) pays the registration tax required by this chapter; and

43.34 (4) complies with this chapter and rules governing the registration of motor vehicles
43.35 and licensing of drivers.

44.1 (b) The commissioner of veterans affairs shall design the emblem for these special
44.2 plates subject to the approval of the commissioner.

44.3 (c) Special plates issued under this subdivision may only be used during the period
44.4 that the owner of the motor vehicle is a member of the ready reserve. When the owner is
44.5 no longer a member, the special plates must be removed from the motor vehicle by the
44.6 owner. If the commissioner receives written notification that an individual is no longer
44.7 qualified for these special plates, the commissioner shall invalidate the plates and notify
44.8 the individual of this action. The individual may retain the plate only upon demonstrating
44.9 compliance with the qualifications of this subdivision. On removal or invalidation of the
44.10 special plates, either the owner or purchaser of the motor vehicle shall obtain regular
44.11 plates for the motor vehicle. While the owner is a member of the ready reserve, plates
44.12 issued under this subdivision may be transferred to another motor vehicle owned by that
44.13 individual on paying a fee of \$5.

44.14 (d) The commissioner may adopt rules under the Administrative Procedure Act to
44.15 govern the issuance and use of the special plates authorized by this subdivision.

44.16 Sec. 13. Minnesota Statutes 2014, section 168.12, subdivision 2e, is amended to read:

44.17 Subd. 2e. **Volunteer ambulance attendants; special plates.** (a) The commissioner
44.18 shall issue special license plates to an applicant who:

44.19 (1) is a volunteer ambulance attendant as defined in section 144E.001, subdivision
44.20 15, and owns a motor vehicle taxed as a passenger automobile;

44.21 (2) pays the registration tax required by this chapter for the motor vehicle;

44.22 (3) pays a fee of \$10 \$12.50 and any other fees required by this chapter; and

44.23 (4) complies with this chapter and rules governing the registration of motor vehicles
44.24 and licensing of drivers.

44.25 (b) An individual may use special plates issued under this subdivision only during
44.26 the period that the individual is a volunteer ambulance attendant. When the individual to
44.27 whom the special plates were issued ceases to be a volunteer ambulance attendant, the
44.28 individual shall remove each set of special plates issued. If the commissioner receives
44.29 written notification that an individual is no longer qualified for these special plates, the
44.30 commissioner shall invalidate the plates and notify the individual of this action. The
44.31 individual may retain the plate only upon demonstrating compliance with the qualifications
44.32 of this subdivision. When ownership of the motor vehicle is transferred, the individual
44.33 shall remove the special plates from that motor vehicle. On removal or invalidation of the
44.34 special plates, the owner or purchaser of the motor vehicle shall obtain regular plates for the
45.1 motor vehicle. Special plates issued under this subdivision may be transferred to another
45.2 motor vehicle owned by the volunteer ambulance attendant on payment of a fee of \$5.

45.3 (c) The commissioner may adopt rules governing the design, issuance, and sale of
45.4 the special plates authorized by this subdivision.

45.5 Sec. 14. Minnesota Statutes 2014, section 168.12, subdivision 2g, is amended to read:

45.6 Subd. 2g. **Retired firefighters; special plates.** (a) The commissioner shall issue
45.7 special retired firefighters plates to an applicant who:

45.8 (1) is a retired member of a fire department as defined in section 299N.01, subdivision
45.9 2, has a letter from the fire chief affirming that the applicant is a retired firefighter who
45.10 served ten or more years and separated in good standing, and is a registered owner of a
45.11 passenger automobile, a one-ton pickup truck, a recreational vehicle, or a motorcycle;

45.12 (2) pays a fee of \$10 ~~\$12.50~~ for each set of license plates applied for along with
45.13 any other fees required by this chapter; and

45.14 (3) complies with this chapter and rules governing registration of motor vehicles
45.15 and licensing of drivers.

45.16 (b) The commissioner shall design the special plate emblem so that it is
45.17 distinguishable from the emblem on firefighter special plates issued under subdivision 2b.

45.18 (c) On payment of a transfer fee of \$5, plates issued under this subdivision may be
45.19 transferred to another passenger automobile, one-ton pickup truck, recreational vehicle, or
45.20 motorcycle registered to the individual to whom the special plates were issued.

45.21 (d) Fees collected under this subdivision must be credited to the vehicle services
45.22 operating account in the special revenue fund.

45.23 (e) This subdivision is exempt from section 168.1293.

45.24 Sec. 15. Minnesota Statutes 2014, section 168.12, subdivision 5, is amended to read:

45.25 Subd. 5. **Additional fee.** (a) In addition to any fee otherwise authorized or any tax
45.26 otherwise imposed upon any vehicle, the payment of which is required as a condition to
45.27 the issuance of any plate or plates, the commissioner shall impose the fee specified in
45.28 paragraph (b) that is calculated to cover the cost of manufacturing and issuing the plate
45.29 or plates, except for plates issued to disabled veterans as defined in section 168.031 and
45.30 plates issued pursuant to section 168.124, 168.125, or 168.27, subdivisions 16 and 17,
45.31 for passenger automobiles. The commissioner shall issue graphic design plates only
45.32 for vehicles registered pursuant to section 168.017 and recreational vehicles registered
45.33 pursuant to section 168.013, subdivision 1g.

46.1 (b) Unless otherwise specified or exempted by statute, the following plate and
46.2 validation sticker fees apply for the original, duplicate, or replacement issuance of a
46.3 plate in a plate year:

		Single	Double
46.4	License Plate		
46.5	Regular and Disability	\$ 4.50 <u>6.25</u>	\$ 6.00 <u>12.50</u>
46.6			10.00
46.7	Special	\$ 8.50	\$ <u>12.50</u>
46.8	Personalized (Replacement)	\$ 10.00	\$ 14.00
46.9	Collector Category	\$ 13.50	\$ 15.00
46.10	Emergency Vehicle Display	\$ 3.00 <u>6.25</u>	\$ 6.00 <u>12.50</u>
46.11	Utility Trailer Self-Adhesive	\$ 2.50	
46.12	Vertical Motorcycle Plate	\$ 100.00	NA
46.13	Stickers		
46.14	Duplicate year	\$ 1.00	\$ 1.00
46.15	International Fuel Tax Agreement	\$ 2.50	

46.16 (c) For vehicles that require two of the categories above, the registrar shall only
 46.17 charge the higher of the two fees and not a combined total.

46.18 Sec. 16. Minnesota Statutes 2014, section 168.121, subdivision 1, is amended to read:

46.19 Subdivision 1. **Issuance and design.** Notwithstanding section 168.1293, the
46.20 commissioner shall issue special plates remembering victims of impaired drivers to an
46.21 applicant who:

46.22 (1) is a registered owner of a passenger automobile;

46.23 (2) pays a fee of \$10 \$12.50 for each set of license plates applied for; and

46.24 (3) complies with this chapter and rules governing registration of motor vehicles
46.25 and licensing of drivers.

46.26 Sec. 17. Minnesota Statutes 2014, section 168.123, subdivision 1, is amended to read:

46.27 Subdivision 1. **General requirements; fees.** (a) On payment of a fee of \$10 \$12.50
46.28 for each set of two plates, or for a single plate in the case of a motorcycle plate, payment
46.29 of the registration tax required by law, and compliance with other applicable laws relating
46.30 to vehicle registration and licensing, as applicable, the commissioner shall issue:

46.31 (1) special veteran's plates to an applicant who served in the active military service
46.32 in a branch of the armed forces of the United States or of a nation or society allied with the
46.33 United States in conducting a foreign war, was discharged under honorable conditions,
46.34 and is a registered owner of a passenger automobile, recreational motor vehicle, or
46.35 one-ton pickup truck, but which is not a commercial motor vehicle as defined in section
46.36 169.011, subdivision 16; or

47.1 (2) a veteran's special motorcycle plate as described in subdivision 2, paragraph (a),
47.2 (e), (f), (h), (i), (j), or (m), or another special plate designed by the commissioner to an
47.3 applicant who is a registered owner of a motorcycle and meets the criteria listed in this
47.4 paragraph and in subdivision 2, paragraph (a), (e), (f), (h), (i), (j), or (m). Plates issued
47.5 under this clause must be the same size as regular motorcycle plates. Special motorcycle
47.6 license plates issued under this clause are not subject to section 168.1293.

47.7 (b) The additional fee of \$10 \$12.50 is payable for each set of veteran's plates, is
47.8 payable only when the plates are issued, and is not payable in a year in which stickers are
47.9 issued instead of plates.

47.10 (c) The veteran must have a certified copy of the veteran's discharge papers,
47.11 indicating character of discharge, at the time of application. If an applicant served in the
47.12 active military service in a branch of the armed forces of a nation or society allied with the
47.13 United States in conducting a foreign war and is unable to obtain a record of that service
47.14 and discharge status, the commissioner of veterans affairs may certify the applicant as
47.15 qualified for the veterans' plates provided under this section.

47.16 Sec. 18. Minnesota Statutes 2014, section 168.1235, subdivision 1, is amended to read:

47.17 Subdivision 1. **General requirements; fees.** (a) The commissioner shall issue a
47.18 special plate emblem for each plate to an applicant who:

- 47.19 (1) is a member of a congressionally chartered veterans service organization and
47.20 is a registered owner of a passenger automobile, pickup truck, van, or self-propelled
47.21 recreational vehicle;
- 47.22 (2) pays the registration tax required by law;
- 47.23 (3) pays a fee of \$10 \$12.50 for each set of two plates, and any other fees required
47.24 by this chapter; and
- 47.25 (4) complies with this chapter and rules governing the registration of motor vehicles
47.26 and licensing of drivers.
- 47.27 (b) The additional fee of \$10 \$12.50 is payable at the time of initial application for
47.28 the special plate emblem and when the plates must be replaced or renewed. An applicant
47.29 must not be issued more than two sets of special plate emblems for motor vehicles listed
47.30 in paragraph (a) and registered to the applicant.
- 47.31 (c) The applicant must present a valid card indicating membership in the American
47.32 Legion or Veterans of Foreign Wars.
- 47.33 Sec. 19. Minnesota Statutes 2014, section 168.1255, subdivision 1, is amended to read:
- 48.1 Subdivision 1. **General requirements and procedures.** The commissioner shall
48.2 issue special veteran contribution plates or a single motorcycle plate to an applicant who:
- 48.3 (1) is a veteran, as defined in section 197.447;
- 48.4 (2) is a registered owner of a passenger automobile as defined in section 168.002,
48.5 subdivision 24, recreational vehicle as defined in section 168.002, subdivision 27, one-ton
48.6 pickup truck as defined in section 168.002, subdivision 21b, or motorcycle as defined in
48.7 section 168.002, subdivision 19;
- 48.8 (3) pays a fee of \$10 \$12.50 to cover the costs of handling and manufacturing the
48.9 plates;
- 48.10 (4) pays the registration tax required under section 168.013;
- 48.11 (5) pays the fees required under this chapter;
- 48.12 (6) pays an additional onetime World War II memorial contribution of \$30, which
48.13 the department shall retain until all start-up costs associated with the development and
48.14 issuing of the plates have been recovered, after which the commissioner shall deposit
48.15 contributions in the World War II donation match account; and
- 48.16 (7) complies with this chapter and rules governing the registration of motor vehicles
48.17 and licensing of drivers.
- 48.18 Sec. 20. Minnesota Statutes 2014, section 168.128, subdivision 2, is amended to read:

48.19 Subd. 2. **Plates.** (a) A person who operates a limousine for other than personal use
48.20 shall register the motor vehicle as provided in this section. A person who operates a
48.21 limousine for personal use may apply for limousine plates.

48.22 (b) The commissioner shall issue limousine plates to the registered owner of a
48.23 limousine who:

48.24 (1) certifies that an insurance policy or policies under section 65B.135, in the
48.25 minimum aggregate amount required under that section, is in effect for the entire period
48.26 of the registration;

48.27 (2) provides the commissioner with proof that the passenger automobile registration
48.28 tax and a ~~\$10~~ \$12.50 fee have been paid for each limousine receiving limousine plates; and

48.29 (3) complies with this chapter and rules governing the registration of motor vehicles
48.30 and licensing of drivers.

48.31 (c) The limousine plates must be designed to specifically identify the vehicle as a
48.32 limousine and must be clearly marked with the letters "LM." Limousine plates may not be
48.33 transferred upon sale of the limousine, but may be transferred to another limousine owned
48.34 by the same person upon notifying the commissioner and paying a \$5 transfer fee.

49.1 Sec. 21. Minnesota Statutes 2014, section 168.1291, subdivision 4, is amended to read:

49.2 Subd. 4. **Fees.** Despite section 168.12, subdivisions 2b to 2e; 168.123; or 168.129,
49.3 the commissioner shall charge a fee of ~~\$10~~ \$12.50 for each set of plates issued under
49.4 this section.

37.26 Sec. 21. **[168.1294] "START SEEING MOTORCYCLES" PLATES.**

37.27 Subdivision 1. **Issuance of plates.** The commissioner shall issue special "Start

37.28 Seeing Motorcycles" license plates or a single motorcycle plate to an applicant who:

37.29 (1) is a registered owner of a passenger automobile, noncommercial one-ton pickup

37.30 truck, motorcycle, or recreational motor vehicle;

37.31 (2) pays a fee of \$10 for each set of plates;

37.32 (3) pays the registration tax as required under section 168.013, along with any

37.33 other fees required by this chapter;

37.34 (4) contributes a minimum of \$10 annually to the motorcycle safety fund created

37.35 under section 171.06, subdivision 2a, paragraph (a), clause (1); and

38.1 (5) complies with this chapter and rules governing registration of motor vehicles

38.2 and licensing of drivers.

38.3 Subd. 2. **Design.** The representatives of American Bikers for Awareness, Training,
 38.4 and Education of Minnesota shall design the special plate to contain the inscription "Start
 38.5 Seeing Motorcycles" between the bolt holes on the bottom of the plate with a design area
 38.6 on the left side of the plate, subject to the approval of the commissioner.

38.7 Subd. 3. **Plates transfer.** On application to the commissioner and payment of a
 38.8 transfer fee of \$5, special plates issued under this section may be transferred to another
 38.9 motor vehicle if the subsequent vehicle is:

38.10 (1) qualified under subdivision 1, clause (1), to bear the special plates; and
 38.11 (2) registered to the same individual to whom the special plates were originally issued.

38.12 Subd. 4. **Exemption.** Special plates issued under this section are not subject to
 38.13 section 168.1293, subdivision 2.

38.14 Subd. 5. **Fees.** Fees collected under subdivision 1, clause (2), and subdivision 3 are
 38.15 credited to the vehicle services operating account in the special revenue fund.

38.16 Subd. 6. **No refund.** Contributions under this section must not be refunded.

38.17 **EFFECTIVE DATE.** This section is effective January 1, 2016, for special "Start
 38.18 Seeing Motorcycles" plates issued on or after that date.

76.15 Sec. 3. **[168.1294] "BREAST CANCER AWARENESS" PLATES.**

76.16 Subdivision 1. **Issuance of plates.** The commissioner shall issue special "Breast
 76.17 Cancer Awareness" plates or a single motorcycle plate to an applicant who:

76.18 (1) is a registered owner of a passenger automobile, one-ton pickup truck,
 76.19 motorcycle, or recreational motor vehicle;

76.20 (2) pays a fee of \$12.50 for each set of plates;

76.21 (3) pays the registration tax as required under section 168.013, along with any
 76.22 other fees required by this chapter;

76.23 (4) contributes a minimum of \$20 to the Masonic Cancer Center at the University of
 76.24 Minnesota for breast cancer research; and

76.25 (5) complies with this chapter and rules governing registration of motor vehicles
 76.26 and licensing of drivers.

76.27 Subd. 2. **Design.** The commissioner shall design the special plate to contain the
 76.28 inscription "Minnesota Cares" and the pink breast cancer ribbon.

76.29 Subd. 3. **Plates transfer.** On application to the commissioner and payment of a
76.30 transfer fee of \$5, special plates issued under this section may be transferred to another
76.31 motor vehicle if the subsequent vehicle is:

76.32 (1) qualified under subdivision 1, clause (1), to bear the special plates; and

76.33 (2) registered to the same individual to whom the special plates were originally issued.

76.34 Subd. 4. **Exemption.** Special plates issued under this section are not subject to
76.35 section 168.1293, subdivision 2.

77.1 Subd. 5. **Fees.** Fees collected under subdivision 1, clause (2), and subdivision 3 are
77.2 credited to the vehicle services operating account in the special revenue fund.

77.3 Subd. 6. **No refund.** Contributions under this section must not be refunded.

77.4 **EFFECTIVE DATE.** This section is effective January 1, 2016, for plates issued
77.5 on or after that date.

49.5 Sec. 22. Minnesota Statutes 2014, section 168.1295, subdivision 1, is amended to read:

49.6 Subdivision 1. **General requirements and procedures.** (a) The commissioner shall
49.7 issue state parks and trails plates to an applicant who:

49.8 (1) is a registered owner of a passenger automobile, recreational vehicle, one ton
49.9 pickup truck, or motorcycle;

49.10 (2) pays a fee of \$10 \$12.50 to cover the costs of handling and manufacturing the
49.11 plates;

49.12 (3) pays the registration tax required under section 168.013;

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

49.14 (5) contributes a minimum of \$50 annually to the state parks and trails donation
49.15 account established in section 85.056; and

49.16 (6) complies with this chapter and rules governing registration of motor vehicles
49.17 and licensing of drivers.

49.18 (b) The state parks and trails plate application must indicate that the contribution
49.19 specified under paragraph (a), clause (5), is a minimum contribution to receive the plate
49.20 and that the applicant may make an additional contribution to the account.

49.21 (c) State parks and trails plates may be personalized according to section 168.12,
49.22 subdivision 2a.

49.23 Sec. 23. Minnesota Statutes 2014, section 168.1296, subdivision 1, is amended to read:

49.24 Subdivision 1. **General requirements and procedures.** (a) The commissioner shall
 49.25 issue critical habitat plates to an applicant who:

49.26 (1) is a registered owner of a passenger automobile or recreational vehicle;

49.27 (2) pays a fee of \$10 \$12.50 to cover the costs of handling and manufacturing the
 49.28 plates;

49.29 (3) pays the registration tax required under section 168.013;

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

49.31 (5) contributes a minimum of \$30 annually to the Minnesota critical habitat private
 49.32 sector matching account established in section 84.943; and

49.33 (6) complies with this chapter and rules governing registration of motor vehicles
 49.34 and licensing of drivers.

50.1 (b) The critical habitat plate application must indicate that the annual contribution
 50.2 specified under paragraph (a), clause (5), is a minimum contribution to receive the plate
 50.3 and that the applicant may make an additional contribution to the account.

50.4 (c) Owners of recreational vehicles under paragraph (a), clause (1), are eligible
 50.5 only for special critical habitat license plates for which the designs are selected under
 50.6 subdivision 2, on or after January 1, 2006.

50.7 (d) Special critical habitat license plates, the designs for which are selected under
 50.8 subdivision 2, on or after January 1, 2006, may be personalized according to section
 50.9 168.12, subdivision 2a.

50.10 Sec. 24. Minnesota Statutes 2014, section 168.1297, subdivision 1, is amended to read:

50.11 Subdivision 1. **General requirements and procedures.** The commissioner shall
 50.12 issue special "Rotary member" plates to an applicant who:

50.13 (1) is a registered owner of a passenger automobile;

50.14 (2) pays a fee of \$10 \$12.50 to cover the costs of handling and manufacturing the
 50.15 plates;

50.16 (3) pays the registration tax required under section 168.013;

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

50.18 (5) submits proof to the commissioner that the applicant is a member of Rotary
 50.19 International; and

50.20 (6) complies with this chapter and rules governing registration of motor vehicles
 50.21 and licensing of drivers.

50.22 Sec. 25. Minnesota Statutes 2014, section 168.1298, subdivision 1, is amended to read:

50.23 Subdivision 1. **General requirements and procedures.** (a) The commissioner shall
50.24 issue special "Support Our Troops" license plates to an applicant who:

50.25 (1) is an owner of a passenger automobile, one-ton pickup truck, recreational
50.26 vehicle, or motorcycle;

50.27 (2) pays a fee of \$40 \$12.50 to cover the costs of handling and manufacturing the
50.28 plates;

50.29 (3) pays the registration tax required under section 168.013;

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

50.31 (5) contributes a minimum of \$30 annually to the Minnesota "Support Our Troops"
50.32 account established in section 190.19; and

50.33 (6) complies with laws and rules governing registration and licensing of vehicles
50.34 and drivers.

51.1 (b) The license application under this section must indicate that the annual
51.2 contribution specified under paragraph (a), clause (5), is a minimum contribution to receive
51.3 the plates and that the applicant may make an additional contribution to the account.

HF4-STATUTORYUPDATE

1.1 Sec. 26. Minnesota Statutes 2015 Supplement, section 168.1299, subdivision 1,
1.2 is amended to read:

1.3 Subdivision 1. **Issuance.** Notwithstanding section 168.1293, the commissioner shall
1.4 issue special Minnesota golf plates or a single motorcycle plate to an applicant who:

1.5 (1) is a registered owner of a passenger automobile, one-ton pickup truck,
1.6 motorcycle, or recreational vehicle;

1.7 (2) pays a fee of \$40 \$12.50 and any other fees required by this chapter;

1.8 (3) contributes a minimum of \$30 annually to the Minnesota Section PGA
1.9 Foundation account; and

1.10 (4) complies with this chapter and rules governing registration of motor vehicles
1.11 and licensing of drivers.

1.12 **EFFECTIVE DATE.** This section is effective July 1, 2015, and applies to license
1.13 plates issued on and after that date.

UEH0004-3

51.16 Sec. 27. Minnesota Statutes 2014, section 168.27, subdivision 22, is amended to read:

51.17 Subd. 22. **Dealer license for trailers, motorized bicycles; plates, fees;**

51.18 **exemptions.** Any person, copartnership, or corporation having a permanent enclosed
51.19 commercial building or structure either owned in fee or leased and engaged in the
51.20 business, either exclusively or in addition to any other occupation, of selling motorized
51.21 bicycles, boat trailers, horse trailers, or snowmobile trailers, may apply to the registrar
51.22 for a dealer's license. Upon payment of a \$10 fee the registrar shall license the applicant
51.23 as a dealer for the remainder of the calendar year in which the application was received.
51.24 The license may be renewed on or before the second day of January of each succeeding
51.25 year by payment of a fee of \$10. The registrar shall issue to each dealer, upon request
51.26 of the dealer, dealer plates as provided in subdivision 16 upon payment of \$5 ~~\$6.25~~ for
51.27 each plate, and the plates may be used in the same manner and for the same purposes as
51.28 is provided in subdivision 16. Except for motorized bicycle dealers, the registrar shall
51.29 also issue to the dealer, upon request of the dealer, "in-transit" plates as provided in
51.30 subdivision 17 upon payment of a fee of \$5 for each plate. This subdivision does not
51.31 abrogate any of the provisions of this section relating to the duties, responsibilities, and
51.32 requirements of persons, copartnerships, or corporations engaged in the business, either
51.33 exclusively or in addition to other occupations, of selling motor vehicles or manufactured
51.34 homes, except that a seller of boat trailers, utility trailers, or snowmobile trailers who
52.1 is licensed under this subdivision is not required to have a contract or franchise with a
52.2 manufacturer or distributor of new boat trailers, utility trailers, or new snowmobile trailers
52.3 the seller proposes to sell, broker, wholesale, or auction. This section does not require a
52.4 manufacturer of snowmobile trailers whose manufacturing facility is located outside of
52.5 the metropolitan area as defined in section 473.121 to have a dealer's license to transport
52.6 the snowmobile trailers to dealers or retail outlets in the state.

68.11 Sec. 10. Minnesota Statutes 2014, section 168.31, is amended by adding a subdivision
68.12 to read:

68.13 Subd. 1a. **Penalty surcharge for late payment.** Except as otherwise provided in
68.14 subdivisions 4 and 4a, a vehicle owner who has failed to pay the tax required under this
68.15 chapter on or before the due date shall pay in full the tax due on the vehicle, together with
68.16 a penalty surcharge of \$25 for each month or portion of a month following the expiration
68.17 of the registration period, except that the amount of the late fee may not exceed \$100.

68.18 **EFFECTIVE DATE.** This section is effective July 1, 2015, and applies to vehicle
68.19 registration taxes due and unpaid on and after that date.

52.7 Sec. 28. Minnesota Statutes 2014, section 168.33, subdivision 2, is amended to read:

52.8 Subd. 2. **Deputy registrars.** (a) The commissioner may appoint, and for cause
52.9 discontinue, a deputy registrar for any statutory or home rule charter city as the public
52.10 interest and convenience may require, without regard to whether the county auditor of
52.11 the county in which the city is situated has been appointed as the deputy registrar for the
52.12 county or has been discontinued as the deputy registrar for the county, and without regard
52.13 to whether the county in which the city is situated has established a county license bureau
52.14 that issues motor vehicle licenses as provided in section 373.32.

52.15 (b) The commissioner may appoint, and for cause discontinue, a deputy registrar
52.16 for any statutory or home rule charter city as the public interest and convenience may
52.17 require, if the auditor for the county in which the city is situated chooses not to accept
52.18 appointment as the deputy registrar for the county or is discontinued as a deputy registrar,
52.19 or if the county in which the city is situated has not established a county license bureau
52.20 that issues motor vehicle licenses as provided in section 373.32.

52.21 (c) The commissioner may appoint, and for cause discontinue, the county auditor of
52.22 each county as a deputy registrar.

52.23 (d) Despite any other provision, a person other than a county auditor or a director
52.24 of a county license bureau, who was appointed by the registrar before August 1, 1976,
52.25 as a deputy registrar for any statutory or home rule charter city, may continue to serve
52.26 as deputy registrar and may be discontinued for cause only by the commissioner. The
52.27 county auditor who appointed the deputy registrars is responsible for the acts of deputy
52.28 registrars appointed by the auditor.

52.29 (e) Each deputy, before entering upon the discharge of duties, shall take and
52.30 subscribe an oath to faithfully discharge the duties and to uphold the laws of the state.

52.31 (f) If a deputy registrar appointed under this subdivision is not an officer or employee
52.32 of a county or statutory or home rule charter city, the deputy shall in addition give bond to
52.33 the state in the sum of \$10,000, or a larger sum as may be required by the commissioner,
52.34 conditioned upon the faithful discharge of duties as deputy registrar.

53.1 (g) A corporation governed by chapter 302A or 317A may be appointed a deputy
53.2 registrar. Upon application by an individual serving as a deputy registrar and the giving of
53.3 the requisite bond as provided in this subdivision, personally assured by the individual or
53.4 another individual approved by the commissioner, a corporation named in an application
53.5 then becomes the duly appointed and qualified successor to the deputy registrar.

53.6 (h) Each deputy registrar appointed under this subdivision shall keep and maintain
53.7 office locations approved by the commissioner for the registration of vehicles and the
53.8 collection of taxes and fees on vehicles.

53.9 (i) The deputy registrar shall keep records and make reports to the commissioner as
53.10 the commissioner requires. The records must be maintained at the offices of the deputy
53.11 registrar. The records and offices of the deputy registrar must at all times be open to the
53.12 inspection of the commissioner or the commissioner's agents. The deputy registrar shall
53.13 report to the commissioner by the next working day following receipt all registrations
53.14 made and taxes and fees collected by the deputy registrar.

53.15 (j) The filing fee fees imposed under subdivision 7, paragraph (a), clauses (1) and
53.16 (3), must be deposited in the treasury of the place for which appointed or, if not a public
53.17 official, a deputy shall retain the filing fee fees, but the registration tax and any additional
53.18 fees for delayed registration the deputy registrar has collected, and the surcharge imposed
53.19 under subdivision 7, paragraph (a), clause (2), the deputy registrar shall deposit by the next
53.20 working day following receipt in an approved state depository to the credit of the state
53.21 through the commissioner of management and budget. The place for which the deputy
53.22 registrar is appointed through its governing body must provide the deputy registrar with
53.23 facilities and personnel to carry out the duties imposed by this subdivision if the deputy
53.24 is a public official. In all other cases, the deputy shall maintain a suitable facility for
53.25 serving the public.

HF4-STATUTORYUPDATE

1.14 Sec. 29. Minnesota Statutes 2015 Supplement, section 168.33, subdivision 7, is
1.15 amended to read:

1.16 Subd. 7. **Filing fees and surcharge; allocations.** (a) In addition to all other
1.17 statutory fees and taxes, a filing fee of:

1.18 (1) a \$6 filing fee is imposed on every vehicle registration renewal, excluding pro
1.19 rate transactions; and

1.20 (2) a \$10 surcharge is imposed on the fee for every vehicle registration renewal,
1.21 excluding pro rate transactions; and

1.22 (3) a \$10 filing fee is imposed on every other type of vehicle transaction, including
1.23 motor carrier fuel tax licenses under sections 168D.05 and 168D.06, and pro rate
1.24 transactions.

1.25 (b) Notwithstanding paragraph (a):

1.26 (1) a filing fee may not be charged for a document returned for a refund or for
1.27 a correction of an error made by the Department of Public Safety, a dealer, or a deputy
1.28 registrar; and

1.29 (2) no filing fee or other fee may be charged for the permanent surrender of a title
1.30 for a vehicle.

- 1.31 (c) The filing fee and surcharge must be shown as a separate item on all registration
1.32 renewal notices sent out by the commissioner.
- 1.33 (d) The statutory fees and taxes, and the filing fees and surcharge imposed under
1.34 paragraph (a) may be paid by credit card or debit card. The deputy registrar may collect a
1.35 surcharge on the statutory fees, taxes, statutory surcharge, and filing fee not greater than
2.1 the cost of processing a credit card or debit card transaction, in accordance with emergency
2.2 rules established by the commissioner of public safety. The surcharge authorized by this
2.3 paragraph must be used to pay the cost of processing credit and debit card transactions.
- 2.4 (e) The fees and surcharge collected under ~~this subdivision~~ paragraph (a) by the
2.5 department must be allocated as follows:
- 2.6 (1) of the fees collected under paragraph (a), clause (1):
- 2.7 (i) \$4.50 must be deposited in the vehicle services operating account; and
- 2.8 (ii) \$1.50 must be deposited:
- 2.9 (A) in the driver and vehicle services technology account until sufficient funds have
2.10 been deposited in that account to cover all costs of administration, development, and
2.11 initial full deployment of the driver and vehicle services information system; and
- 2.12 (B) after completion of the deposit of funds under subitem (A) in the vehicle
2.13 services operating account; and
- 2.14 (2) of the surcharge collected under paragraph (a), clause (2):
- 2.15 (i) 50 percent must be deposited in the small city streets and bridges account under
2.16 section 174.54, subdivision 1; and
- 2.17 (ii) 50 percent must be deposited in the larger city streets and bridges account under
2.18 section 174.54, subdivision 2; and
- 2.19 (3) of the fees collected under paragraph (a), clause (2) (3):
- 2.20 (i) \$3.50 must be deposited in the general fund;
- 2.21 (ii) \$5.00 must be deposited in the vehicle services operating account; and
- 2.22 (iii) \$1.50 must be deposited:
- 2.23 (A) in the driver and vehicle services technology account until sufficient funds have
2.24 been deposited in that account to cover all costs of administration, development, and
2.25 initial full deployment of the driver and vehicle services information system; and
- 2.26 (B) after completion of the deposit of funds under subitem (A) in the vehicle services
2.27 operating account.
- 2.28 **EFFECTIVE DATE.** This section is effective July 1, 2015.

UEH0004-3

55.5 Sec. 30. Minnesota Statutes 2014, section 168.62, subdivision 3, is amended to read:

55.6 Subd. 3. **Special plates or certificate; fee; proceeds to highway-user fund vehicle**
 55.7 **services operating account.** At the same time that an owner or operator of intercity buses
 55.8 registers them in Minnesota and obtains number plates therefor, the owner or operator
 55.9 shall apply for special identification plates or certificates for the remainder of that fleet
 55.10 of intercity buses. The registrar of motor vehicles shall design an appropriate plate or
 55.11 identification certificate for this purpose which shall be issued upon the payment of a
 55.12 fee of ~~\$10~~ \$12.50 covering each intercity bus so identified. The proceeds of such fees
 55.13 shall be deposited to the credit of the vehicle services operating account under section
 55.14 299A.705, subdivision 1. No intercity bus shall at any time be operated in the state of
 55.15 Minnesota without either Minnesota number plates or special identification plates or
 55.16 certificates issued as herein provided.

77.6 Sec. 4. Minnesota Statutes 2014, section 168A.05, is amended by adding a subdivision
 77.7 to read:

77.8 Subd. 10. **Unconventional vehicles; certificate required.** Unconventional
 77.9 vehicles, as defined in section 169.011, subdivision 89a, must be titled as specified in
 77.10 section 168A.02. The commissioner shall issue a title for an unconventional vehicle
 77.11 (1) having a vehicle identification number or other alphanumeric sequence assigned
 77.12 by the manufacturer for the purpose of identifying that vehicle, and (2) for which the
 77.13 requirements under this chapter are met.

77.22 Sec. 6. Minnesota Statutes 2014, section 169.011, is amended by adding a subdivision
 77.23 to read:

77.24 Subd. 89a. **Unconventional vehicle.** (a) "Unconventional vehicle" means a motor
 77.25 vehicle that:

77.26 (1) has at least three wheels;

77.27 (2) has an unloaded weight of 300 to 8,000 pounds;

77.28 (3) contains a permanent upright seat or saddle for the driver that is mounted at least
 77.29 24 inches from the ground; and

77.30 (4) has a speed attainable in one mile of at least 60 miles per hour on a level paved
 77.31 surface.

78.1 (b) An unconventional vehicle does not include any motor vehicle that is otherwise
 78.2 defined under section 168.002 and able to be registered under chapter 168. The exclusion
 78.3 under this paragraph applies but is not limited to an all-terrain vehicle, motorcycle,
 78.4 motorized bicycle, neighborhood electric vehicle, and medium-speed electric vehicle.

41.17 Sec. 28. Minnesota Statutes 2014, section 169.79, subdivision 4, is amended to read:

- 41.18 Subd. 4. **Collector's vehicle Optional front plate for certain vehicles.** One plate
 41.19 must be displayed on the rear of the vehicle, and one plate may be displayed on the front
 41.20 of the vehicle at the discretion of the owner, if the vehicle is:
- 41.21 (1) a collector's vehicle with a pioneer, classic car, collector, or street rod license;
- 41.22 (2) a vehicle that meets the requirements of a pioneer, classic, or street rod vehicle
 41.23 except that the vehicle is used for general transportation purposes; or
- 41.24 (3) a vehicle that is of model year 1972 or earlier, not registered under section
 41.25 168.10, subdivision 1c, and is used for general transportation purposes; ~~then one plate~~
 41.26 ~~must be displayed on the rear of the vehicle, or one plate on the front and one on the rear,~~
 41.27 ~~at the discretion of the owner; or~~
- 41.28 (4) a vehicle that was originally manufactured without a specifically designed
 41.29 location for plate placement on the front, excluding vehicles provided for in subdivisions
 41.30 3, 3a, and 5.

42.6 Sec. 30. Minnesota Statutes 2014, section 169.865, subdivision 1, is amended to read:

- 42.7 Subdivision 1. **Six-axle vehicles.** (a) A road authority may issue an annual permit
 42.8 authorizing a vehicle or combination of vehicles with a total of six or more axles to haul
 42.9 ~~raw or unprocessed agricultural~~ qualifying products and be operated with a gross vehicle
 42.10 weight of up to:
- 42.11 (1) 90,000 pounds; and
- 42.12 (2) 99,000 pounds during the period set by the commissioner under section 169.826,
 42.13 subdivision 1.
- 42.14 (b) Notwithstanding subdivision 3, paragraph (a), clause (4), a vehicle or
 42.15 combination of vehicles operated under this subdivision and transporting only sealed
 42.16 intermodal containers may be operated on an interstate highway if allowed by the United
 42.17 States Department of Transportation.
- 42.18 (c) Any combination of qualifying products may be transported under a single
 42.19 permit issued under this subdivision.
- 42.20 (d) The fee for a permit issued under this subdivision is \$300, or a proportional
 42.21 amount as provided in section 169.86, subdivision 5.

78.5 Sec. 7. **[169.2245] UNCONVENTIONAL VEHICLE.**

- 78.6 A person may operate an unconventional vehicle on public streets and highways,
 78.7 except on a freeway, as defined in section 160.02, subdivision 19. A road authority,
 78.8 including the commissioner of transportation by order, may prohibit operation of
 78.9 unconventional vehicles on any street or highway under the road authority's jurisdiction.

42.22 Sec. 31. Minnesota Statutes 2014, section 169.865, subdivision 2, is amended to read:

42.23 Subd. 2. **Seven-axle vehicles.** (a) A road authority may issue an annual permit

42.24 authorizing a vehicle or combination of vehicles with a total of seven or more axles to

42.25 haul ~~raw or unprocessed agricultural~~ qualifying products and be operated with a gross

42.26 weight of up to:

42.27 (1) 97,000 pounds; and

42.28 (2) 99,000 pounds during the period set by the commissioner under section 169.826,

42.29 subdivision 1.

42.30 (b) Drivers of vehicles operating under this subdivision must comply with driver

42.31 qualification requirements adopted under section 221.0314, subdivisions 2 to 5, and Code

42.32 of Federal Regulations, title 49, parts 40 and 382, unless exempt under section 221.031,

42.33 subdivision 2c.

43.1 (c) Any combination of qualifying products may be transported under a single

43.2 permit issued under this subdivision.

43.3 (d) The fee for a permit issued under this subdivision is \$500, or a proportional

43.4 amount as provided in section 169.86, subdivision 5.

43.5 Sec. 32. Minnesota Statutes 2014, section 169.865, is amended by adding a subdivision

43.6 to read:

43.7 Subd. 6. **Qualifying products.** For purposes of this section, "qualifying products"

43.8 consists of:

43.9 (1) raw or unprocessed agricultural products;

43.10 (2) agricultural products transported for processing as a biofuel, including but not

43.11 limited to oat hulls and other feedstocks;

43.12 (3) livestock and poultry feed, seed, fertilizer, potash, and agricultural lime; and

43.13 (4) highway and building construction materials, and associated demolition materials,

43.14 including but not limited to aggregate material as defined in section 298.75, subdivision

43.15 1, paragraph (a), hot mix asphalt, plastic concrete, cementitious materials, concrete

43.16 admixtures, asphalt cement, construction demolition materials, and recycled road materials.

78.19 Sec. 9. Minnesota Statutes 2014, section 171.01, is amended by adding a subdivision

78.20 to read:

78.21 Subd. 31c. **Driving privilege license.** "Driving privilege license" means a class
78.22 D license, instruction permit, or provisional license to operate a motor vehicle issued or
78.23 issuable under the laws of this state by the commissioner of public safety to a person who
78.24 is unable to demonstrate legal presence in this country through current lawful admission
78.25 status, permanent resident status, indefinite authorized presence status, or United
78.26 States citizenship. A driving privilege license may be used only for driving and not as
78.27 identification or proof of legal presence or citizenship. A driving privilege license must not
78.28 be used or accepted for voter registration purposes under section 201.061. All provisions
78.29 in this chapter relating to drivers' licenses, instruction permits, and provisional licenses,
78.30 including cancellation, suspension, revocation, reinstatement, examination, restriction,
78.31 expiration, renewal, and unlawful acts and violations, apply to a driving privilege license.

79.1 **EFFECTIVE DATE.** This section is effective January 1, 2016, for a new driver's
79.2 license, permit, or identification card, and a renewal issued on or after that date.

79.3 Sec. 10. Minnesota Statutes 2014, section 171.01, subdivision 37, is amended to read:

79.4 Subd. 37. **License.** "License" means any operator's license or any other license or
79.5 permit to operate a motor vehicle issued or issuable under the laws of this state by the
79.6 commissioner of public safety including:

79.7 (1) any temporary license, driving privilege license, instruction permit, or
79.8 provisional license;

79.9 (2) the privilege of any person to drive a motor vehicle whether or not the person
79.10 holds a valid license; and

79.11 (3) any nonresident's operating privilege.

79.12 **EFFECTIVE DATE.** This section is effective January 1, 2016, for a new driver's
79.13 license, permit, or identification card, and a renewal issued on or after that date.

79.14 Sec. 11. Minnesota Statutes 2014, section 171.01, subdivision 49a, is amended to read:

79.15 Subd. 49a. **Valid license; valid driver's license.** "Valid license," "valid driver's
79.16 license," "valid Minnesota driver's license," "valid standard driver's license," or other
79.17 similar term, means any operator's license, provisional license, driving privilege license,
79.18 temporary license, limited license, permit, or other license to operate a motor vehicle
79.19 issued or issuable under the laws of this state by the commissioner, or by another state or
79.20 jurisdiction if specified, that is:

79.21 (1) not expired, suspended, revoked, or canceled; and

79.22 (2) not disqualified for the class of vehicle being operated.

79.23 **EFFECTIVE DATE.** This section is effective January 1, 2016, for a new driver's
79.24 license, permit, or identification card, and a renewal issued on or after that date.

79.25 Sec. 12. Minnesota Statutes 2014, section 171.06, subdivision 1, is amended to read:

79.26 Subdivision 1. **Forms of application.** Every application for a Minnesota
79.27 identification card, for an enhanced identification card, for an instruction permit, for
79.28 a provisional license, for a driver's license, driving privilege license, or for an enhanced
79.29 driver's license must be made in a format approved by the department, and every
79.30 application must be accompanied by the proper fee. All first-time applications and
79.31 change-of-status applications must be signed in the presence of the person authorized to
79.32 accept the application, or the signature on the application may be verified by a notary
80.1 public. All applications requiring evidence of legal presence in the United States or United
80.2 States citizenship must be signed in the presence of the person authorized to accept the
80.3 application, or the signature on the application may be verified by a notary public.

80.4 **EFFECTIVE DATE.** This section is effective January 1, 2016, for a new driver's
80.5 license, permit, or identification card, and a renewal issued on or after that date.

80.6 Sec. 13. Minnesota Statutes 2014, section 171.06, subdivision 2, is amended to read:

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

80.9	Classified Driver's License	D-\$17.25	C-\$21.25	B-\$28.25	A-\$36.25
80.10	Classified Under-21 D.L.	D-\$17.25	C-\$21.25	B-\$28.25	A-\$16.25
80.11	<u>Driving Privilege License</u>	<u>D-\$17.25</u>	=	=	=
80.12	Enhanced Driver's License	D-\$32.25	C-\$36.25	B-\$43.25	A-\$51.25
80.13	Instruction Permit				\$5.25

80.14 Enhanced Instruction 80.15 Permit	\$20.25
80.16 Commercial Learner's 80.17 Permit	\$2.50
80.18 Provisional License	\$8.25
80.19 Enhanced Provisional 80.20 License	\$23.25
80.21 Duplicate License or 80.22 duplicate identification 80.23 card	\$6.75
80.24 Enhanced Duplicate 80.25 License or enhanced 80.26 duplicate identification 80.27 card	\$21.75
80.28 Minnesota identification 80.29 card or Under-21 80.30 Minnesota identification 80.31 card, other than duplicate, 80.32 except as otherwise 80.33 provided in section 171.07, 80.34 subdivisions 3 and 3a	\$11.25
80.35 Enhanced Minnesota 80.36 identification card	\$26.25

80.37 In addition to each fee required in this paragraph, the commissioner shall collect a
80.38 surcharge of: (1) \$1.75 until June 30, 2012; and (2) \$1.00 from July 1, 2012, to June 30,
80.39 2016. Surcharges collected under this paragraph must be credited to the driver and vehicle
80.40 services technology account in the special revenue fund under section 299A.705.

80.41 (b) Notwithstanding paragraph (a), an individual who holds a provisional license and
80.42 has a driving record free of (1) convictions for a violation of section 169A.20, 169A.33,
81.1 169A.35, or sections 169A.50 to 169A.53, (2) convictions for crash-related moving
81.2 violations, and (3) convictions for moving violations that are not crash related, shall have a
81.3 \$3.50 credit toward the fee for any classified under-21 driver's license. "Moving violation"
81.4 has the meaning given it in section 171.04, subdivision 1.

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

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

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

81.17 (f) An application for a Minnesota identification card, instruction permit, provisional
81.18 license, driving privilege license, or driver's license, including an application for renewal,
81.19 must contain a provision that allows the applicant to add to the fee under paragraph (a),
81.20 a \$2 donation for the purposes of public information and education on anatomical gifts
81.21 under section 171.075.

81.22 **EFFECTIVE DATE.** This section is effective January 1, 2016, for a new driver's
81.23 license, permit, or identification card, and a renewal issued on or after that date.

81.24 Sec. 14. Minnesota Statutes 2014, section 171.06, subdivision 3, is amended to read:

81.25 Subd. 3. ~~Contents of Application; other information requirements.~~ (a) An
81.26 application must:

81.27 (1) state the full name, date of birth, sex, and either (i) the residence address of the
81.28 applicant, or (ii) designated address under section 5B.05;

81.29 (2) as may be required by the commissioner, contain a description of the applicant
81.30 and any other facts pertaining to the applicant, the applicant's driving privileges, and the
81.31 applicant's ability to operate a motor vehicle with safety;

81.32 (3) state:

81.33 (i) the applicant's Social Security number; or

82.1 (ii) if the applicant does not have a Social Security number and is applying for a
82.2 Minnesota identification card, instruction permit, or class D provisional or driver's license,
82.3 that the applicant certifies that the applicant does not have a Social Security number;

82.4 (4) in the case of an application for an enhanced driver's license or enhanced
82.5 identification card, present:

82.6 (i) proof satisfactory to the commissioner of the applicant's full legal name, United
82.7 States citizenship, identity, date of birth, Social Security number, and residence address; and

82.8 (ii) a photographic identity document;

82.9 (5) contain a space where the applicant may indicate a desire to make an anatomical
82.10 gift according to paragraph (b);

82.11 (6) contain a notification to the applicant of the availability of a living will/health
82.12 care directive designation on the license under section 171.07, subdivision 7; ~~and~~

82.13 (7) contain a space where the applicant may request a veteran designation on the
82.14 license under section 171.07, subdivision 15, and the driving record under section 171.12,
82.15 subdivision 5a; and

82.16 (8) contain a space where the applicant must attest to a residence address in
82.17 Minnesota.

82.18 (b) If the applicant does not indicate a desire to make an anatomical gift when
82.19 the application is made, the applicant must be offered a donor document in accordance
82.20 with section 171.07, subdivision 5. The application must contain statements sufficient to
82.21 comply with the requirements of the Darlene Luther Revised Uniform Anatomical Gift
82.22 Act, chapter 525A, so that execution of the application or donor document will make
82.23 the anatomical gift as provided in section 171.07, subdivision 5, for those indicating a
82.24 desire to make an anatomical gift. The application must be accompanied by information
82.25 describing Minnesota laws regarding anatomical gifts and the need for and benefits of
82.26 anatomical gifts, and the legal implications of making an anatomical gift, including the
82.27 law governing revocation of anatomical gifts. The commissioner shall distribute a notice
82.28 that must accompany all applications for and renewals of a driver's license or Minnesota
82.29 identification card. The notice must be prepared in conjunction with a Minnesota organ
82.30 procurement organization that is certified by the federal Department of Health and Human
82.31 Services and must include:

82.32 (1) a statement that provides a fair and reasonable description of the organ donation
82.33 process, the care of the donor body after death, and the importance of informing family
82.34 members of the donation decision; and

82.35 (2) a telephone number in a certified Minnesota organ procurement organization that
82.36 may be called with respect to questions regarding anatomical gifts.

83.1 (c) The application must be accompanied also by information containing relevant
83.2 facts relating to:

83.3 (1) the effect of alcohol on driving ability;

83.4 (2) the effect of mixing alcohol with drugs;

83.5 (3) the laws of Minnesota relating to operation of a motor vehicle while under the
83.6 influence of alcohol or a controlled substance; and

83.7 (4) the levels of alcohol-related fatalities and accidents in Minnesota and of arrests
83.8 for alcohol-related violations.

83.9 (d) A government identification card is:

83.10 (1) an acceptable form of proof of identity in application for a Minnesota
83.11 identification card, instruction permit, or driver's license; and

83.12 (2) a primary document for purposes of Minnesota Rules, part 7410.0400.

83.13 (e) For purposes of this section, "government identification card" means a valid,
83.14 unexpired passport issued by a country other than the United States with a certified birth
83.15 certificate from a country other than the United States, the District of Columbia, Guam,
83.16 Puerto Rico, or the United States Virgin Islands. A passport and birth certificate under this
83.17 paragraph must have security features that make the document as impervious to alteration
83.18 as is reasonably practicable in its design and quality of material and technology, using
83.19 materials that are not readily available to the general public. Any document not in English
83.20 must be accompanied by a qualified English translation.

83.21 **EFFECTIVE DATE.** This section is effective January 1, 2016, for a new driver's
83.22 license, permit, or identification card, and a renewal issued on or after that date.

83.23 Sec. 15. Minnesota Statutes 2014, section 171.07, subdivision 1, is amended to read:

83.24 Subdivision 1. **License; contents.** (a) Upon the payment of the required fee, the
 83.25 department shall issue to every qualifying applicant a license designating the type or
 83.26 class of vehicles the applicant is authorized to drive as applied for. This license must
 83.27 bear a distinguishing number assigned to the licensee; the licensee's full name and date
 83.28 of birth; either (1) the licensee's residence address, or (2) the designated address under
 83.29 section 5B.05; a description of the licensee in a manner as the commissioner deems
 83.30 necessary; and the usual signature of the licensee. No license is valid unless it bears
 83.31 the usual signature of the licensee. Every license must bear a colored photograph or an
 83.32 electronically produced image of the licensee. A driving privilege license must be plainly
 83.33 marked "FOR DRIVING ONLY."

83.34 (b) If the United States Postal Service will not deliver mail to the applicant's
 83.35 residence address as listed on the license, then the applicant shall provide verification from
 84.1 the United States Postal Service that mail will not be delivered to the applicant's residence
 84.2 address and that mail will be delivered to a specified alternate mailing address. When an
 84.3 applicant provides an alternate mailing address under this subdivision, the commissioner
 84.4 shall use the alternate mailing address in lieu of the applicant's residence address for
 84.5 all notices and mailings to the applicant.

84.6 (c) Every license issued to an applicant under the age of 21 must be of a
 84.7 distinguishing color and plainly marked "Under-21."

84.8 (d) The department shall use processes in issuing a license that prohibit, as nearly as
 84.9 possible, the ability to alter or reproduce a license, or prohibit the ability to superimpose a
 84.10 photograph or electronically produced image on a license, without ready detection.

84.11 (e) A license issued to an applicant age 65 or over must be plainly marked "senior" if
 84.12 requested by the applicant.

84.13 **EFFECTIVE DATE.** This section is effective January 1, 2016, for a new driver's
 84.14 license, permit, or identification card, and a renewal issued on or after that date.

84.15 Sec. 16. **[174.38] ACTIVE TRANSPORTATION PROGRAMS.**

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

84.18 (b) "Administering authority" or "authority" means the commissioner of
 84.19 transportation, the joint powers board under section 297A.992, or the council, as
 84.20 appropriate.

84.21 (c) "Bond-eligible cost" means:

- 84.22 (1) expenditures under this section for acquisition of land or permanent easements,
 84.23 predesign, design, preliminary and final engineering, environmental analysis, construction,
 84.24 and reconstruction of publicly owned infrastructure in this state with a useful life of at
 84.25 least ten years that provides for nonmotorized transportation;
- 84.26 (2) preparation of land for which a nonmotorized transportation route is established,
 84.27 including demolition of structures and remediation of any hazardous conditions on the
 84.28 land; and
- 84.29 (3) the unpaid principal on debt issued by a political subdivision for a nonmotorized
 84.30 transportation project.
- 84.31 (d) "Council" means the Metropolitan Council, as defined under section 473.121,
 84.32 subdivision 3.
- 84.33 Subd. 2. **Programs established.** (a) Upon availability of funds specifically provided
 84.34 to an administering authority for purposes of this section, the authority shall establish a
 85.1 program to support bicycling, pedestrian activities, and other forms of nonmotorized
 85.2 transportation as provided in this section.
- 85.3 (b) Subject to the requirements of this section, the authority may provide grants
 85.4 or other financial assistance for a project.
- 85.5 Subd. 3. **Active transportation accounts.** (a) An active transportation account
 85.6 is established in the bond proceeds fund. The account consists of state bond proceeds
 85.7 appropriated to the commissioner or the council. Money in the account may only be
 85.8 expended on bond-eligible costs of a project receiving financial assistance under this
 85.9 section. All uses of funds from the account must be for publicly owned property.
- 85.10 (b) A greater Minnesota active transportation account is established in the special
 85.11 revenue fund. The account consists of funds as provided by law, and any other money
 85.12 donated, allotted, transferred, or otherwise provided to the account. Money in the account
 85.13 may only be expended on a project that is primarily located outside of the metropolitan
 85.14 transit improvement area, as defined in section 297A.9925, subdivision 1, and receiving
 85.15 financial assistance as provided under this section.
- 85.16 (c) A metropolitan area active transportation account is established in the special
 85.17 revenue fund. The account consists of funds as provided by law, and any other money
 85.18 donated, allotted, transferred, or otherwise provided to the account. Money in the account
 85.19 may only be expended on a project that is primarily located within the metropolitan transit
 85.20 improvement area, as defined in section 297A.9925, subdivision 1, and receiving financial
 85.21 assistance as provided under this section.
- 85.22 Subd. 4. **Program administration.** (a) The authority shall establish program
 85.23 requirements, including:
- 85.24 (1) eligibility for assistance, subject to the requirements under paragraph (b);

85.25 (2) a process for solicitation and application that minimizes applicant burdens; and

85.26 (3) procedures for award and payment of financial assistance.

85.27 (b) Eligible recipients of financial assistance under this section are:

85.28 (1) a political subdivision; and

85.29 (2) a tax-exempt organization under section 501(c)(3) of the Internal Revenue

85.30 Code, as amended.

85.31 (c) The authority shall make reasonable efforts to publicize each solicitation

85.32 for applications among all eligible recipients, and provide assistance in creating and

85.33 submitting applications.

85.34 (d) The authority may expend no more than one percent of available funds in a fiscal

85.35 year under this section on program administration.

86.1 Subd. 5. **State general obligation bond funds.** The legislature determines that

86.2 many nonmotorized transportation infrastructure projects will constitute betterments and

86.3 capital improvements within the meaning of Minnesota Constitution, article XI, section 5,

86.4 paragraph (a), and capital expenditures under generally accepted accounting principles,

86.5 and will be financed more efficiently and economically under this section than by direct

86.6 appropriations for specific projects.

86.7 Subd. 6. **Use of funds.** (a) For a project funded through state bond proceeds under

86.8 this section, financial assistance is limited solely to bond-eligible costs.

86.9 (b) Subject to paragraph (a), the authority shall determine permissible uses of

86.10 financial assistance under this section, which must include:

86.11 (1) construction and maintenance of bicycle, trail, and pedestrian infrastructure,

86.12 including but not limited to bicycle facilities and centers, and safe routes to school

86.13 infrastructure; and

86.14 (2) noninfrastructure programming, including activities as specified in section

86.15 174.40, subdivision 7a, paragraph (b).

86.16 Subd. 7. **Project evaluation and selection.** The authority shall establish a project

86.17 evaluation and selection process under this section that is competitive, criteria-based, and

86.18 objective. The process must include criteria and prioritization of projects based on:

86.19 (1) inclusion of the project in a municipal or regional nonmotorized transportation

86.20 system plan;

86.21 (2) location of the project in a jurisdiction in which a complete streets policy, as

86.22 provided under section 174.75, is in effect;

86.23 (3) the extent to which the project supports development of continuous and

86.24 convenient safe routes to school;

86.25 (4) the extent to which the project supports development of routes to and connections
 86.26 with educational facilities, centers of employment, governmental services, health care
 86.27 facilities, food sources, transit facilities, and other community destinations;

86.28 (5) general benefits to public health and safety as a result of the project; and

86.29 (6) geographic equity in project benefits, as well as benefits in areas or locations
 86.30 experiencing high rates of pedestrian or bicycle collisions, high rates of health disparities,
 86.31 and high concentration of poverty.

86.32 Subd. 8. **Grant cancellation.** If, five years after execution of a grant agreement,
 86.33 the authority determines that the grantee has not proceeded in a timely manner with
 86.34 implementation of the project funded, the commissioner must cancel the grant and
 86.35 the grantee must repay to the commissioner all grant money paid to the grantee for
 86.36 deposit in the active transportation account from which the grant was originally paid.

87.1 Section 16A.642 applies to any appropriations made from the bond proceeds fund to the
 87.2 commissioner under this section that have not been awarded as financial assistance.

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

87.4 Sec. 17. Minnesota Statutes 2014, section 174.42, is amended by adding a subdivision
 87.5 to read:

87.6 Subd. 3. **Funding requirement for greater Minnesota.** In each federal fiscal year,
 87.7 the commissioner shall spend out of National Highway Performance Program funds a total
 87.8 amount in federal transportation funds for an active transportation competitive grant
 87.9 program in greater Minnesota that totals a minimum of \$16,000,000 in excess of the
 87.10 average annual spending on greater Minnesota transportation alternatives projects under
 87.11 section 174.38 in federal fiscal years between October 2009 and September 2012. National
 87.12 Highway Performance Program funds may be converted to Surface Transportation
 87.13 Program funds or Transportation Alternative Program funds to fulfill the requirements
 87.14 of this section. This requirement must not reduce the amount of federal transportation
 87.15 funding for metropolitan projects.

87.16 **EFFECTIVE DATE.** This section is effective October 1, 2015.

87.17 Sec. 18. Minnesota Statutes 2014, section 174.50, is amended by adding a subdivision
 87.18 to read:

87.19 Subd. 6d. **Major local bridges account.** The major local bridges account is created
 87.20 in the Minnesota state transportation fund for money appropriated, allocated, or transferred
 87.21 into the account to fund major local bridge projects. For purposes of this subdivision, a
 87.22 major local bridge project is a project that carries a total cost in excess of \$30,000,000.

68.20 Sec. 11. **[174.53] FEDERAL FUND FLEXIBILITY PROGRAM.**

68.21 The commissioner shall establish a program to allow greater flexibility and
 68.22 efficiency in the allocation of federal funds for state-aid transportation projects. The
 68.23 commissioner shall:

68.24 (1) establish and administer selection criteria and a process under which a local unit
 68.25 of government that would otherwise receive federal funds for a local transportation project
 68.26 would be able to finance the project with state funds instead of federal funds;

68.27 (2) redirect the unused federal funds to transportation projects for which federal
 68.28 funds could be utilized by the state more efficiently and productively;

68.29 (3) achieve a reasonable degree of equity among the department districts in
 68.30 distributing funds under the program; and

68.31 (4) ensure that the state's receipt of federal funds for transportation projects is not
 68.32 jeopardized by the program.

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

55.24 Sec. 32. **[174.54] CITY STREETS AND BRIDGES ACCOUNTS.**

55.25 Subdivision 1. **Small city streets and bridges account.** A small city streets and
 55.26 bridges account is created as a special revenue account and established in the state
 55.27 treasury, consisting of money allotted, appropriated, or transferred through gift or grant
 55.28 for the account. Money in the account must be appropriated to the commissioner of
 55.29 transportation by law and apportioned among all the cities in the state that are not eligible
 55.30 to receive municipal state aid and do not receive municipal state aid. The commissioner
 55.31 shall apportion the money so that each city receives of the total amount the percentage that
 55.32 its population bears to the total population of small cities in this state. Money apportioned
 56.1 under this section must be used for construction, reconstruction, improvement, operations,
 56.2 and maintenance of city streets and bridges.

56.3 Subd. 2. **Larger city streets and bridges account.** A larger city streets and
 56.4 bridges account is created as a special revenue account and established in the state
 56.5 treasury, consisting of money allotted, appropriated, or transferred through gift or grant
 56.6 for the account. Money in the account must be appropriated to the commissioner of
 56.7 transportation by law and apportioned among all the cities in the state that are eligible
 56.8 to receive municipal state aid. The commissioner shall apportion: (1) 50 percent of the
 56.9 money so that each city receives of that amount the percentage that its population bears to
 56.10 the total population of all cities that are eligible to receive municipal state aid; and (2)
 56.11 50 percent of the money so that each city receives of that amount the percentage that its
 56.12 money needs, as determined by the commissioner under section 162.13, subdivision 3,
 56.13 bears to the total money needs of all cities that are eligible to receive municipal state aid.
 56.14 Money apportioned under this section must be used for construction, reconstruction,
 56.15 improvement, operations, and maintenance of city streets and bridges.

45.14 Sec. 37. **[174.57] SNOW AND ICE CONTROL; APPROPRIATION.**

45.15 (a) In a fiscal year in which the commissioner expends at least 110 percent of
 45.16 the total biennial appropriation for snow and ice management specified in law, the
 45.17 commissioner may use an additional amount for this purpose that does not exceed 50
 45.18 percent of the reserved fund balance in the trunk highway fund. The amount identified by
 45.19 the commissioner under this paragraph is appropriated from the trunk highway fund to
 45.20 the commissioner for snow and ice management purposes.

45.21 (b) Upon using the appropriation authority in this section, the commissioner shall
 45.22 notify the commissioner of management and budget and the chairs and ranking minority
 45.23 members of the house of representatives and senate committees having jurisdiction over
 45.24 transportation finance. The commissioner shall include in each budget submission to
 45.25 the legislature under section 16A.11 the amount appropriated under this section for the
 45.26 budget biennium that is ending.

45.27 Sec. 38. Minnesota Statutes 2014, section 174.636, is amended by adding a subdivision
 45.28 to read:

45.29 Subd. 5. **Legislative authorization.** The powers conferred to the commissioner
 45.30 under sections 174.60 to 174.636 are subject to the requirements under section 174.94.

46.1 Sec. 39. Minnesota Statutes 2014, section 174.92, is amended to read:

46.2 **174.92 EXERCISE OF POWER; COMMUTER RAIL; EXERCISE OF**
 46.3 **POWER.**

46.4 Subdivision 1. **Powers.** The commissioner of transportation may exercise the
 46.5 powers granted in this chapter, as necessary, to plan, design, acquire, construct, and equip
 46.6 commuter rail facilities.

46.7 Subd. 2. **Legislative authorization.** The powers conferred to the commissioner
 46.8 under sections 174.80 to 174.92 are subject to the requirements under section 174.94.

46.9 Sec. 40. Minnesota Statutes 2014, section 174.93, subdivision 1, is amended to read:

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

46.12 (1) "commissioner" means the commissioner of transportation;

46.13 (2) "guideway" means a form of transportation service provided to the public on a
 46.14 regular and ongoing basis, that operates on exclusive or controlled rights-of-way or rails
 46.15 in whole or in part, and includes: (i) each line for intercity passenger rail, commuter rail,
 46.16 light rail transit, streetcars, and highway bus rapid transit, and express bus service operated
 46.17 primarily within a dedicated right-of-way; and (ii) any multimodal station serving two or
 46.18 more lines identified in item (i); and

46.19 (3) "local unit of government" means a county, statutory or home rule charter city,
 46.20 town, or other political subdivision including, but not limited to, a regional railroad
 46.21 authority or joint powers board.

46.22 (b) For purposes of this section, "sources of funds" includes, but is not limited to,
 46.23 money from federal aid, state appropriations, the Metropolitan Council, special taxing
 46.24 districts, local units of government, fare box recovery, and nonpublic sources.

46.25 (c) For purposes of this section, "budget activity" includes, but is not limited
 46.26 to, environmental analysis, land acquisition, easements, design, preliminary and
 46.27 final engineering, acquisition of vehicles and rolling stock, track improvement and
 46.28 rehabilitation, and construction.

46.29 (d) For purposes of this section, guideway excludes arterial bus rapid transit,
 46.30 limited-stop bus service, and express bus service that is not operated primarily within a
 46.31 dedicated right-of-way.

46.32 Sec. 41. **[174.94] GUIDEWAY DEVELOPMENT AUTHORIZATION.**

46.33 (a) For purposes of this section, "guideway" has the meaning given in section
 46.34 174.93, subdivision 1.

47.1 (b) The commissioner and any political subdivision, including but not limited to
 47.2 the Metropolitan Council, a regional railroad authority, a county, or a statutory or home
 47.3 rule charter city, may not complete an alternatives analysis or select a locally preferred
 47.4 alternative for a guideway project unless on or after January 1, 2015: (1) a law is enacted
 47.5 that specifically identifies and authorizes the project, or (2) state funds are appropriated
 47.6 specifically for the project.

47.7 (c) Nothing in this section prohibits the commissioner or any political subdivision
 47.8 from (1) performing transit planning; (2) producing feasibility studies; or (3) commencing
 47.9 project development, including through an alternatives analysis or preliminary
 47.10 environmental analysis.

47.11 **EFFECTIVE DATE.** This section is effective the day following final enactment,
 47.12 and applies for any project not approved by the Federal Transit Administration for
 47.13 preliminary engineering or a subsequent project phase as of the effective date of this
 47.14 section. The portion that relates to the Metropolitan Council applies in the counties of
 47.15 Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

87.23 Sec. 19. **[219.016] RAILROAD COMPANY ASSESSMENT; ACCOUNT;**
 87.24 **APPROPRIATION.**

87.25 (a) As provided in this section, the commissioner shall annually assess railroad
 87.26 companies that are (1) defined as common carriers under section 218.011; (2) classified by
 87.27 federal law or regulation as Class I Railroads or Class I Rail Carriers; and (3) operating in
 87.28 this state. The total assessment amount may not exceed \$32,500,000 annually.

87.29 (b) The assessment must be by a division of the annual appropriation to the grade
 87.30 crossing safety improvement account in equal proportion between carriers based on route
 87.31 miles operated in Minnesota, assessed in equal amounts for 365 days of the calendar year.

88.1 (c) The assessments must be deposited in the rail grade crossing safety improvement
 88.2 account, which is created in the special revenue fund. Money in the account is
 88.3 appropriated to the commissioner for the creation of a rail safety office within the
 88.4 Department of Transportation, not to exceed \$1,400,000 in each year; the development,
 88.5 administration, and construction of highway-rail grade crossing improvements on rail
 88.6 corridors transporting crude oil; and other selected routes, including those carrying
 88.7 hazardous materials. Improvements may include upgrades to existing protection systems,
 88.8 the closing of crossings and necessary roadwork, and reconstruction of at-grade crossings
 88.9 to full grade separations. Funds in the account are available until expended.

22.3 Section 1. Minnesota Statutes 2014, section 296A.061, is amended to read:

22.4 **296A.061 CANCELLATION OR NONRENEWAL OF LICENSES.**

22.5 The commissioner may cancel a license or not renew a license if one of the following
 22.6 conditions occurs:

22.7 (1) the license holder has not filed a petroleum tax return or report for at least one year;

22.8 (2) the license holder has not filed a gross receipts tax return for at least one year;

22.9 (3) the license holder has not reported any petroleum tax liability or gross receipts
 22.10 tax liability on the license holder's returns or reports for at least one year; or

22.11 ~~(3)~~ (4) the license holder requests cancellation of the license.

22.12 Sec. 2. **[296A.085] MOTOR FUELS GROSS RECEIPTS TAX.**

22.13 Subdivision 1. **Imposition.** A tax is imposed on the wholesale business of selling
 22.14 the means or substance used for propelling vehicles on the highways of this state. The tax
 22.15 is imposed at the rate of 6.5 percent of gross receipts derived by a distributor from the first
 22.16 sale at wholesale of gasoline, gasoline blended with ethanol, agricultural alcohol gasoline,
 22.17 and special fuels within this state for use in motor vehicles.

22.18 Subd. 2. **Exemptions.** Subdivision 1 does not apply to gasoline, denatured ethanol,
 22.19 special fuel, or alternative fuel purchased by an entity described in section 296A.07,
 22.20 subdivision 4, or 296A.08, subdivision 3.

22.21 Subd. 3. **Conversion of tax rate.** (a) Annually on or before August 1, the
 22.22 commissioner shall determine the applicable gross receipts motor fuels tax rate per gallon.
 22.23 The tax per gallon shall be the greater of either:

22.24 (1) 6.5 percent of \$2.50; or

22.25 (2) 6.5 percent of the prior fiscal year's average wholesale gasoline price per
 22.26 gallon in Minnesota for all grades by refiners, as published by the United States Energy
 22.27 Information Administration and rounded to the nearest tenth of a cent per gallon. The
 22.28 wholesale price used must not include any tax or fee assessed by the state of Minnesota
 22.29 or the United States government.

22.30 (b) The announced rate is effective for a 12-month period consisting of the next
 22.31 October 1 to September 30. The commissioner shall publish on the department's Web site
 22.32 the total of the gross receipts tax and the excise tax.

22.33 **Subd. 4. Administrative provisions.** Except as otherwise provided in this chapter,
 22.34 the relevant audit, assessment, refund, penalty, interest, enforcement, collection remedies,
 23.1 appeal, and administrative provisions of chapter 289A apply to taxes imposed under
 23.2 this section.

23.3 **Subd. 5. Deposit of revenues.** The commissioner shall deposit the revenues from
 23.4 the gross receipts tax into the highway user tax distribution fund.

23.5 **EFFECTIVE DATE.** This section is effective October 1, 2015, and applies to
 23.6 gross receipts attributable to the described products and derived by a distributor on or
 23.7 after that day.

23.8 **Sec. 3. Minnesota Statutes 2014, section 296A.11, is amended to read:**
 23.9 **296A.11 SELLER MAY COLLECT TAX.**

23.10 A person who directly or indirectly pays a gasoline or special fuel tax or motor fuels
 23.11 gross receipts tax as provided in this chapter and who does not in fact use the gasoline or
 23.12 special fuel in motor vehicles in this state or receive, store, or withdraw it from storage
 23.13 to be used personally for the purpose of producing or generating power for propelling
 23.14 aircraft, but sells or otherwise disposes of the same, except as provided in section 296A.16,
 23.15 subdivision 3, is hereby authorized to collect, from the person to whom the gasoline or
 23.16 special fuel is so sold or disposed of, the tax so paid, and is hereby required, upon request,
 23.17 to make, sign, and deliver to such person an invoice of such sale or disposition. The sums
 23.18 collected must be held as a special fund in trust for the state of Minnesota.

23.19 **Sec. 4. Minnesota Statutes 2014, section 296A.12, is amended to read:**
 23.20 **296A.12 GASOLINE AND SPECIAL FUEL TAX AND MOTOR FUELS**
 23.21 **GROSS RECEIPTS TAX IN LIEU OF OTHER TAXES.**

23.22 Gasoline and special fuel excise taxes and motor fuels gross receipts tax shall be
 23.23 in lieu of all other taxes imposed upon the business of selling or dealing in gasoline or
 23.24 special fuel, whether imposed by the state or by any of its political subdivisions, but are in
 23.25 addition to all ad valorem taxes now imposed by law. Nothing in this chapter is construed
 23.26 as prohibiting the governing body of any city of this state from licensing and regulating
 23.27 such a business where its authority is conferred by state law or city charter.

23.28 Sec. 5. Minnesota Statutes 2014, section 296A.16, is amended to read:

23.29 **296A.16 REFUND OR CREDIT.**

23.30 Subdivision 1. **Credit or refund of gasoline or special fuel tax paid.** The
 23.31 commissioner shall allow the distributor credit or refund of the excise and motor fuels
 23.32 gross receipts tax paid on gasoline and special fuel:

24.1 (1) exported or sold for export from the state, other than in the supply tank of a
 24.2 motor vehicle or of an aircraft;

24.3 (2) sold to the United States government to be used exclusively in performing its
 24.4 governmental functions and activities or to any "cost plus a fixed fee" contractor employed
 24.5 by the United States government on any national defense project;

24.6 (3) if the fuel is placed in a tank used exclusively for residential heating;

24.7 (4) destroyed by accident while in the possession of the distributor;

24.8 (5) in error;

24.9 (6) in the case of gasoline only, sold for storage in an on-farm bulk storage tank, if
 24.10 the tax was not collected on the sale; and

24.11 (7) in such other cases as the commissioner may permit, consistent with the provisions
 24.12 of this chapter and other laws relating to the gasoline and special fuel excise taxes.

24.13 Subd. 2. **Fuel used in other vehicle; claim for refund.** Any person who buys and
 24.14 uses gasoline for a qualifying purpose other than use in motor vehicles, snowmobiles
 24.15 except as provided in clause (2), or motorboats, or special fuel for a qualifying purpose
 24.16 other than use in licensed motor vehicles, and who paid the excise or gross receipts tax
 24.17 directly or indirectly through the amount of the tax being included in the price of the
 24.18 gasoline or special fuel, or otherwise, shall be reimbursed and repaid the amount of the
 24.19 tax paid upon filing with the commissioner a claim for refund in the form and manner
 24.20 prescribed by the commissioner, and containing the information the commissioner shall
 24.21 require. By signing any such claim which is false or fraudulent, the applicant shall be
 24.22 subject to the penalties provided in this chapter for knowingly making a false claim.
 24.23 The claim shall set forth the total amount of the gasoline so purchased and used by the
 24.24 applicant other than in motor vehicles, or special fuel purchased and used by the applicant
 24.25 other than in licensed motor vehicles, and shall state when and for what purpose it was
 24.26 used. When a claim contains an error in computation or preparation, the commissioner
 24.27 is authorized to adjust the claim in accordance with the evidence shown on the claim or

24.28 other information available to the commissioner. The commissioner, on being satisfied
 24.29 that the claimant is entitled to the payments, shall approve the claim and transmit it to the
 24.30 commissioner of management and budget. The words "gasoline" or "special fuel" as used
 24.31 in this subdivision do not include aviation gasoline or special fuel for aircraft. Gasoline or
 24.32 special fuel bought and used for a "qualifying purpose" means:

24.33 (1) Gasoline or special fuel used in carrying on a trade or business, used on a farm
 24.34 situated in Minnesota, and used for a farming purpose. "Farm" and "farming purpose"
 24.35 have the meanings given them in section 6420(c)(2), (3), and (4) of the Internal Revenue
 24.36 Code as defined in section 289A.02, subdivision 7.

25.1 (2) Gasoline or special fuel used for off-highway business use.

25.2 (i) "Off-highway business use" means any use off the public highway by a person in
 25.3 that person's trade, business, or activity for the production of income.

25.4 (ii) Off-highway business use includes use of a passenger snowmobile off the public
 25.5 highways as part of the operations of a resort as defined in section 157.15, subdivision 11;
 25.6 and use of gasoline or special fuel to operate a power takeoff unit on a vehicle, but not
 25.7 including fuel consumed during idling time.

25.8 (iii) Off-highway business use does not include use as a fuel in a motor vehicle
 25.9 which, at the time of use, is registered or is required to be registered for highway use under
 25.10 the laws of any state or foreign country; or use of a licensed motor vehicle fuel tank in lieu
 25.11 of a separate storage tank for storing fuel to be used for a qualifying purpose, as defined in
 25.12 this section. Fuel purchased to be used for a qualifying purpose cannot be placed in the
 25.13 fuel tank of a licensed motor vehicle and must be stored in a separate supply tank.

25.14 (3) Gasoline or special fuel placed in the fuel tanks of new motor vehicles,
 25.15 manufactured in Minnesota, and shipped by interstate carrier to destinations in other
 25.16 states or foreign countries.

25.17 Subd. 3. **Destruction by accident; refund to dealer.** Notwithstanding the
 25.18 provisions of subdivision 1, the commissioner shall allow a dealer a refund of:

25.19 (1) the tax paid by the distributor on, or gross receipts from the sale of, gasoline,
 25.20 undyed diesel fuel, or undyed kerosene destroyed by accident while in the possession of
 25.21 the dealer; or

25.22 (2) the tax paid by a distributor or special fuels dealer on, or gross receipts from the
 25.23 sale of, other special fuels destroyed by accident while in the possession of the dealer.

25.24 Subd. 4. **Refrigerator units; refunds.** Notwithstanding the provisions of
 25.25 subdivision 1, the commissioner shall allow a special fuel dealer a refund of the tax paid
 25.26 on, or gross receipts from the sale of, fuel sold directly into a supply tank of a refrigeration
 25.27 unit with a separate engine and used exclusively by that refrigeration unit. A claim for
 25.28 refund may be filed as provided in this section.

25.29 Subd. 4a. **Undyed kerosene; refunds.** Notwithstanding subdivision 1, the
25.30 commissioner shall allow a refund of the tax paid on, or gross receipts from the sale of,
25.31 undyed kerosene used exclusively for a purpose other than as fuel for a motor vehicle
25.32 using the streets and highways. To obtain a refund, the person making the sale to an end
25.33 user must meet the Internal Revenue Service requirements for sales from a blocked pump.
25.34 A claim for a refund may be filed as provided in this section.

25.35 Subd. 4b. **Racing gasoline; refunds.** Notwithstanding subdivision 1, the
25.36 commissioner shall allow a licensed distributor a refund of the tax paid on, or gross
26.1 receipts from the sale of, leaded gasoline of 110 octane or more that does not meet ASTM
26.2 specification D4814 for gasoline and that is sold in bulk for use in nonregistered motor
26.3 vehicles. A claim for a refund may be filed as provided for in this section.

26.4 Subd. 5. **Qualifying service station credit.** Notwithstanding any other provision of
26.5 law to the contrary, the tax imposed on gasoline, undyed diesel fuel, or undyed kerosene,
26.6 together with the amount attributable to gross receipts tax on these fuels, delivered to a
26.7 qualified service station may not exceed, or must be reduced to, a rate not more than
26.8 three cents per gallon above the state tax rate imposed on such products sold by a service
26.9 station in a contiguous state located within the distance indicated in this subdivision. A
26.10 distributor shall be allowed a credit or refund for the amount of reduction computed in
26.11 accordance with this subdivision. For purposes of this subdivision, a "qualifying service
26.12 station" means a service station located within 7.5 miles, measured by the shortest route
26.13 by public road, from a service station selling like product in the contiguous state.

26.14 Subd. 7. **Civil penalty for filing false claim.** A person who violates section
26.15 296A.23, subdivision 1, shall forfeit the full amount of the claim. In addition, a person who
26.16 is convicted under section 296A.23 for filing a false statement or claim shall, in addition
26.17 to any criminal penalties imposed, be prohibited from filing with the commissioner any
26.18 claim for refund upon gasoline purchased within six months after such conviction.

26.19 Subd. 8. **Appropriation.** There is appropriated to the persons entitled to refund or
26.20 credit under this section, from the fund or account in the state treasury to which the money
26.21 was credited, an amount sufficient to make the credit or refund.

26.22 Sec. 6. Minnesota Statutes 2014, section 296A.18, subdivision 2, is amended to read:

26.23 Subd. 2. **Motorboat.** Approximately 1-1/2 percent of all gasoline received in this
26.24 state and 1-1/2 percent of all gasoline produced or brought into this state, except gasoline
26.25 used for aviation purposes, is being used as fuel for the operation of motorboats on the
26.26 waters of this state and of the total revenue derived from the imposition of the gasoline
26.27 fuel tax and motor fuels gross receipts tax on gasoline for uses other than for aviation
26.28 purposes, 1-1/2 percent of the revenue is the amount of tax on fuel used in motorboats
26.29 operated on the waters of this state. The amount of unrefunded tax paid on gasoline used
26.30 for motor boat purposes as computed in this chapter shall be paid into the state treasury
26.31 and credited to a water recreation account in the special revenue fund for acquisition,
26.32 development, maintenance, and rehabilitation of sites for public access and boating
26.33 facilities on public waters; lake and river improvement; and boat and water safety.

26.34 Sec. 7. Minnesota Statutes 2014, section 296A.18, subdivision 3, is amended to read:

27.1 Subd. 3. **Snowmobile.** Approximately one percent of all gasoline received in and
27.2 produced or brought into this state, except gasoline used for aviation purposes, is being
27.3 used as fuel for the operation of snowmobiles in this state, and of the total revenue derived
27.4 from the imposition of the gasoline fuel tax and motor fuels gross receipts tax on gasoline
27.5 for uses other than for aviation purposes, one percent of such revenues is the amount of
27.6 tax on fuel used in snowmobiles operated in this state.

27.7 Sec. 8. Minnesota Statutes 2014, section 296A.18, subdivision 4, is amended to read:

27.8 Subd. 4. **All-terrain vehicle.** Approximately 0.27 of one percent of all gasoline
27.9 received in or produced or brought into this state, except gasoline used for aviation
27.10 purposes, is being used for the operation of all-terrain vehicles in this state, and of the
27.11 total revenue derived from the imposition of the gasoline fuel tax and motor fuels gross
27.12 receipts tax on gasoline, 0.27 of one percent is the amount of tax on fuel used in all-terrain
27.13 vehicles operated in this state.

27.14 Sec. 9. Minnesota Statutes 2014, section 296A.18, subdivision 5, is amended to read:

27.15 Subd. 5. **Off-highway motorcycles.** Approximately 0.046 of one percent of
27.16 all gasoline received or produced in or brought into this state, except gasoline used for
27.17 aviation purposes, is being used for the operation of off-highway motorcycles in this state,
27.18 and of the total revenue derived from the imposition of the gasoline fuel tax and motor
27.19 fuels gross receipts tax on gasoline for uses other than for aviation purposes, 0.046 of one
27.20 percent is the amount of tax on fuel used in off-highway motorcycles operated in this state.

27.21 Sec. 10. Minnesota Statutes 2014, section 296A.18, subdivision 6, is amended to read:

27.22 Subd. 6. **Off-road vehicle.** Approximately 0.164 of one percent of all gasoline
 27.23 received or produced in or brought into this state, except gasoline used for aviation
 27.24 purposes, is being used for the off-road operation of off-road vehicles, as defined in
 27.25 section 84.797, in this state, and of the total revenue derived from the imposition of the
 27.26 gasoline fuel tax and motor fuels gross receipts tax on gasoline for uses other than aviation
 27.27 purposes, 0.164 of one percent is the amount of tax on fuel used for off-road operation
 27.28 of off-road vehicles in this state.

27.29 Sec. 11. Minnesota Statutes 2014, section 296A.18, subdivision 7, is amended to read:

27.30 Subd. 7. **Forest road.** Approximately 0.116 percent of the total annual unrefunded
 27.31 revenue from the gasoline fuel tax and motor fuels gross receipts tax on gasoline on all
 27.32 gasoline and special fuel received in, produced, or brought into this state, except gasoline
 28.1 and special fuel used for aviation purposes, is derived from the operation of motor vehicles
 28.2 on state forest roads and county forest access roads. This revenue, together with interest
 28.3 and penalties for delinquency in payment, paid or collected pursuant to the provisions of
 28.4 this chapter, is appropriated from the highway user tax distribution fund and must be
 28.5 transferred and credited in equal installments on July 1 and January 1 to the state forest
 28.6 road account established in section 89.70. Of this amount, 0.0605 percent is annually
 28.7 derived from motor vehicles operated on state forest roads and 0.0555 percent is annually
 28.8 derived from motor vehicles operated on county forest access roads in this state. An
 28.9 amount equal to 0.0555 percent of the unrefunded revenue must be annually transferred to
 28.10 counties for the management and maintenance of county forest roads.

56.16 Sec. 33. Minnesota Statutes 2014, section 297A.815, subdivision 3, is amended to read:

56.17 Subd. 3. **Motor vehicle lease sales tax revenue.** (a) For purposes of this
 56.18 subdivision, "net revenue" means an amount equal to the revenues, including interest
 56.19 and penalties, collected under this section, during the fiscal year; less ~~\$32,000,000~~
 56.20 \$22,000,000 in each fiscal year.

56.21 (b) On or before June 30 of each fiscal year, the commissioner of revenue shall
 56.22 estimate the amount of the ~~net revenue~~ revenues for the current fiscal year, including
 56.23 interest and penalties collected during the fiscal year under this section.

56.24 (c) On or after July 1 of the subsequent fiscal year, the commissioner of management
 56.25 and budget shall transfer the ~~net revenue~~ revenues as estimated in paragraph (b) from the
 56.26 general fund, as follows:

56.27 ~~(1) \$9,000,000 annually until January 1, 2015, and 50 percent annually thereafter to~~
 56.28 the county state-aid highway fund.

56.29 (d) Notwithstanding any other law to the contrary, the commissioner of transportation
 56.30 shall allocate the funds transferred under ~~this clause~~ paragraph (b) to the counties in the
 56.31 metropolitan area, as defined in section 473.121, subdivision 4, ~~excluding the counties of~~
 56.32 ~~Hennepin and Ramsey~~; so that each county shall receive of such amount the percentage
 56.33 that its population, as defined in section 477A.011, subdivision 3, estimated or established
 56.34 by July 15 of the year prior to the current calendar year, bears to the total population of the
 56.35 counties receiving funds under this clause; ~~and~~

57.1 ~~(2) the remainder to the greater Minnesota transit account. For the purposes of the~~
 57.2 calculation in this paragraph, the population of Hennepin County shall first be multiplied
 57.3 by 0.25, and the population of Ramsey County shall first be multiplied by 0.5.

57.4 (e) The revenues transferred under this subdivision do not include the revenues,
 57.5 including interest and penalties, generated by the sales tax imposed under section
 57.6 297A.62, subdivision 1a, which must be deposited as provided under the Minnesota
 57.7 Constitution, article XI, section 15.

57.8 **EFFECTIVE DATE.** Paragraphs (a) through (c) are effective January 1, 2016, and
 57.9 paragraph (d) is effective the day following final enactment.

30.3 Section 1. Minnesota Statutes 2014, section 297A.992, subdivision 1, is amended to
 30.4 read:

30.5 Subdivision 1. **Definitions.** For purposes of this section, the following terms have
 30.6 the meanings given them:

30.7 (1) "metropolitan transportation area" means the counties participating in the joint
 30.8 powers agreement under subdivision 3;

30.9 (2) "eligible county" means the county of Anoka, Carver, Dakota, Hennepin,
 30.10 Ramsey, Scott, or Washington; and

30.11 (3) ~~"committee" means the Grant Evaluation and Ranking System (GEARS)~~
 30.12 ~~Committee;~~

30.13 (4) "minimum guarantee county" means any metropolitan county or eligible county
 30.14 that is participating in the joint powers agreement under subdivision 3, whose proportion
 30.15 of the annual sales tax revenue under this section collected within that county is less
 30.16 than or equal to three percent; ~~and~~

30.17 ~~(5) "population" means the population, as defined in section 477A.011, subdivision~~
 30.18 ~~3, estimated or established by July 15 of the year prior to the calendar year in which~~
 30.19 ~~the representatives will serve on the Grant Evaluation and Ranking System Committee~~
 30.20 ~~established under subdivision 5.~~

30.21 Sec. 2. Minnesota Statutes 2014, section 297A.992, subdivision 4, is amended to read:

30.22 Subd. 4. **Joint powers board.** (a) The joint powers board must consist of one
 30.23 or more commissioners of each county that is in the metropolitan transportation area,
 30.24 appointed by its county board, and the chair of the Metropolitan Council, who must have
 30.25 voting rights, subject to subdivision 3, clause (4). The joint powers board has the powers
 30.26 and duties provided in this section and section 471.59.

30.27 (b) The joint powers board may utilize no more than three-fourths of one percent of
 30.28 the proceeds of the taxes imposed under this section for ordinary administrative expenses
 30.29 incurred in carrying out the provisions of this section. Any additional administrative
 30.30 expenses must be paid by the participating counties.

30.31 (c) The joint powers board may establish a technical advisory group ~~that is separate~~
 30.32 ~~from the GEARS Committee.~~ The group must consist of representatives of cities, counties,
 30.33 or public agencies, including the Metropolitan Council. The technical advisory group
 30.34 must be used solely for technical consultation purposes.

31.1 Sec. 3. Minnesota Statutes 2014, section 297A.992, subdivision 5, is amended to read:

31.2 Subd. 5. **Grant application and awards; ~~Grant Evaluation and Ranking System~~**

31.3 ~~(GEARS) Committee.~~ (a) The joint powers board shall establish a grant application
 31.4 process and identify the amount of available funding for grant awards. Grant applications
 31.5 must be submitted in a form prescribed by the joint powers board. An applicant must
 31.6 provide, in addition to all other information required by the joint powers board, the
 31.7 estimated cost of the project, the amount of the grant sought, possible sources of funding
 31.8 in addition to the grant sought, and identification of any federal funds that will be utilized
 31.9 if the grant is awarded. A grant application seeking transit capital funding must identify
 31.10 the source of money necessary to operate the transit improvement.

31.11 (b) The joint powers board shall establish a timeline and procedures for the award of
 31.12 grants, and may award grants only to the state and political subdivisions. The board shall
 31.13 define objective criteria for the award of grants, which must include, but not be limited to,
 31.14 consistency with the most recent version of the transportation policy plan adopted by the
 31.15 Metropolitan Council under section 473.146. The joint powers board shall maximize the
 31.16 availability and use of federal funds in projects funded under this section.

31.17 (c) ~~The joint powers board shall establish a GEARS Committee, which must consist~~
 31.18 ~~of:~~

31.19 ~~(1) one county commissioner from each county that is in the metropolitan~~
 31.20 ~~transportation area, appointed by its county board;~~

31.21 ~~(2) one elected city representative from each county that is in the metropolitan~~
 31.22 ~~transportation area;~~

31.23 ~~(3) one additional elected city representative from each county for every additional~~
 31.24 ~~400,000 in population, or fraction of 400,000, in the county that is above 400,000 in~~
 31.25 ~~population; and~~

- 31.26 ~~(4) the chair of the Metropolitan Council Transportation Committee.~~
- 31.27 ~~(d) Each city representative must be elected at a meeting of cities in the metropolitan~~
- 31.28 ~~transportation area, which must be convened for that purpose by the Association of~~
- 31.29 ~~Metropolitan Municipalities.~~
- 31.30 ~~(e) The committee shall evaluate grant applications following objective criteria~~
- 31.31 ~~established by the joint powers board, and must provide to the joint powers board a~~
- 31.32 ~~selection list of transportation projects that includes a priority ranking.~~
- 31.33 ~~(f) A grant award for a transit project located within the metropolitan area, as defined~~
- 31.34 ~~in section 473.121, subdivision 2, may be funded only after the Metropolitan Council~~
- 31.35 ~~reviews the project for consistency with the transit portion of the Metropolitan Council~~
- 31.36 ~~policy plan and one of the following occurs:~~
- 32.1 (1) the Metropolitan Council finds the project to be consistent;
- 32.2 (2) the Metropolitan Council initially finds the project to be inconsistent, but after a
- 32.3 good faith effort to resolve the inconsistency through negotiations with the joint powers
- 32.4 board, agrees that the grant award may be funded; or
- 32.5 (3) the Metropolitan Council finds the project to be inconsistent, and submits the
- 32.6 consistency issue for final determination to a panel, which determines the project to be
- 32.7 consistent. The panel is composed of a member appointed by the chair of the Metropolitan
- 32.8 Council, a member appointed by the joint powers board, and a member agreed upon by
- 32.9 both the chair and the joint powers board.
- 32.10 ~~(g) (d) Grants must be funded by the proceeds of the taxes imposed under this~~
- 32.11 ~~section and under section 297A.9925, bonds, notes, or other obligations issued by the~~
- 32.12 ~~joint powers board under subdivision 7.~~
- 32.13 ~~(h) Notwithstanding the provisions of this section except subdivision 6a, of~~
- 32.14 ~~the revenue collected under this section, the joint powers board shall allocate to the~~
- 32.15 ~~Metropolitan Council, in fiscal years 2012 and 2013, an amount not less than 75 percent of~~
- 32.16 ~~the net cost of operations for those transitways that were receiving metropolitan sales tax~~
- 32.17 ~~funds through an operating grant agreement on June 30, 2011.~~
- 32.18 ~~(i) The Metropolitan Council shall expend any funds allocated under paragraph (h)~~
- 32.19 ~~for the operations of the specified transitways solely within those counties that are in the~~
- 32.20 ~~metropolitan transportation area.~~
- 32.21 ~~(j) (e) Nothing in paragraph (h) or (i) this section prevents grant awards to~~
- 32.22 ~~the Metropolitan Council for capital and operating assistance for transitways and~~
- 32.23 ~~park-and-ride facilities.~~
- 32.24 Sec. 4. Minnesota Statutes 2014, section 297A.992, subdivision 6, is amended to read:
- 32.25 Subd. 6. **Allocation and use of grant awards.** (a) The board must allocate grant
- 32.26 awards only for the following transit purposes:

- 32.27 (i) capital improvements to transitways, including, but not limited to, commuter rail
 32.28 rolling stock, light rail vehicles, and transitway buses;
- 32.29 (ii) capital costs for park-and-ride facilities, as defined in section 174.256,
 32.30 subdivision 2;
- 32.31 (iii) feasibility studies, planning, alternatives analyses, environmental studies,
 32.32 engineering, property acquisition for transitway purposes, and construction of transitways;
 32.33 and
- 32.34 (iv) operating assistance for transitways.
- 33.1 (b) The joint powers board must annually award grants to each minimum guarantee
 33.2 county in an amount no less than the amount of sales tax revenue collected within that
 33.3 county.
- 33.4 (c) The joint powers board must, over the duration of the Metropolitan Council's
 33.5 2030 plan, establish a goal of awarding grants in an amount totaling no less than 40
 33.6 percent of sales tax revenue collected for the year for projects in Dakota, Ramsey, or
 33.7 Washington County.
- 33.8 ~~(e)~~ (d) No more than 1.25 percent of the total awards may be annually allocated
 33.9 for planning, studies, design, construction, maintenance, and operation of pedestrian
 33.10 programs and bicycle programs and pathways.
- 33.11 **EFFECTIVE DATE.** This section is effective the day following final enactment
 33.12 and applies to grant awards for calendar year 2016 and after.
- 33.13 Sec. 5. **[297A.9925] METROPOLITAN TRANSIT IMPROVEMENT AREA**
 33.14 **TRANSIT SALES AND USE TAX; RATE; IMPOSITION; USES; PRIORITIES.**
- 33.15 Subdivision 1. **Definitions.** For purposes of this section, the following terms have
 33.16 the following meanings:
- 33.17 (1) "metropolitan transit improvement area" or "area" means the counties of Anoka,
 33.18 Carver, Dakota, Hennepin, Ramsey, Scott, and Washington;
- 33.19 (2) "Metropolitan Council" or "council" means the Metropolitan Council established
 33.20 by section 473.123; and
- 33.21 (3) "local governmental unit" means any county, city, town, school district, special
 33.22 district, or other political subdivisions or public corporation, other than the council or a
 33.23 metropolitan agency, lying in whole or in part within the metropolitan transit improvement
 33.24 area.

33.25 Subd. 2. **Metropolitan transit improvement area transit sales tax imposition;**
33.26 **rate.** (a) Notwithstanding section 297A.99, subdivisions 1, 2, and 3, 477A.016, or any
33.27 other law, and subject to the approval requirements in paragraph (c) and the alternative
33.28 rate provision in paragraph (d), a metropolitan area transit sales and use tax is imposed at a
33.29 rate of three-quarters of one percent on retail sales and uses taxable under this chapter
33.30 occurring within the metropolitan transit improvement area.

33.31 (b) The taxes imposed under this subdivision are not included in determining if the
33.32 total tax on lodging in the city of Minneapolis exceeds the maximum allowed tax under
33.33 Laws 1986, chapter 396, section 5, as amended by Laws 2001, First Special Session
33.34 chapter 5, article 12, section 87, and Laws 2012, chapter 299, article 3, section 3, or in
33.35 determining a tax that may be imposed under any other limitations.

34.1 (c) The tax imposed under paragraph (a) is imposed on all counties in the
34.2 metropolitan transit improvement area, except that if the governing boards of at least
34.3 four counties in the area vote to opt out of the tax before June 15, 2015, the tax is not
34.4 imposed in the counties in which the governing board has voted to opt out of the tax. If
34.5 the governing boards of fewer than four counties in the area vote to opt out of the tax, then
34.6 the tax is imposed on all counties in the area.

34.7 (d) The rate at which the metropolitan area transit sales and use tax is imposed in
34.8 each county will be reduced by the rate of a greater Minnesota transportation sales and
34.9 use tax imposed by that county under section 297A.993.

34.10 Subd. 3. **Administration; collection; enforcement.** Except as otherwise provided
34.11 in this section, the provisions of section 297A.99, subdivisions 4 and 6 to 12a, govern the
34.12 administration, collection, and enforcement of the tax authorized under this section.

34.13 Subd. 4. **Distribution of net revenues.** After deducting costs of collection and other
34.14 costs under section 297A.99, subdivision 11, the commissioner of revenue shall remit:

34.15 (1) to the Counties Transit Improvement Board, an amount equal to 8.5 percent of
34.16 the net proceeds of the tax imposed under subdivision 2; and

34.17 (2) to the Metropolitan Council, the remaining proceeds.

34.18 Subd. 5. **General purpose; consistency with transportation policy plan.** (a) The
34.19 Metropolitan Council shall utilize the proceeds of the tax imposed under subdivision
34.20 2 for transit purposes described under subdivision 7, within the metropolitan transit
34.21 improvement area.

34.22 (b) Projects funded with the metropolitan transit improvement area transit sales and
34.23 use tax proceeds must not be inconsistent with the long-range transportation policy plan
34.24 adopted by the council under section 473.146 and located within the transit improvement
34.25 area.

34.26 Subd. 6. **Priorities.** The council shall allocate revenues from the taxes imposed
34.27 under this section in conformance with the following priority order:

- 34.28 (1) payment of debt service necessary for the fiscal year on bonds or other
34.29 obligations secured by revenues from the tax imposed in this section;
- 34.30 (2) proportional distribution of an amount equal to one-eighth of the total net
34.31 proceeds of the taxes imposed under subdivision 2 and under section 297A.992,
34.32 subdivision 2, so that the share of each county in the metropolitan transit improvement
34.33 area is based on the proportion of taxes generated in that county. Grant awards under
34.34 this clause must be used by Hennepin County only for transit purposes, but by all other
34.35 counties for any transit purpose or any transportation purpose that has a nexus to transit or
34.36 transit-oriented development; and
- 35.1 (3) as otherwise authorized under subdivision 7.
- 35.2 **Subd. 7. Use of tax proceeds.** (a) After deducting the amount necessary under
35.3 subdivision 6, clauses (1) and (2), the council shall allocate remaining revenues from the
35.4 tax imposed in this section for the following purposes:
- 35.5 (1) operating and capital costs to preserve existing bus services that are in
35.6 conformance with regional transit performance standards as specified in the council's
35.7 transportation policy plan;
- 35.8 (2) 100 percent of the net operating costs of arterial bus rapid transit lines in operation
35.9 on September 30, 2015, and 50 percent of the net operating costs of other transitways;
- 35.10 (3) grants required under paragraph (b);
- 35.11 (4) operating and capital costs for transit expansion in accordance with the transit
35.12 portion of the council's policy transit plan, including, but not limited to:
- 35.13 (i) expansion and upgrades of regular route and commuter bus service provided
35.14 by metropolitan transit and replacement services under section 473.388, with overall
35.15 expansion of service by an annual average rate of four percent;
- 35.16 (ii) development of arterial bus rapid transit, transitways, and streetcar systems; and
- 35.17 (iii) maintenance of affordable transit fares;
- 35.18 (5) operating and capital costs for expansion and improvement of regional
35.19 transitways and streetcars;
- 35.20 (6) to transit authorities to establish, replace, or modify transit shelters to conform
35.21 with design specifications and maintenance requirements within the meaning of section
35.22 473.41;

35.23 (7) as grants in the annual amount of \$390,000, payable by July 31, to transportation
 35.24 management organizations that provide services exclusively or primarily in (1) each city
 35.25 of the first class, as provided under section 410.01; and (2) the city having the highest
 35.26 population as of the effective date of this section located along the marked Interstate
 35.27 Highway 494 corridor. Permissible uses include administrative expenses and programming
 35.28 and service expansion, including but not limited to staffing, communications, outreach and
 35.29 education program development, and operations management;

35.30 (8) for financial assistance to replacement service providers under section 473.388
 35.31 in the amount of \$1,500,000 in fiscal year 2016 and \$1,500,000 in fiscal year 2017, to
 35.32 implement a demonstration project that provides regular route transit or express bus
 35.33 service between municipalities in the metropolitan transportation improvement area,
 35.34 excluding cities of the first class. The council shall allocate the appropriated funds as
 35.35 directed by the replacement service providers who shall collectively identify one or more
 35.36 demonstration projects for financial assistance under this section and submit a notification
 36.1 of the allocation to the Metropolitan Council. Criteria for evaluating and identifying
 36.2 demonstration projects must include but are not limited to:

36.3 (i) scope of service offering improvements;

36.4 (ii) integration with transit facilities and major business, retail, or suburban centers;

36.5 (iii) extent to which a proposed route complements existing transit service; and

36.6 (iv) density of employment along a proposed route;

36.7 (9) to the Center for Transportation Studies, University of Minnesota, \$500,000
 36.8 annually for research to improve accessibility, operational efficiency, and safety of transit
 36.9 systems; and

36.10 (10) any other costs payable in accordance with subdivisions 5, 6, and 7, which
 36.11 may include, but are not limited to, transit operations, capital improvements, design,
 36.12 engineering and environmental work, acquisition of real property, transit planning and
 36.13 feasibility studies, and to provide grants to local governmental units for transit purposes,
 36.14 including streetcars, or for bicycle and pedestrian projects.

36.15 (b) The council shall make available an amount equal to ten percent of the revenues
 36.16 from the tax imposed in this section and in section 297A.992 through grants to local
 36.17 units of government within the metropolitan transit improvement area for construction
 36.18 and maintenance of regional bicycle, trail, and pedestrian infrastructure for safe routes to
 36.19 school infrastructure and for active transportation programs under section 174.38.

36.20 **EFFECTIVE DATE.** This section is effective for sales and purchases made after
 36.21 September 30, 2015, and applies in the counties of Anoka, Carver, Dakota, Hennepin,
 36.22 Ramsey, Scott, and Washington, except that subdivision 2, paragraph (c), is effective the
 36.23 day following final enactment.

57.10 Sec. 34. Minnesota Statutes 2014, section 297B.03, is amended to read:

57.11 **297B.03 EXEMPTIONS.**

57.12 Subdivision 1. **Scope.** ~~There is~~ The purchases or acquisitions of a motor vehicle
57.13 listed in this section are specifically exempted from the provisions of this chapter and from
57.14 computation of the amount of tax imposed by it the following:

57.15 Subd. 2. **Federal government.** ~~(1)~~ The purchase or use, including use under a
57.16 lease purchase agreement or installment sales contract made pursuant to section 465.71,
57.17 of any motor vehicle by the United States and its agencies and instrumentalities and
57.18 by any person described in and subject to the conditions provided in section 297A.67,
57.19 subdivision 11; is exempt.

57.20 Subd. 3. **Purchased while a resident of another state.** ~~(2)~~ The purchase or use
57.21 of any motor vehicle by any person who was a resident of another state or country at the
57.22 time of the purchase and who subsequently becomes a resident of Minnesota, provided
57.23 the purchase occurred more than 60 days prior to the date such person began residing in
57.24 the state of Minnesota and the motor vehicle was registered in the person's name in the
57.25 other state or country; is exempt.

57.26 Subd. 4. **Interstate motor carriers.** ~~(3)~~ The purchase or use of any motor vehicle
57.27 by any person making a valid election to be taxed under the provisions of section 297A.90;
57.28 is exempt.

57.29 Subd. 5. **Sale of a business.** ~~(4)~~ The purchase or use of any motor vehicle previously
57.30 registered in the state of Minnesota when such transfer constitutes a transfer within the
57.31 meaning of section 118, 331, 332, 336, 337, 338, 351, 355, 368, 721, 731, 1031, 1033, or
57.32 1563(a) of the Internal Revenue Code; is exempt.

57.33 Subd. 6. **Leased vehicles for interstate commerce.** ~~(5)~~ The purchase or use of any
57.34 vehicle owned by a resident of another state and leased to a Minnesota-based private or
58.1 for-hire carrier for regular use in the transportation of persons or property in interstate
58.2 commerce provided the vehicle is titled in the state of the owner or secured party, and
58.3 that state does not impose a sales tax or sales tax on motor vehicles used in interstate
58.4 commerce; is exempt.

58.5 Subd. 7. **Use in automotive training programs.** ~~(6)~~ The purchase or use of a motor
58.6 vehicle by a private nonprofit or public educational institution for use as an instructional
58.7 aid in automotive training programs operated by the institution. "Automotive training
58.8 programs" includes motor vehicle body and mechanical repair courses but does not
58.9 include driver education programs; is exempt.

58.10 Subd. 8. **Ambulance and emergency response.** ~~(7)~~ The purchase of a motor
58.11 vehicle by an ambulance service licensed under section 144E.10 when that vehicle is
58.12 equipped and specifically intended for emergency response or for providing ambulance
58.13 service; is exempt.

58.14 Subd. 9. **Library use.** ~~(8)~~ The purchase of a motor vehicle by or for a public
 58.15 library, as defined in section 134.001, subdivision 2, as a bookmobile or library delivery
 58.16 vehicle; is exempt.

58.17 Subd. 10. **Ready-mix concrete truck.** ~~(9)~~ The purchase of a ~~ready-mixed~~
 58.18 ready-mix concrete truck; is exempt.

58.19 Subd. 11. **Local government road maintenance.** ~~(10)~~ The purchase or use of a
 58.20 motor vehicle by a town for use exclusively for road maintenance, including snowplows
 58.21 and dump trucks, but not including automobiles, vans, or pickup trucks; is exempt.

58.22 Subd. 12. **Charitable use.** ~~(11)~~ The purchase or use of a motor vehicle by a
 58.23 corporation, society, association, foundation, or institution organized and operated
 58.24 exclusively for charitable, religious, or educational purposes, except a public school,
 58.25 university, or library is exempt, but only if the vehicle is:

58.26 ~~(i)~~ (1) a truck, as defined in section 168.002, a bus, as defined in section 168.002, or
 58.27 a passenger automobile, as defined in section 168.002, if the automobile is designed and
 58.28 used for carrying more than nine persons including the driver; and

58.29 ~~(ii)~~ (2) intended to be used primarily to transport tangible personal property
 58.30 or individuals, other than employees, to whom the organization provides service in
 58.31 performing its charitable, religious, or educational purpose; and

58.32 Subd. 13. **Transit use.** ~~(12)~~ The purchase of a motor vehicle for use by a transit
 58.33 provider exclusively to provide transit service is exempt if the transit provider is either (i)
 58.34 receiving financial assistance or reimbursement under section 174.24 or 473.384, or (ii)
 58.35 operating under section 174.29, 473.388, or 473.405; is exempt.

59.1 Subd. 14. **Job opportunity building zone.** ~~(13)~~ The purchase or use of a motor
 59.2 vehicle by a qualified business, as defined in section 469.310, located in a job opportunity
 59.3 building zone, if the motor vehicle is principally garaged in the job opportunity building
 59.4 zone and is primarily used as part of or in direct support of the person's operations carried
 59.5 on in the job opportunity building zone. The exemption under this clause applies to sales,
 59.6 if the purchase was made and delivery received during the duration of the job opportunity
 59.7 building zone. The exemption under this clause also applies to any local sales and use
 59.8 tax; is exempt.

59.9 Subd. 15. **Certain purchases from a nonprofit.** ~~(14)~~ The purchase of a leased
 59.10 vehicle by the lessee who was a participant in a lease-to-own program is exempt if the
 59.11 purchase is from a charitable organization that is:

59.12 ~~(i)~~ (1) described in section 501(c)(3) of the Internal Revenue Code; and

59.13 ~~(ii)~~ (2) licensed as a motor vehicle lessor under section 168.27, subdivision 4; ~~and~~.

59.14 Subd. 16. **Mobile medical unit.** ~~(15)~~ The purchase of a motor vehicle used
 59.15 exclusively as a mobile medical unit for the provision of medical or dental services by a
 59.16 federally qualified health center, as defined under title 19 of the Social Security Act, as
 59.17 amended by Section 4161 of the Omnibus Budget Reconciliation Act of 1990 is exempt.

59.18 Sec. 35. Minnesota Statutes 2014, section 297B.09, subdivision 1, is amended to read:

59.19 Subdivision 1. **Deposit of revenues.** (a) Money collected and received under this
 59.20 chapter must be deposited as provided in this subdivision.

59.21 (b) ~~60~~ 58 percent of the money collected and received must be deposited in the
 59.22 highway user tax distribution fund, ~~36~~ 34 percent must be deposited in the metropolitan
 59.23 area transit account under section 16A.88, and ~~four~~ eight percent must be deposited in the
 59.24 greater Minnesota transit account under section 16A.88.

59.25 (c) ~~It is the intent of the legislature that the allocations under paragraph (b) remain~~
 59.26 ~~unchanged for fiscal year 2012 and all subsequent fiscal years.~~

71.13 Sec. 18. Minnesota Statutes 2014, section 360.024, is amended to read:

71.14 **360.024 AIR TRANSPORTATION SERVICE CHARGE.**

71.15 The commissioner shall charge users of air transportation services provided by the
 71.16 commissioner for direct operating costs, excluding pilot salary ~~and aircraft acquisition~~
 71.17 costs. All receipts for these services shall be deposited in the air transportation services
 71.18 account in the state airports fund and are appropriated to the commissioner to pay these
 71.19 direct air service operating costs.

51.15 Sec. 50. Minnesota Statutes 2014, section 398A.04, is amended by adding a
 51.16 subdivision to read:

51.17 Subd. 2b. **Legislative authorization.** The powers conferred to a regional rail
 51.18 authority under this chapter are subject to the requirements under section 174.94.

71.20 Sec. 19. Minnesota Statutes 2014, section 473.167, is amended to read:

71.21 **473.167 HIGHWAY AND TRANSIT PROJECTS.**

71.22 Subd. 2. **Loans for acquisition.** (a) The council may make loans to counties, towns,
 71.23 and statutory and home rule charter cities within the metropolitan area for the purchase of
 71.24 property within the right-of-way of a state trunk highway shown on an official map adopted
 71.25 pursuant to section 394.361 or 462.359 ~~or~~ for the purchase of property within the proposed
 71.26 right-of-way of a principal or intermediate arterial highway designated by the council as a
 71.27 part of the metropolitan highway system plan and approved by the council pursuant to
 71.28 section 473.166, or for the purchase of property needed for proposed transit-related capital
 71.29 improvements, including transitways designated in the council's most recent transportation
 71.30 policy plan. The loans shall be made by the council, from the fund established pursuant to
 71.31 this subdivision, for purchases approved by the council. The loans shall bear no interest.

71.32 (b) The council shall make loans only:

72.1 (1) to accelerate the acquisition of primarily undeveloped property when there
72.2 is a reasonable probability that the property will increase in value before highway or
72.3 transit-related construction, and to update an expired environmental impact statement on
72.4 a project for which the right-of-way is being purchased;

72.5 (2) to avert the imminent conversion or the granting of approvals which would allow
72.6 the conversion of property to uses which would jeopardize its availability for highway or
72.7 transit-related construction;

72.8 (3) to advance planning and environmental activities on highest priority major
72.9 metropolitan river crossing projects, under the transportation development guide
72.10 chapter/policy plan; or

72.11 (4) to take advantage of open market opportunities when developed properties
72.12 become available for sale, provided all parties involved are agreeable to the sale and
72.13 funds are available.

72.14 (c) The council shall not make loans for the purchase of property at a price which
72.15 exceeds the fair market value of the property or which includes the costs of relocating or
72.16 moving persons or property. The eminent domain process may be used to settle differences
72.17 of opinion as to fair market value, provided all parties agree to the process.

72.18 (d) A private property owner may elect to receive the purchase price either in a
72.19 lump sum or in not more than four annual installments without interest on the deferred
72.20 installments. If the purchase agreement provides for installment payments, the council
72.21 shall make the loan in installments corresponding to those in the purchase agreement. The
72.22 recipient of an acquisition loan shall convey the property for the construction of the highway
72.23 at the same price which the recipient paid for the property. The price may include the costs
72.24 of preparing environmental documents that were required for the acquisition and that were
72.25 paid for with money that the recipient received from the loan fund. Upon notification by
72.26 the council that the plan to construct the highway or transit project has been abandoned or
72.27 the anticipated location of the highway or transit project changed, the recipient shall sell
72.28 the property at market value in accordance with the procedures required for the disposition
72.29 of the property. All rents and other money received because of the recipient's ownership
72.30 of the property and all proceeds from the conveyance or sale of the property shall be paid
72.31 to the council. If a recipient is not permitted to include in the conveyance price the cost
72.32 of preparing environmental documents that were required for the acquisition, then the
72.33 recipient is not required to repay the council an amount equal to 40 percent of the money
72.34 received from the loan fund and spent in preparing the environmental documents.

72.35 (e) The proceeds of the tax authorized by subdivision 3, all money paid to the
 72.36 council by recipients of loans, and all interest on the proceeds and payments shall be
 73.1 maintained as a separate fund. For administration of the loan program, the council may
 73.2 expend from the fund each year an amount no greater than three percent of the amount of
 73.3 the proceeds for that year.

73.4 Subd. 2a. **Loans for acquisition and relocation.** (a) The council may make loans
 73.5 to acquiring authorities within the metropolitan area to purchase homestead property
 73.6 located in a proposed state trunk highway right-of-way or project or transit-related project,
 73.7 and to provide relocation assistance. Acquiring authorities are authorized to accept the
 73.8 loans and to acquire the property. Except as provided in this subdivision, the loans shall
 73.9 be made as provided in subdivision 2. Loans shall be in the amount of the fair market
 73.10 value of the homestead property plus relocation costs and less salvage value. Before
 73.11 construction of the highway or transit-related project begins, the acquiring authority shall
 73.12 convey the property to the commissioner of transportation or council at the same price it
 73.13 paid, plus relocation costs and less its salvage value. Acquisition and assistance under this
 73.14 subdivision must conform to sections 117.50 to 117.56.

73.15 (b) The council may make loans only when:

73.16 (1) the owner of affected homestead property requests acquisition and relocation
 73.17 assistance from an acquiring authority;

73.18 (2) federal or state financial participation is not available;

73.19 (3) the owner is unable to sell the homestead property at its appraised market
 73.20 value because the property is located in a proposed state trunk highway right-of-way or
 73.21 project as indicated on an official map or plat adopted under section 160.085, 394.361,
 73.22 or 462.359, or transit-related project; and

73.23 (4) the council agrees to and approves the fair market value of the homestead
 73.24 property, which approval shall not be unreasonably withheld.

73.25 (c) For purposes of this subdivision, the following terms have the meanings given
 73.26 them.

73.27 (1) "Acquiring authority" means counties, towns, and statutory and home rule
 73.28 charter cities in the metropolitan area.

73.29 (2) "Homestead property" means: (i) a single-family dwelling occupied by the
 73.30 owner, and the surrounding land, not exceeding a total of ten acres; or (ii) a manufactured
 73.31 home, as defined in section 327B.01, subdivision 13.

73.32 (3) "Salvage value" means the probable sale price of the dwelling and other property
 73.33 that is severable from the land if offered for sale on the condition that it be removed from
 73.34 the land at the buyer's expense, allowing a reasonable time to find a buyer with knowledge
 73.35 of the possible uses of the property, including separate use of serviceable components and
 73.36 scrap when there is no other reasonable prospect of sale.

74.1 Subd. 3. **Tax.** The council may levy a tax on all taxable property in the metropolitan
 74.2 area, as defined in section 473.121, to provide funds for loans made pursuant to
 74.3 subdivisions 2 and 2a. This tax for the right-of-way acquisition loan fund shall be certified
 74.4 by the council, levied, and collected in the manner provided by section 473.13. The tax
 74.5 shall be in addition to that authorized by section 473.249 and any other law and shall not
 74.6 affect the amount or rate of taxes which may be levied by the council or any metropolitan
 74.7 agency or local governmental unit. The amount of the levy shall be as determined and
 74.8 certified by the council, provided that the tax levied by the Metropolitan Council for the
 74.9 right-of-way acquisition loan fund shall not exceed \$2,828,379 for taxes payable in 2004
 74.10 and \$2,828,379 for taxes payable in 2005. The amount of the levy for taxes payable in
 74.11 2006 and subsequent years shall not exceed the product of (1) the Metropolitan Council's
 74.12 property tax levy limitation under this subdivision for the previous year, multiplied by
 74.13 (2) one plus a percentage equal to the growth in the implicit price deflator as defined
 74.14 in section 275.70, subdivision 2.

74.15 Subd. 4. **State review.** The commissioner of revenue shall certify the council's levy
 74.16 limitation under this section to the council by August 1 of the levy year. The council must
 74.17 certify its proposed property tax levy to the commissioner of revenue by September 1 of
 74.18 the levy year. The commissioner of revenue shall annually determine whether the property
 74.19 tax for the right-of-way acquisition loan fund certified by the Metropolitan Council for
 74.20 levy following the adoption of its proposed budget is within the levy limitation imposed
 74.21 by this section. The determination must be completed prior to September 10 of each year.
 74.22 If current information regarding market valuation in any county is not transmitted to the
 74.23 commissioner in a timely manner, the commissioner may estimate the current market
 74.24 valuation within that county for purposes of making the calculation.

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

52.19 Sec. 52. Minnesota Statutes 2014, section 473.399, is amended by adding a subdivision
 52.20 to read:

52.21 Subd. 6. **Legislative authorization.** The powers conferred to a responsible
 52.22 authority, as defined in section 473.3993, subdivision 4, under sections 473.399 to
 52.23 473.3999 are subject to the requirements in section 174.94.

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

52.26 Sec. 53. Minnesota Statutes 2014, section 473.4051, subdivision 2, is amended to read:

52.27 Subd. 2. **Operating costs.** After operating revenue and federal money have been
 52.28 used to pay for light rail transit operations, ~~50,~~ 100 percent of the remaining operating and
 52.29 ongoing maintenance costs must be paid by the state from nonstate sources. For purposes
 52.30 of this subdivision, state sources include but are not limited to general fund appropriations
 52.31 and revenue from the motor vehicle sales tax under chapter 297B.

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

53.13 Sec. 56. **DEPARTMENT OF TRANSPORTATION EFFICIENCIES.**

53.14 (a) In fiscal years 2016 and 2017, the commissioner of transportation shall
 53.15 implement efficiencies identified by the Transportation Strategic Management and
 53.16 Operations Advisory Task Force report under Laws 2008, chapter 152, article 6, section 9,
 53.17 equal to 15 percent of the Department of Transportation's total appropriations for fiscal
 53.18 years 2014 and 2015.

53.19 (b) The efficiency savings amount identified in paragraph (a) is available to the
 53.20 commissioner of transportation in fiscal years 2016 and 2017 for the construction,
 53.21 maintenance, or rehabilitation, including pothole repair, of highways, roads, and bridges
 53.22 on the trunk highway system.

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

74.26 Sec. 20. Laws 2014, chapter 312, article 11, section 33, is amended to read:
 74.27 Sec. 33. **TRANSPORTATION EFFICIENCIES.**

74.28 (a) The commissioner of transportation shall include in the report under Minnesota
 74.29 Statutes, section 174.56, due by December 15, 2015, information on efficiencies
 74.30 implemented in fiscal year 2015 in planning and project management and delivery,
 74.31 along with an explanation of the efficiencies employed to achieve the savings and the
 74.32 methodology used in the calculations. The level of savings achieved must equal, in
 74.33 comparison with the total state road construction budget for that year, a minimum of five
 74.34 percent in fiscal year 2015. The report must identify the projects that have been advanced
 74.35 or completed due to the implementation of efficiency measures.

75.1 (b) The commissioner shall identify in the report those recommendations from the
 75.2 Transportation Strategic Management and Operations Advisory Task Force Report dated
 75.3 January 23, 2009, submitted to the legislature by the Departments of Administration
 75.4 and Transportation, as required by Laws 2008, chapter 152, article 6, section 9,
 75.5 that the commissioner has implemented, with a description of current status of the
 75.6 recommendation and results of implementation.

75.7 (c) The commissioner shall present in the report plans to incorporate greater
 75.8 efficiencies in department operation and decision-making, including, but not limited to,
 75.9 the following: financing innovations, mode choice in project selection and design, land
 75.10 use planning, return on investment calculation, project delivery, including selection of
 75.11 materials and decreasing project delivery time, and efficiencies in multiagency permitting.

55.2 Sec. 61. **INTERSTATE 94/694/494 INTERCHANGE SAFETY IMPROVEMENT**
 55.3 **STUDY.**

55.4 The commissioner of transportation must conduct a safety improvement study for
 55.5 the interchange of signed Interstate Highways 94, 694, and 494 in the cities of Woodbury
 55.6 and Oakdale. At a minimum, the study must provide specific recommendations to
 55.7 improve the safety of the interchange and include cost estimates for each recommended
 55.8 improvement. The commissioner must report the findings and recommendations of the
 55.9 study to the legislative committees having jurisdiction over transportation policy and
 55.10 finance within 180 days after the effective date of this section.

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

91.8 Sec. 23. **COMMUTER RAIL TRANSIT FEASIBILITY STUDY.**

91.9 Subdivision 1. **Scope of study.** The Metropolitan Council shall conduct a study of
 91.10 the feasibility of the use of commuter rail transit in a corridor aligned on marked Interstate
 91.11 Highway 394 or between marked Interstate Highway 394 and marked Trunk Highway
 91.12 55, from downtown Minneapolis to Ridgedale Drive in Minnetonka, with the alternative
 91.13 of extending to Wayzata. The study must include consideration of the feasibility of
 91.14 connecting the Southwest Light Rail Transit Corridor with the Interstate Highway 394
 91.15 Corridor between downtown Minneapolis and a point of divergence west of downtown.
 91.16 The Metropolitan Council may hire a consultant to assist in the study and report under
 91.17 subdivision 3.

91.18 Subd. 2. **Elements of study.** The commuter rail transit feasibility study must
 91.19 include, without limitation:

91.20 (1) an identification of major operational characteristics of commuter rail transit
 91.21 in the corridor;

91.22 (2) a quantification of capital and operating costs;

91.23 (3) an evaluation of the interface of a rail transit system with other transportation
 91.24 systems in the corridor;

91.25 (4) an evaluation of the impact of a rail transit system on land use and urban
 91.26 development;

91.27 (5) an estimate of the cost and impact of necessary associated exercise of eminent
 91.28 domain;

91.29 (6) an evaluation of the impact of a rail transit system on energy and the environment;

91.30 (7) an estimate of ridership potential;

- 91.31 (8) a cost-benefit analysis that compares the total cost of the project with the benefits
91.32 of a commuter rail transit line to its users, other users of the highway, and adjacent
91.33 property owners;
- 91.34 (9) an identification of potential sources of federal, state, local, private, and other
91.35 funds;
- 92.1 (10) an identification of the conditions necessary for commuter rail transit to be
92.2 feasible in the Interstate Highway 394 Corridor; and
- 92.3 (11) an evaluation of the feasibility of connecting the Southwest Light Rail Transit
92.4 Corridor with the Interstate Highway 394 Corridor between downtown Minneapolis and
92.5 a point of divergence west of downtown.
- 92.6 **Subd. 3. Report.** The Metropolitan Council shall prepare a written report of this
92.7 study and submit it no later than December 15, 2015, to the legislature, in compliance
92.8 with Minnesota Statutes, sections 3.195 and 3.197, and to the chairs and ranking minority
92.9 members of the senate and house of representatives committees with jurisdiction over
92.10 transportation.
- 92.11 **EFFECTIVE DATE.** This section is effective the day following final enactment.
- 92.12 **Sec. 24. ENVIRONMENTAL IMPACT STATEMENT; CERTAIN TRACK**
92.13 **CONNECTION PROJECTS.**
- 92.14 **Subdivision 1. Definition.** For purposes of this section, "track connection project"
92.15 means a rail construction project that:
- 92.16 (1) is in a county within which there is located a city of the first class, as provided in
92.17 Minnesota Statutes, section 410.01;
- 92.18 (2) is located at or near the site of two intersecting tracks of rail; and
- 92.19 (3) establishes switches, turnouts, or other forms of connecting track between
92.20 the two intersecting tracks, in which (i) the tracks are owned by two different railroad
92.21 companies, and (ii) the project provides for alternative routing of unit trains, as defined
92.22 in Minnesota Statutes, section 115E.01, subdivision 11d, transported as of the effective
92.23 date of this section on either of the intersecting tracks through a city of the first class
92.24 identified in clause (1).

92.25 Subd. 2. **Environmental impact statement.** An environmental impact statement
 92.26 must be conducted under Minnesota Statutes, section 116D.04, and applicable
 92.27 Environmental Quality Board rules governing track connection projects, to make a
 92.28 determination concerning the existence of a local safety or security hazard under
 92.29 applicable federal law. The Department of Transportation shall serve as the responsible
 92.30 governmental unit for the environmental impact statement. A track connection project
 92.31 may not begin construction and no final governmental decision may be made to grant a
 92.32 permit, approve the project, or begin the project until the commissioner of transportation
 92.33 has determined the environmental impact statement is adequate.

93.1 **EFFECTIVE DATE.** This section is effective the day following final enactment
 93.2 and expires December 31, 2018.

93.3 Sec. 25. **ELECTION JUDGE TRAINING.**

93.4 The secretary of state shall inform each county auditor that a driving privilege
 93.5 license as defined in Minnesota Statutes, section 171.01, subdivision 31c, must not be used
 93.6 or accepted for voter registration purposes under Minnesota Statutes, section 201.061.
 93.7 Each county auditor must inform all election officials and election judges hired for an
 93.8 election that a driving privilege license must not be used or accepted for voter registration
 93.9 purposes under Minnesota Statutes, section 201.061. County auditors and municipal
 93.10 clerks must include this information in all election judge training courses.

93.11 Sec. 26. **PUBLIC-PRIVATE PARTNERSHIP PILOT PROGRAM.**

93.12 Subdivision 1. **Public-private partnership initiatives.** (a) The commissioner
 93.13 of transportation and Metropolitan Council are authorized to consider and utilize
 93.14 public-private partnership procurement methods for up to three pilot projects as provided
 93.15 in this section. Utilization of public-private partnerships is a recognition of the importance
 93.16 to the state of an efficient and safe transportation system, and the necessity of developing
 93.17 alternative funding sources to supplement traditional sources of transportation revenues.
 93.18 A public-private partnership initiative must take advantage of the expertise and experience
 93.19 of public employees and private sector efficiencies in design and construction, along with
 93.20 expertise in finance and development, and provide a better long-term value for the state
 93.21 than could be obtained through traditional procurement methods.

55.24 Sec. 63. **PUBLIC-PRIVATE PARTNERSHIP PILOT PROGRAM.**

55.25 Subdivision 1. **Definition.** For the purposes of this section, "responsible authority"
 55.26 means the commissioner of transportation or the Metropolitan Council, as appropriate.

55.27 Subd. 2. **Public-private partnership authority.** (a) A responsible authority is
 55.28 authorized to consider and utilize public-private partnership procurement methods as
 55.29 provided in this section. A public-private partnership initiative must take advantage of
 55.30 private sector efficiencies in design and construction, along with expertise in finance and
 55.31 development, and provide a better long-term value for the state than could be obtained
 55.32 through traditional procurement methods.

56.1 (b) A responsible authority may use in the pilot program an existing public-private
 56.2 partnership mechanism or a proposed mechanism that proves the best available option
 56.3 for the state. Mechanisms that a responsible authority may use consist only of: user
 56.4 fees, construction payments, joint development agreements, negotiated exactions, and
 56.5 air rights development.

56.6 (c) A responsible authority may receive or solicit and evaluate proposals to
 56.7 build, operate, and finance projects that are not inconsistent with the department's or
 56.8 the Metropolitan Council's most recent transportation plans. If a responsible authority
 56.9 receives an unsolicited proposal, the authority shall publish a notice in the State Register
 56.10 at least once a week for two weeks stating that the authority has received the proposal and
 56.11 will accept other proposals for the same project purpose for 120 days after the initial date
 56.12 of publication. The private proposer must be selected on a competitive basis.

56.13 **Subd. 3. Pilot program restrictions.** (a) The pilot program under this section is
 56.14 for a total of up to three projects that are exclusively or primarily for infrastructure of
 56.15 a capital nature, excluding rolling stock.

56.16 (b) A responsible authority may not enter into a public-private partnership under this
 56.17 section for a project with a total project cost estimate of more than \$100,000,000.

56.18 (c) When entering into a public-private partnership, a responsible authority may not
 56.19 enter into any noncompete agreement that inhibits the state's ability to address ongoing or
 56.20 future infrastructure needs.

56.21 (d) If a responsible authority enters into a public-private partnership agreement
 56.22 that includes a temporary transfer of ownership or control of a road, bridge, or other
 56.23 infrastructure investment to the private entity, the agreement must include a provision
 56.24 requiring the return of the road, bridge, or other infrastructure investment to the state after
 56.25 a specified period of time that may not exceed 25 years.

56.26 (e) A responsible authority may only consider new projects for a public-private
 56.27 partnership. A responsible authority is prohibited from considering projects involving
 56.28 existing infrastructure for a public-private partnership, unless the proposed project adds
 56.29 capacity to the existing infrastructure.

93.22 (b) Notwithstanding Minnesota Statutes, section 160.98, or any other law to the
 93.23 contrary, the commissioner or council may consider for use in the pilot program any
 93.24 existing public-private partnership mechanism or any proposed mechanism that proves the
 93.25 best available option for the state. Mechanisms the commissioner or council may consider
 93.26 include, but are not limited to, toll facilities, BOT facilities, BTO facilities, user fees,
 93.27 construction payments, joint development agreements, negotiated exactions, air rights
 93.28 development, street improvement districts, or tax increment financing districts for transit.
 93.29 For the purposes this section, toll facilities, BOT facilities, and BTO facilities have the
 93.30 meanings given under Minnesota Statutes, section 160.84.

94.11 **Subd. 2. Pilot program restrictions and project selection.** (a) The commissioner
 94.12 or council may receive or solicit and evaluate proposals to build, operate, and finance
 94.13 projects that are not inconsistent with the commissioner's most recent statewide
 94.14 transportation plan or the council's most recent transportation policy plan. If the
 94.15 department or council receives an unsolicited proposal, the department or council shall
 94.16 publish a notice in the State Register at least once a week for two weeks stating that the
 94.17 department or council has received the proposal and will accept, for 120 days after the
 94.18 initial date of publication, other proposals for the same project purpose. The private
 94.19 proposer must be selected on a competitive basis.

94.20 (b) When entering into a public-private partnership, the commissioner or
 94.21 Metropolitan Council may not enter into any noncompete agreement that inhibits the
 94.22 state's ability to address ongoing or future infrastructure needs.

94.23 (c) If the commissioner or council enters into a public-private partnership agreement
 94.24 that includes a temporary transfer of ownership or control of a road, bridge, or other
 94.25 infrastructure investment to the private entity, the agreement must include a provision
 94.26 requiring the return of the road, bridge, or other infrastructure investment to the state
 94.27 after a specified period of time.

94.28 (d) The commissioner and council may only consider new projects for a
 94.29 public-private partnership. The commissioner and council are prohibited from considering
 94.30 projects involving existing infrastructure for a public-private partnership, unless the
 94.31 proposed project adds capacity to the existing infrastructure.

56.30 Subd. 4. **Consultation.** (a) As part of the pilot program under this section, the
 56.31 commissioner and the Metropolitan Council shall consult with the commissioner of
 56.32 management and budget, the commissioner of employment and economic development, the
 56.33 commissioner of administration, and one representative each from the American Council
 56.34 of Engineering Companies - Minnesota chapter, the Central Minnesota Transportation
 56.35 Alliance, and the Minnesota County Engineers Association. In addition, the commissioner
 57.1 shall invite the Federal Highway Administration and the Metropolitan Council shall invite
 57.2 the Federal Transit Administration to participate in consultation activities.

57.3 (b) Consultation activities include reviewing projects proposed under this section,
 57.4 reviewing any contractual or financial agreements to ensure program requirements are
 57.5 met, and ensuring that any proposed or executed agreement serves the public interest.

57.6 Subd. 5. **Evaluation and selection of private entity and project.** (a) A responsible
 57.7 authority shall contract with one or more consultants to assist in proposal evaluation. The
 57.8 consultant must possess expertise and experience in public-private partnership project
 57.9 evaluation methodology, such as value for money, costs of public-private partnership
 57.10 compared with costs of public project delivery, and cost-benefit analysis.

57.11 (b) When soliciting, evaluating, and selecting a private entity with which to enter
 57.12 into a public-private partnership and before selecting a project, a responsible authority
 57.13 must consider:

57.14 (1) the ability of the proposed project to improve safety, reduce congestion, increase
 57.15 capacity, and promote economic growth;

57.16 (2) the proposed cost of and financial plan for the project;

57.17 (3) the general reputation, qualifications, industry experience, and financial capacity
 57.18 of the private entity;

57.19 (4) the project's proposed design, operation, and feasibility;

57.20 (5) the length and extent of transportation and transit service disruption;

57.21 (6) comments from local citizens and affected jurisdictions;

57.22 (7) the benefits to the public;

57.23 (8) the safety record of the private entity; and

57.24 (9) any other criteria a responsible authority deems appropriate.

93.31 (c) As part of the pilot program, the commissioner and council are directed to form
 93.32 an independent advisory and oversight office, the Joint Program Office for Economic
 93.33 Development and Alternative Finance. The office shall consist of the commissioner of
 93.34 management and budget, the commissioner of employment and economic development,
 94.1 the commissioner of administration, the commissioner of transportation, the Metropolitan
 94.2 Council, and one representative each from the American Council of Engineering
 94.3 Companies - Minnesota chapter, the Central Minnesota Transportation Alliance, the
 94.4 Counties Transit Improvement Board, and the Minnesota County Engineers Association.
 94.5 In addition, the commissioner and Metropolitan Council shall invite the Federal Highway
 94.6 Administration and the Federal Transit Administration to participate in the office's
 94.7 activities. The office's duties shall include, but are not limited to, reviewing and approving
 94.8 projects proposed under this section, reviewing any contractual or financial agreements
 94.9 to ensure program requirements are met, and ensuring that any proposed or executed
 94.10 agreement serves the public interest.

94.32 Subd. 3. **Evaluation and selection of private entity and project.** (a) The
 94.33 commissioner and council shall contract with one or more consultants to assist in proposal
 94.34 evaluation. The consultant must possess expertise and experience in public-private
 94.35 partnership project evaluation methodology, such as value for money, costs of
 95.1 public-private partnership compared with costs of public project delivery, and cost-benefit
 95.2 analysis.

95.3 (b) When soliciting, evaluating, and selecting a private entity with which to enter
 95.4 into a public-private partnership and before selecting a project, the commissioner or
 95.5 council must consider:

95.6 (1) the ability of the proposed project to improve safety, reduce congestion, increase
 95.7 capacity, and promote economic growth;

95.8 (2) the proposed cost of and financial plan for the project;

95.9 (3) the general reputation, qualifications, industry experience, and financial capacity
 95.10 of the private entity;

95.11 (4) the project's proposed design, operation, and feasibility;

95.12 (5) length and extent of transportation and transit service disruption;

95.13 (6) comments from local citizens and affected jurisdictions;

95.14 (7) benefits to the public;

95.15 (8) the safety record of the private entity; and

95.16 (9) any other criteria the commissioner or council deems appropriate.

57.25 Subd. 6. **Public-private agreement.** (a) A public-private agreement between a
 57.26 responsible authority and a private entity must, at a minimum, specify:

57.27 (1) the planning, acquisition, financing, development, design, construction,
 57.28 reconstruction, replacement, improvement, maintenance, management, repair, leasing, or
 57.29 operation of the project;

57.30 (2) the term of the public-private agreement;

57.31 (3) the type of property interest, if any, that the private entity will have in the project;

57.32 (4) a description of the actions a responsible authority may take to ensure proper
 57.33 maintenance of the project;

57.34 (5) whether user fees will be collected on the project and the basis by which the
 57.35 user fees are determined and modified along with identification of the public agency that
 57.36 will determine and modify fees;

58.1 (6) compliance with applicable federal, state, and local laws;

58.2 (7) grounds for termination of the public-private agreement by a responsible
 58.3 authority;

58.4 (8) adequate safeguards for the traveling public and residents of the state in event of
 58.5 default on the contract;

58.6 (9) financial protection for the state in the event of default, which must include
 58.7 payment and performance bonds, for any construction, that meet the requirements under
 58.8 Minnesota Statutes, sections 574.26 to 574.32; and

58.9 (10) procedures for amendment of the agreement.

58.10 (b) A public-private agreement between a responsible authority and a private entity
 58.11 may provide for:

95.17 (c) The independent advisory and oversight office established under subdivision 1,
 95.18 paragraph (c), shall, in collaboration with authorized representatives of Department of
 95.19 Transportation workers, review proposals evaluated by the commissioner or council to
 95.20 ensure the requirements of this section are being met. The independent advisory and
 95.21 oversight office shall first determine whether the project, as proposed, serves the public
 95.22 interest. In making this determination, the office must identify and consider advantages
 95.23 and disadvantages for various stakeholders, including taxpayers, workers, transportation
 95.24 and transit providers and operators, transportation and transit users, commercial vehicle
 95.25 operators, and the general public, including the impact on the state's economy. If the
 95.26 proposed project serves the public interest, the office must evaluate the proposals
 95.27 according to the criteria specified in this section.

95.28 Subd. 4. **Public-private agreement.** (a) A public-private agreement between the
 95.29 commissioner or the council and a private entity shall, at a minimum, specify:

95.30 (1) the planning, acquisition, financing, development, design, construction,
 95.31 reconstruction, replacement, improvement, maintenance, management, repair, leasing, or
 95.32 operation of the project;

95.33 (2) the term of the public-private agreement;

95.34 (3) the type of property interest, if any, that the private entity will have in the project;

95.35 (4) a description of the actions the commissioner or council may take to ensure
 95.36 proper maintenance of the project;

96.1 (5) whether user fees will be collected on the project and the basis by which the user
 96.2 fees shall be determined and modified along with identification of the public agency that
 96.3 will determine and modify fees;

96.4 (6) compliance with applicable federal, state, and local laws;

96.5 (7) grounds for termination of the public-private agreement by the commissioner
 96.6 or council;

96.7 (8) adequate safeguards for the traveling public and residents of the state in event of
 96.8 default on the contract;

96.9 (9) the extent and nature of involvement of public employees in the proposed project;

96.10 (10) financial protection for the state in the event of default, which must include
 96.11 payment and performance bonds, for any construction, that meet the requirements under
 96.12 Minnesota Statutes, sections 574.26 to 574.32; and

96.13 (11) procedures for amendment of the agreement.

96.14 (b) A public-private agreement between the commissioner or council and a private
 96.15 entity may provide for:

58.12 (1) review and approval by a responsible authority of the private entity's plans for
 58.13 the development and operation of the project;

58.14 (2) inspection by a responsible authority of construction and improvements to the
 58.15 project;

58.16 (3) maintenance by the private entity of a liability insurance policy;

58.17 (4) filing of appropriate financial statements by the private entity on a periodic basis;

58.18 (5) filing of traffic reports by the private entity on a periodic basis;

58.19 (6) financing obligations of a responsible authority and the private entity;

58.20 (7) apportionment of expenses between a responsible authority and the private entity;

58.21 (8) the rights and remedies available in the event of a default or delay;

58.22 (9) the rights and duties of the private entity, a responsible authority, and other state
 58.23 or local governmental entities with respect to the use of the project;

58.24 (10) the terms and conditions of indemnification of the private entity by a responsible
 58.25 authority;

58.26 (11) assignment, subcontracting, or other delegations of responsibilities of (i) the
 58.27 private entity, or (ii) a responsible authority under agreement to third parties, including
 58.28 other private entities or state agencies;

58.29 (12) if applicable, sale or lease to the private entity of private property related to
 58.30 the project;

58.31 (13) traffic enforcement and other policing issues; and

58.32 (14) any other terms and conditions a responsible authority deems appropriate.

58.33 Subd. 7. **Funding from federal government.** (a) A responsible authority may
 58.34 accept from the United States or any of its agencies funds that are available to the state
 58.35 for carrying out the pilot program, whether the funds are available by grant, loan, or
 58.36 other financial assistance.

59.1 (b) A responsible authority may enter into agreements or other arrangements with
 59.2 the United States or any of its agencies as necessary for carrying out the pilot program.

96.16 (1) review and approval by the commissioner or council of the private entity's plans
 96.17 for the development and operation of the project;

96.18 (2) inspection by the commissioner or council of construction and improvements
 96.19 to the project;

96.20 (3) maintenance by the private entity of a liability insurance policy;

96.21 (4) filing of appropriate financial statements by the private entity on a periodic basis;

96.22 (5) filing of traffic reports by the private entity on a periodic basis;

96.23 (6) financing obligations of the commissioner or council and the private entity;

96.24 (7) apportionment of expenses between the commissioner or council and the private
 96.25 entity;

96.26 (8) the rights and remedies available in the event of a default or delay;

96.27 (9) the rights and duties of the private entity, the commissioner or council, and other
 96.28 state or local governmental entities with respect to the use of the project;

96.29 (10) the terms and conditions of indemnification of the private entity by the
 96.30 commissioner or council;

96.31 (11) assignment, subcontracting, or other delegations of responsibilities of (i)
 96.32 the private entity, or (ii) the commissioner or council under agreement to third parties,
 96.33 including other private entities or state agencies;

96.34 (12) if applicable, sale or lease to the private entity of private property related to
 96.35 the project;

96.36 (13) traffic enforcement and other policing issues; and

97.1 (14) any other terms and conditions the commissioner or council deems appropriate.

97.2 (c) The independent advisory and oversight office established under subdivision
 97.3 1, paragraph (c), shall review any proposed contractual agreement prior to execution
 97.4 in order to ensure that the contract serves the public interest and the requirements of
 97.5 this section are met.

97.6 Subd. 5. **Funding from federal government.** (a) The commissioner or council may
 97.7 accept from the United States or any of its agencies funds that are available to the state
 97.8 for carrying out the pilot program, whether the funds are available by grant, loan, or
 97.9 other financial assistance.

97.10 (b) The commissioner or council may enter into agreements or other arrangements
 97.11 with the United States or any of its agencies as necessary for carrying out the pilot program.

59.3 (c) A responsible authority shall seek to maximize project funding from nonstate
 59.4 sources and may combine federal, state, local, and private funds to finance a public-private
 59.5 partnership pilot project.

59.6 Subd. 8. **Legislative reporting.** By August 1 annually in 2016 through 2019, the
 59.7 commissioner of transportation and the Metropolitan Council shall jointly submit to the
 59.8 chairs and ranking minority members of the legislative committees having jurisdiction
 59.9 over transportation policy and finance a list of all agreements executed under the pilot
 59.10 program authority. At a minimum, the list must identify each agreement, the contracting
 59.11 entities, the contract amount and duration, and any repayment requirements, and provide
 59.12 an update on the project's progress. The list may be submitted electronically and is subject
 59.13 to Minnesota Statutes, section 3.195, subdivision 1.

59.14 Subd. 9. **Expiration.** The authority to enter into new agreements under this section
 59.15 expires on June 30, 2019.

97.12 (c) The commissioner or council shall seek to maximize project funding from
 97.13 nonstate sources and may combine federal, state, local, and private funds to finance a
 97.14 public-private partnership pilot project.

97.15 Subd. 6. **Reporting.** By August 1, 2016, and annually by August 1 thereafter, the
 97.16 commissioner and council shall submit to the chairs and ranking minority members of the
 97.17 house of representatives and senate committees having jurisdiction over transportation
 97.18 policy and finance a list of all agreements executed under the pilot program authority. The
 97.19 list must identify each agreement, the contracting entities, contract amount and duration,
 97.20 any repayment requirements, and provide an update on the project's progress. The list
 97.21 may be submitted electronically and is subject to Minnesota Statutes, section 3.195,
 97.22 subdivision 1.

97.23 **EFFECTIVE DATE.** This section is effective July 1, 2016.

59.27 Sec. 36. **CITY PARKING FACILITY FEE.**

59.28 Subdivision 1. **Definition.** "Parking facility" means a parking area or structure
 59.29 having parking spaces at which motor vehicles are permitted to park for a fee, whether
 59.30 publicly or privately owned, but does not include residential parking spaces or parking
 59.31 spaces on a public street, the use of which is regulated by parking meters.

59.32 Subd. 2. **Authorization to impose the fee.** (a) The city of Minneapolis may
 59.33 impose by ordinance a fee to be paid by the owner of each parking space located in a
 59.34 parking facility within an area in the city of Minneapolis described as follows: west of the
 60.1 Mississippi River, west of Interstate Highway 35W, north or east of Interstate Highway
 60.2 94, and south of Plymouth Avenue.

60.3 (b) The city of St. Paul may impose by ordinance a fee to be paid by the owner of each
 60.4 parking space located in a parking facility within an area in the city of St. Paul described
 60.5 as follows: north of the Mississippi River, west of the Lafayette bridge parking lots, south
 60.6 of Interstate Highway 35E and Interstate Highway 94, and east of Chestnut Street.

60.7 Subd. 3. **Amount of fee.** The amount of the fee may be uniform throughout the
 60.8 district, or it may vary depending upon the nature and structure of the parking facility,
 60.9 zoning, location, or other reasonable factors determined by the city.

60.10 Subd. 4. **Administration of fee.** A city imposing a parking fee on a parking facility
 60.11 under this section shall administer the fee locally. A city may provide by ordinance that
 60.12 the payment of the parking facility fee be made on a monthly, quarterly, or annual basis.

60.13 Subd. 5. **Eligible uses of proceeds.** Proceeds of the parking facility fee may be
60.14 utilized by the city imposing the fee for any eligible purpose under this section:

60.15 (1) pedestrian improvements, including, but not limited to, sidewalks, trees, planters,
60.16 landscaping, benches, lighting, trash receptacles, signage, wayfinding, and informational
60.17 kiosks;

60.18 (2) public plazas, including, but not limited to, improvements, operations,
60.19 maintenance, and programming, to include recreational and entertainment activities
60.20 designed to promote enjoyment of the city for Minnesotans and tourists of all ages. The
60.21 city of Minneapolis may designate proceeds for this purpose for downtown, or specifically
60.22 for Nicollet Mall, Peavey Plaza, or Downtown East Commons, or other similar locations.
60.23 The city of St. Paul may designate proceeds for this purpose for downtown, or specifically
60.24 for Rice Park, Mears Park, Wacouta Commons, Kellogg Park, Pedro Park, Central Station
60.25 Plaza, Cleveland Circle, or other similar locations; and

60.26 (3) transit and bicycle facilities, including, but not limited to:

60.27 (i) planning, design, engineering, property acquisition, and construction of the
60.28 downtown portion of a transit line or bicycle facility;

60.29 (ii) maintaining and acquiring equipment, transit vehicles, and related facilities, such
60.30 as maintenance facilities, that need not be located in the parking facilities fee area;

60.31 (iii) acquiring, improving, or constructing transit stations; and

60.32 (iv) acquiring or improving public space, including the construction and installation
60.33 of improvements to streets and sidewalks, decorative lighting and surfaces, and plantings
60.34 related to the downtown portion of a transit line or bicycle facility.

60.35 **EFFECTIVE DATE.** Under Minnesota Statutes, section 645.023, subdivision 1,
60.36 this section is effective on July 1, 2015, without the requirement of local approval.

97.24 Sec. 27. **TRANSPORTATION PROJECT SELECTION PROCESS.**

97.25 Subdivision 1. **Adoption of process and public input.** The commissioner of
97.26 transportation shall, after consultation with metropolitan planning organizations, regional
97.27 development commissions, area transportation partnerships, local governments, and the
97.28 Metropolitan Council, draft a proposed transportation project data-driven evaluation
97.29 process to provide an objective and consistent analysis to assist in developing the
97.30 statewide transportation plan and prioritization of highway construction, reconstruction,
97.31 and improvement projects in the state transportation improvement program. No later than
97.32 September 1, 2015, the proposed process must be reported to the chairs and ranking
97.33 minority members of the senate and house of representatives committees on transportation
97.34 policy and finance and publicized, along with a schedule for public hearings and additional
97.35 opportunities for public input electronically and at locations throughout the state. No later
98.1 than January 10, 2016, after public comment has been heard and incorporated into the
98.2 proposed evaluation process, the commissioner shall adopt a final process for use in
98.3 highway project investment decisions on and after March 1, 2016.

98.4 Subd. 2. **Factors in analysis.** The process must be based on objective, consistent,
98.5 and quantifiable analysis. Factors in the analysis must include return on investment,
98.6 benefit-cost, local rankings, safety, congestion mitigation, economic development,
98.7 accessibility, environmental quality, regional and metropolitan-rural balance, and land
98.8 use. The process may assign different weights to factors in evaluating projects on the
98.9 trunk highway system, the county state-aid highway system, and the municipal state-aid
98.10 street system.

98.11 Subd. 3. **Exemptions.** A proposed project is exempt from the process if it is:

98.12 (1) funded by a grant from:

98.13 (i) the corridors of commerce program under Minnesota Statutes, section 161.088;

98.14 (ii) the transportation economic development program under Minnesota Statutes,
98.15 section 174.12; and

98.16 (iii) the joint powers board under Minnesota Statutes, section 297A.992, subdivision
98.17 6; or

98.18 (2) preservation, maintenance, capital preventive treatment or safety project that
98.19 does not increase capacity of the infrastructure, or if subjecting it to the evaluation process
98.20 would result in a loss of federal funds.

98.21 Subd. 4. **Information on department's Web site.** For each proposed project
98.22 evaluated under this process, the applicable scoring process, the score for each factor,
98.23 and the overall score are public information and must be publicized on the department's
98.24 Web site.

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

98.26 Sec. 28. **ESTABLISHMENT OF ROAD-USER CHARGE WORKING GROUP.**

98.27 Subdivision 1. **Road-user charge.** The road-user charge working group is
98.28 established to study and report to the legislature concerning issues related to designing
98.29 and implementing a road-user charge in this state. The road-user charge working group
98.30 consists of 15 members, as follows:

98.31 (1) the chairs and ranking minority members of the house of representatives and
98.32 senate committees or divisions with jurisdiction over transportation policy and finance;

98.33 (2) the commissioner of transportation or a designee; and

98.34 (3) public members who have relevant expertise and interest, including members or
98.35 representatives of transportation user groups; the telecommunications industry; the data
99.1 security and privacy industry; privacy rights advocacy groups; and research and policy
99.2 making bodies. Of these members, five must be appointed by the speaker of the house,
99.3 and five must be appointed by the majority leader of the senate.

99.4 Subd. 2. **Duties of road-user charge working group.** The working group shall
99.5 identify and consider policy and technical issues related to funding state transportation
99.6 infrastructure through implementation of a road-user charge as an alternative to the motor
99.7 fuels tax. The working group shall study and make recommendations concerning cost,
99.8 privacy, jurisdictional issues, feasibility, complexity, public acceptance, use of revenues,
99.9 possible constitutional dedication, security, compliance, data collection technology that
99.10 includes privacy and user options, implementation, and related issues. In addition, the
99.11 working group shall seek and facilitate collaboration with other states; review pilot project
99.12 and implementation results from other states and countries; and explore federal funding
99.13 opportunities.

99.14 Subd. 3. **Report of working group.** By January 15, 2017, the working group shall
99.15 submit a report to the chairs of the committees in the senate and house of representatives
99.16 with primary jurisdiction over transportation policy and transportation finance. The report
99.17 must state findings and recommendations concerning a road-user charge. The report may
99.18 recommend the development by the commissioner of transportation of an implementation
99.19 plan that may:

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

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

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

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

- 99.29 (5) address program and system administration, including but not limited to data
 99.30 privacy, data integrity, and accuracy of information; and
- 99.31 (6) be based in surface transportation finance principles, including:
- 99.32 (i) efficiency, including impacts on road system use and land use;
- 99.33 (ii) equity across road system users and vehicles, including (A) user payment
 99.34 relative to user costs imposed; (B) the distribution of the burden of a fee structure that
 99.35 includes the factors required under Minnesota Statutes, section 270C.13, subdivision 1,
 100.1 clauses (1) to (3); and (C) identification of and possible fiscal offsets for any disparate
 100.2 impact on users based on geographic location of their residency;
- 100.3 (iii) revenue adequacy and long-term suitability of funding after complete
 100.4 implementation;
- 100.5 (iv) environmental impacts and sustainability;
- 100.6 (v) administrative and technical feasibility, including data privacy and protection;
- 100.7 (vi) transparency; and
- 100.8 (vii) accountability.
- 100.9 **Subd. 4. Administrative provisions.** (a) The commissioner of transportation or
 100.10 the commissioner's designee shall convene the initial meeting of the working group no
 100.11 later than September 1, 2015. Upon request of the working group, the commissioner shall
 100.12 provide meeting space and administrative services for the group. The members of the
 100.13 working group shall elect a chair or cochair from the members of the working group at
 100.14 the initial meeting.
- 100.15 (b) Public members of the working group serve without compensation or payment of
 100.16 expenses.
- 100.17 (c) The working group expires May 1, 2017, or upon submission of the report
 100.18 required under subdivision 3, whichever is earlier.
- 100.19 (d) The working group may accept gifts and grants, which are accepted on behalf of
 100.20 the state and constitute donations to the state. Funds received under this paragraph are
 100.21 appropriated to the commissioner of transportation for purposes of the working group.
- 100.22 **Subd. 5. Deadline for appointments and designations.** The appointments and
 100.23 designations for the road-user charge working group must be completed by August 1, 2015.
- 100.24 **Sec. 29. REGULAR ROUTE TRANSIT REQUIREMENT.**

100.25 By September 1, 2015, the Metropolitan Council shall institute regular route transit
 100.26 service to the city of Hastings, provided that the governing body of the city of Hastings
 100.27 has entered into an agreement with the Metropolitan Council, no later than July 1, 2015, to
 100.28 become a part of the transit taxing district under Minnesota Statutes, section 473.4461.

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

100.30 **Sec. 30. ENHANCED ORGANIZATIONAL EFFECTIVENESS AND**
 100.31 **INNOVATION REVIEW.**

100.32 (a) A review and assessment of the organizational structure of the Department of
 100.33 Transportation is required to enhance organizational effectiveness, encourage prudent
 100.34 allocation of resources, and deliver the greatest value to Minnesota. This review and
 101.1 assessment shall be completed by a partnership that includes the Humphrey School of
 101.2 Public Affairs, Carlson School of Management, and the State Smart Transportation
 101.3 Initiative at the University of Wisconsin.

101.4 (b) A preliminary report of this review and assessment shall be submitted to the
 101.5 chairs and ranking minority members of the legislative committees having jurisdiction
 101.6 over transportation policy and finance by December 15, 2015, with the final report
 101.7 submitted by June 30, 2016.

101.8 (c) At a minimum, the review and assessment shall include:

101.9 (1) the relationship of each district, division, office, and section of the department to
 101.10 the state's transportation goals under Minnesota Statutes, section 174.01, the department's
 101.11 mission under Minnesota Statutes, section 174.02, the duties of the commissioner under
 101.12 Minnesota Statutes, section 174.03, the annual performance targets under Minnesota
 101.13 Statutes, section 174.03, subdivision 1c, and adherence to all relevant provisions of state
 101.14 statute and federal law;

101.15 (2) the budget assigned to each district, division, office, and section of the department;

101.16 (3) the ratio of employees to supervisors in each district, division, office, and section
 101.17 of the department;

101.18 (4) recommendations identifying best practices, and comparisons with other state
 101.19 departments of transportation;

101.20 (5) recommendations regarding the appropriate ratio of employees to supervisors
 101.21 for the variety of activities performed by the department;

101.22 (6) recommendations regarding the appropriate increase in department operations
 101.23 resulting from increases in capital investments;

101.24 (7) recommendations regarding the appropriate fiscal responsibility assigned to
 101.25 construction inspectors and engineers;

101.26 (8) recommendations regarding the appropriate, fiscally constrained size of the
101.27 trunk highway system; and

101.28 (9) recommendations regarding how to achieve the appropriate, fiscally constrained
101.29 size of the trunk highway system.

101.30 **EFFECTIVE DATE.** This section is effective July 1, 2015.

101.31 Sec. 31. **ACTIVE TRANSPORTATION PROGRAM DEVELOPMENT.**

101.32 (a) By October 1, 2015, the Advisory Committee on Nonmotorized Transportation
101.33 under Minnesota Statutes, section 174.37, shall develop and submit recommendations to
101.34 each administering authority under Minnesota Statutes, section 174.38, for developing
101.35 project evaluation and selection processes under Minnesota Statutes, section 174.38,
102.1 subdivision 7. The advisory committee may consult with representatives from the
102.2 Bicycle Alliance of Minnesota, Minnesota Chamber of Commerce, Metropolitan
102.3 Council Transportation Accessibility Advisory Committee, Minnesota Department of
102.4 Transportation district area transportation partnerships, Minnesota State Council on
102.5 Disability, organizations representing elderly populations, and public health organizations
102.6 with experience in active transportation.

102.7 (b) In its next annual report under Minnesota Statutes, section 174.37, subdivision
102.8 4, the advisory committee shall include a summary of the recommendations under this
102.9 section and submit a copy to the chairs and ranking minority members of the legislative
102.10 committees with jurisdiction over transportation policy and finance. The report is subject
102.11 to Minnesota Statutes, section 3.195.

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

28.11 Sec. 12. **REVISOR'S INSTRUCTION.**

28.12 In Minnesota Statutes, the revisor of statutes shall rename Minnesota Statutes,
28.13 chapter 296A, to be "Tax on Petroleum and Other Fuels; Gross Receipts Tax."

61.1 Sec. 37. **REPEALER.**

61.2 Minnesota Statutes 2014, section 161.081, subdivision 3, is repealed.

61.3 **EFFECTIVE DATE.** This section is effective July 1, 2015.

36.24 Sec. 6. **REPEALER.**

36.25 Minnesota Statutes 2014, section 473.4051, subdivision 2, is repealed.

36.26 **EFFECTIVE DATE.** This section is effective July 1, 2015.