

1.1 moves to amend H.F. No. 4 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "ARTICLE 1

1.4 TRANSPORTATION APPROPRIATIONS

1.5 Section 1. ROAD AND BRIDGE ACT OF 2015.

1.6 This act is named the "Road and Bridge Act of 2015."

1.7 Sec. 2. SUMMARY OF APPROPRIATIONS.

1.8 The amounts shown in this section summarize direct appropriations by fund made
1.9 in this act, and do not have legal effect.

	<u>2016</u>		<u>2017</u>		<u>Total</u>	
1.10						
1.11	<u>General</u>	\$ 64,361,000	\$	<u>40,875,000</u>	\$	<u>105,236,000</u>
1.12	<u>Airports</u>	<u>25,109,000</u>		<u>25,109,000</u>		<u>50,218,000</u>
1.13	<u>C.S.A.H.</u>	<u>844,521,000</u>		<u>786,152,000</u>		<u>1,630,673,000</u>
1.14	<u>M.S.A.S.</u>	<u>218,127,000</u>		<u>197,506,000</u>		<u>415,633,000</u>
1.15	<u>Special Revenue</u>	<u>65,972,000</u>		<u>53,975,000</u>		<u>119,947,000</u>
1.16	<u>H.U.T.D.</u>	<u>10,436,000</u>		<u>10,449,000</u>		<u>20,885,000</u>
1.17	<u>Trunk Highway</u>	<u>1,759,687,000</u>		<u>1,809,068,000</u>		<u>3,568,755,000</u>
1.18	<u>Transportation Stability</u>	<u>25,000,000</u>		<u>25,000,000</u>		<u>50,000,000</u>
1.19	<u>Transit Assistance</u>	<u>331,340,000</u>		<u>351,910,000</u>		<u>683,250,000</u>
1.20	<u>Total</u>	<u>\$ 3,344,553,000</u>	<u>\$</u>	<u>3,300,044,000</u>	<u>\$</u>	<u>6,644,597,000</u>

1.21 Sec. 3. TRANSPORTATION APPROPRIATIONS.

1.22 The sums shown in the columns marked "Appropriations" are appropriated to
1.23 the agencies and for the purposes specified in this article. The appropriations are from
1.24 the trunk highway fund, or another named fund, and are available for the fiscal years
1.25 indicated for each purpose. Amounts for "Total Appropriation" and sums shown in
1.26 the corresponding columns marked "Appropriations by Fund" are summary only and

2.1 do have legal effect. The figures "2016" and "2017" used in this article mean that the
 2.2 appropriations listed under them are available for the fiscal year ending June 30, 2016, or
 2.3 June 30, 2017, respectively. "The first year" is fiscal year 2016. "The second year" is fiscal
 2.4 year 2017. "The biennium" is fiscal years 2016 and 2017.

APPROPRIATIONS
Available for the Year
Ending June 30
2016 2017

2.9 **Sec. 4. DEPARTMENT OF**
 2.10 **TRANSPORTATION**

2.11 **Subdivision 1. Total Appropriation** \$ **2,869,033,000** \$ **2,830,817,000**

<u>Appropriations by Fund</u>	<u>2016</u>	<u>2017</u>
2.13 <u>General</u>	<u>18,058,000</u>	<u>18,058,000</u>
2.14 <u>Airports</u>	<u>25,109,000</u>	<u>25,109,000</u>
2.15 <u>C.S.A.H.</u>	<u>844,521,000</u>	<u>768,152,000</u>
2.16 <u>M.S.A.S.</u>	<u>218,127,000</u>	<u>197,506,000</u>
2.17 <u>Special Revenue</u>	<u>10,032,000</u>	<u>0</u>
2.18 <u>Trunk Highway</u>	<u>1,663,396,000</u>	<u>1,710,832,000</u>
2.19 <u>Transportation</u>		
2.20 <u>Stability</u>	<u>25,000,000</u>	<u>25,000,000</u>
2.21 <u>Transit Assistance</u>	<u>64,790,000</u>	<u>68,160,000</u>

2.23 The amounts that may be spent for each
 2.24 purpose are specified in the following
 2.25 subdivisions.

2.26 **Subd. 2. Multimodal Systems**

2.27 **(a) Aeronautics Activity**

2.28 **(1) Airport Development and Assistance** 19,798,000 19,798,000

2.29 This appropriation is from the state
 2.30 airports fund and must be spent according
 2.31 to Minnesota Statutes, section 360.305,
 2.32 subdivision 4.

2.33 The base appropriation in each of fiscal years
 2.34 2018 and 2019 is \$14,323,000.

2.35 Notwithstanding Minnesota Statutes, section
 2.36 16A.28, subdivision 6, this appropriation

3.1 is available for five years after the date of
 3.2 appropriation.

3.3 If the appropriation for either year is
 3.4 insufficient, the appropriation for the other
 3.5 year is available for it.

3.6 **(2) Aviation Support and Services** 6,411,000 6,411,000

<u>Appropriations by Fund</u>		
	<u>2016</u>	<u>2017</u>
3.7		
3.8		
3.9	<u>5,311,000</u>	<u>5,311,000</u>
3.10	<u>1,100,000</u>	<u>1,100,000</u>

3.11 \$80,000 in each year is from the state airports
 3.12 fund for the Civil Air Patrol.

3.13 The base appropriation from the general
 3.14 fund in each of fiscal years 2018 and 2019 is
 3.15 \$1,100,000.

3.16 The base appropriation from the trunk
 3.17 highway fund in fiscal year 2018 and
 3.18 thereafter is \$0.

3.19 **(b) Transit** 82,810,000 86,180,000

<u>Appropriations by Fund</u>		
	<u>2016</u>	<u>2017</u>
3.20		
3.21		
3.22	<u>17,245,000</u>	<u>17,245,000</u>
3.23	<u>775,000</u>	<u>775,000</u>
3.24	<u>64,790,000</u>	<u>68,160,000</u>

3.25 The transit assistance fund appropriation is
 3.26 from the greater Minnesota transit account
 3.27 under Minnesota Statutes, section 16A.88.

3.28 The base appropriation from the general
 3.29 fund in each of fiscal years 2018 and 2019
 3.30 is \$18,020,000.

3.31 The base appropriation from the transit
 3.32 assistance fund in fiscal year 2018 and
 3.33 thereafter is as provided in Minnesota
 3.34 Statutes, section 16A.88, subdivision 1a.

4.1 The base appropriation from the trunk
 4.2 highway fund in fiscal year 2018 and
 4.3 thereafter is \$0.

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

4.5 This appropriation is from the general fund
 4.6 for the safe routes to school program under
 4.7 Minnesota Statutes, section 174.40.

4.8 **(d) Freight** 15,153,000 5,153,000

4.9	<u>Appropriations by Fund</u>		
4.10		<u>2016</u>	<u>2017</u>
4.11	<u>General</u>	<u>256,000</u>	<u>256,000</u>
4.12	<u>Special Revenue</u>	<u>10,000,000</u>	<u>0</u>
4.13	<u>Trunk Highway</u>	<u>4,897,000</u>	<u>4,897,000</u>

4.14 Of the special revenue fund appropriation,
 4.15 \$5,000,000 in the first year is from the
 4.16 vehicle services operating account for port
 4.17 development assistance program grants
 4.18 under Minnesota Statutes, chapter 457A.
 4.19 Any improvements made with the proceeds
 4.20 of these grants must be publicly owned. This
 4.21 is a onetime appropriation, and is available
 4.22 in the second year.

4.23 Of the special revenue fund appropriation,
 4.24 \$5,000,000 in the first year is from the
 4.25 vehicle services operating account for the
 4.26 rail service improvement program, for the
 4.27 purposes set forth in Minnesota Statutes,
 4.28 section 222.50, subdivision 7. This is a
 4.29 onetime appropriation, and is available in the
 4.30 second year.

4.31 The base appropriation from the general
 4.32 fund in each of fiscal years 2018 and 2019 is
 4.33 \$5,153,000.

5.1 The base appropriation from the trunk
 5.2 highway fund in fiscal year 2018 and
 5.3 thereafter is \$0.

5.4 Subd. 3. State Roads

5.5 (a) Operations and Maintenance Activity

5.6 (1) General Operations and Maintenance 221,083,000 234,915,000

5.7 The base appropriation in fiscal year 2018
 5.8 and thereafter is as provided in Minnesota
 5.9 Statutes, section 161.04, subdivision 7.

5.10 (2) Snow and Ice Management 65,000,000 65,000,000

5.11 For snow plowing, anti-icing treatment, ice
 5.12 removal, and related expenses.

5.13 If the appropriation in either year is
 5.14 insufficient, the appropriation in the other
 5.15 year is available.

5.16 If the appropriation in the second year is
 5.17 insufficient, the commissioner may transfer
 5.18 an amount of up to ten percent of the snow
 5.19 and ice management appropriation for the
 5.20 biennium from the appropriation for general
 5.21 operations and maintenance under clause (1)
 5.22 of this paragraph.

5.23 If a balance remains in this appropriation, the
 5.24 commissioner may transfer up to that amount
 5.25 for general operations and maintenance
 5.26 under clause (1).

5.27 (b) Program Planning and Delivery Activity

5.28 (1) Planning 30,079,000 30,079,000

5.29 If a balance remains in this appropriation, the
 5.30 commissioner may transfer up to that amount
 5.31 for program delivery under clause (2).

5.32 (2) Program Delivery 179,946,000 166,758,000

6.1 This appropriation includes use of consultants
6.2 to support development and management of
6.3 projects.

6.4 The base appropriation in fiscal year 2018
6.5 is \$164,238,000 and in fiscal year 2019 is
6.6 \$150,563,000.

6.7 \$250,000 in the first year is for the
6.8 interchange safety improvement study under
6.9 article 4, section 55, of this act.

6.10 \$130,000 in each year is available for
6.11 administrative costs of the department's
6.12 targeted group business program.

6.13 \$266,000 in each year is available for grants
6.14 to metropolitan planning organizations
6.15 outside the seven-county metropolitan area.

6.16 \$900,000 in each year is available for
6.17 grants for transportation studies outside
6.18 the metropolitan area to identify critical
6.19 concerns, problems, and issues. These
6.20 grants are available: (1) to regional
6.21 development commissions; (2) in regions
6.22 where no regional development commission
6.23 is functioning and to joint powers boards
6.24 established under agreement of two or
6.25 more political subdivisions in the region to
6.26 exercise the planning functions of a regional
6.27 development commission; and (3) in regions
6.28 where no regional development commission
6.29 or joint powers board is functioning, to the
6.30 department's district office for that region.

6.31 \$1,000,000 in each year is available
6.32 for management of contaminated and
6.33 regulated material on property owned by
6.34 the Department of Transportation, including

7.1 mitigation of property conveyances, facility
 7.2 acquisition or expansion, chemical release at
 7.3 maintenance facilities, and spills on the trunk
 7.4 highway system where there is no known
 7.5 responsible party. If the appropriation for
 7.6 either year is insufficient, the appropriation
 7.7 for the other year is available for it.

7.8 An amount up to the unexpended balance
 7.9 in the appropriation under Laws 2012, 1st
 7.10 special session, chapter 1, article 1, section
 7.11 4, subdivision 3, is available for the purposes
 7.12 stated in Minnesota Statutes, section 12A.16,
 7.13 subdivision 2.

7.14 <u>(c) State Road Construction</u>	<u>897,889,000</u>	<u>905,356,000</u>
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7.15 This appropriation is for the actual
 7.16 construction, reconstruction, and
 7.17 improvement of trunk highways, including
 7.18 design-build contracts. This includes the cost
 7.19 of actual payment to landowners for lands
 7.20 acquired for highway rights-of-way, payment
 7.21 to lessees, interest subsidies, and relocation
 7.22 expenses.

7.23 The base appropriation in fiscal year 2018
 7.24 and thereafter is as provided in Minnesota
 7.25 Statutes, section 161.04, subdivision 7.

7.26 \$1,000,000 in the first year is to complete
 7.27 projects using funds made available to
 7.28 the commissioner of transportation under
 7.29 title XII of the American Recovery and
 7.30 Reinvestment Act of 2009, Public Law 111-5
 7.31 and implemented under Minnesota Statutes,
 7.32 section 161.36, subdivision 7.

7.33 The commissioner may expend up to one-half
 7.34 of one percent of the federal appropriations

8.1 under this paragraph as grants to opportunity
 8.2 industrialization centers and other nonprofit
 8.3 job training centers for job training programs
 8.4 related to highway construction.

8.5 The commissioner may transfer up to
 8.6 \$15,000,000 each year to the transportation
 8.7 revolving loan fund.

8.8 The commissioner may collect receipts for
 8.9 the partners' share of partnership projects.
 8.10 These receipts are appropriated to the
 8.11 commissioner for these projects.

8.12 **(d) Highway Debt Service** 197,103,000 236,428,000

8.13 \$187,603,000 the first year and \$226,928,000
 8.14 the second year are for transfer to the
 8.15 state bond fund. If this appropriation is
 8.16 insufficient to make all transfers required
 8.17 in the year for which it is made, the
 8.18 commissioner of management and budget
 8.19 shall transfer that amount under the statutory
 8.20 open appropriation, and notify the chairs
 8.21 and ranking minority members of the
 8.22 legislative committees with jurisdiction over
 8.23 transportation finance and the chairs of the
 8.24 Committee on Finance of the senate and
 8.25 the Committee on Ways and Means of the
 8.26 house of representatives of the amount of the
 8.27 deficiency. Any excess appropriation cancels
 8.28 to the trunk highway fund.

8.29 The base appropriation in fiscal year 2018
 8.30 is \$262,899,000 and in fiscal year 2019 is
 8.31 \$281,012,000.

8.32 **(e) Statewide Radio Communications** 5,171,000 5,171,000

8.33 Appropriations by Fund
 8.34 2016 2017

9.1	<u>General</u>	<u>3,000</u>	<u>3,000</u>
9.2	<u>Special Revenue</u>	<u>32,000</u>	<u>0</u>
9.3	<u>Trunk Highway</u>	<u>5,168,000</u>	<u>5,168,000</u>

9.4 The general fund appropriation is to equip
 9.5 and operate the Roosevelt signal tower for
 9.6 Lake of the Woods weather broadcasting.

9.7 The special revenue fund appropriation is
 9.8 from the vehicle services operating account
 9.9 for a weather transmitter in Lake of the Woods
 9.10 County. This is a onetime appropriation.

9.11 The base appropriation from the general
 9.12 fund in each of fiscal years 2018 and 2019 is
 9.13 \$5,171,000.

9.14 The base appropriation from the trunk
 9.15 highway fund in fiscal year 2018 and
 9.16 thereafter is \$0.

9.17 Subd. 4. **Local Roads**

9.18	<u>(a) County State-Aid</u>	<u>844,521,000</u>	<u>768,152,000</u>
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9.19 This appropriation is from the county
 9.20 state-aid highway fund under Minnesota
 9.21 Statutes, section 161.081, and chapter 162,
 9.22 and is available until spent.

9.23 If the commissioner of transportation
 9.24 determines that a balance remains in the
 9.25 county state-aid highway fund following
 9.26 the appropriations and transfers made in
 9.27 this subdivision, and that the appropriations
 9.28 made are insufficient for advancing county
 9.29 state-aid highway projects, an amount
 9.30 necessary to advance the projects, not to
 9.31 exceed the balance in the county state-aid
 9.32 highway fund, is appropriated in each year
 9.33 to the commissioner. Within two weeks
 9.34 of a determination under this contingent

10.1 appropriation, the commissioner of
 10.2 transportation shall notify the commissioner
 10.3 of management and budget and the chairs
 10.4 and ranking minority members of the
 10.5 legislative committees with jurisdiction
 10.6 over transportation finance concerning
 10.7 funds appropriated. The commissioner shall
 10.8 include in the next budget submission to
 10.9 the legislature under Minnesota Statutes,
 10.10 section 16A.11, any additional amount that is
 10.11 appropriated under this paragraph.

10.12 <u>(b) Municipal State-Aid</u>	<u>218,127,000</u>	<u>197,506,000</u>
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10.13 This appropriation is from the municipal
 10.14 state-aid street fund under Minnesota
 10.15 Statutes, chapter 162, and is available until
 10.16 spent.

10.17 If the commissioner of transportation
 10.18 determines that a balance remains in the
 10.19 municipal state-aid street fund following the
 10.20 appropriations and transfers made in this
 10.21 subdivision, and that the appropriations made
 10.22 are insufficient for advancing municipal
 10.23 state-aid street projects, an amount necessary
 10.24 to advance the projects, not to exceed
 10.25 the balance in the municipal state-aid
 10.26 street fund, is appropriated in each year
 10.27 to the commissioner. Within two weeks
 10.28 of a determination under this contingent
 10.29 appropriation, the commissioner of
 10.30 transportation shall notify the commissioner
 10.31 of management and budget and the chairs
 10.32 and ranking minority members of the
 10.33 legislative committees with jurisdiction
 10.34 over transportation finance concerning
 10.35 funds appropriated. The commissioner shall

11.1 include in the next budget submission to
 11.2 the legislature under Minnesota Statutes,
 11.3 section 16A.11, any additional amount that is
 11.4 appropriated under this paragraph.

11.5 **(c) Small Cities Assistance** 25,000,000 25,000,000

11.6 This appropriation is from the small cities
 11.7 assistance account in the transportation
 11.8 stability fund under Minnesota Statutes,
 11.9 section 162.145, for small cities assistance
 11.10 under that section.

11.11 The base appropriation in fiscal year 2018
 11.12 is \$27,500,000 and in fiscal year 2019 is
 11.13 \$27,900,000.

11.14 **Subd. 5. Agency Management**

11.15 **(a) Agency Services** 41,972,000 41,972,000

11.16 The base appropriation from the general
 11.17 fund in each of fiscal years 2018 and 2019
 11.18 is \$41,972,000.

11.19 The base appropriation from the trunk
 11.20 highway fund in fiscal year 2018 and
 11.21 thereafter is \$0.

11.22 **(b) Buildings** 17,838,000 17,838,000

11.23	<u>Appropriations by Fund</u>		
11.24		<u>2016</u>	<u>2017</u>
11.25	<u>General</u>	<u>54,000</u>	<u>54,000</u>
11.26	<u>Trunk Highway</u>	<u>17,784,000</u>	<u>17,784,000</u>

11.27 The base appropriation from the general
 11.28 fund in each of fiscal years 2018 and 2019
 11.29 is \$17,838,000.

11.30 The base appropriation from the trunk
 11.31 highway fund in fiscal year 2018 and
 11.32 thereafter is \$0.

12.1 Any money appropriated to the commissioner
 12.2 of transportation for building construction
 12.3 for any fiscal year before 2016 is available
 12.4 to the commissioner of transportation
 12.5 during the biennium to the extent that the
 12.6 commissioner spends the money on the
 12.7 building construction projects for which the
 12.8 money was originally encumbered during the
 12.9 fiscal year for which it was appropriated.

12.10 If the appropriation for either year is
 12.11 insufficient, the appropriation for the other
 12.12 year is available for it.

12.13 **(c) Tort Claims** 600,000 600,000

12.14 This appropriation is to the commissioner of
 12.15 transportation. If the appropriation for either
 12.16 year is insufficient, the appropriation for the
 12.17 other year is available for it.

12.18 **Subd. 6. Flexible Highway Account Transfers**

12.19 The commissioner of transportation shall
 12.20 transfer from the flexible highway account in
 12.21 the county state-aid highway fund the entire
 12.22 amount in each year to the county turnback
 12.23 account in the county state-aid highway
 12.24 fund. The funds transferred are for highway
 12.25 turnback purposes under Minnesota Statutes,
 12.26 section 161.081, subdivision 3.

12.27 **Subd. 7. State Road Construction**
 12.28 **Appropriations Carryforward**

12.29 Any money appropriated to the commissioner
 12.30 of transportation for state road construction
 12.31 for any fiscal year before fiscal year 2016
 12.32 is available to the commissioner during the
 12.33 biennium to the extent that the commissioner
 12.34 spends the money on the state road

13.1 construction project for which the money
 13.2 was originally encumbered during the fiscal
 13.3 year for which it was appropriated.

13.4 **Subd. 8. Contingent Appropriation**

13.5 The commissioner of transportation, with
 13.6 the approval of the governor and the
 13.7 written approval of at least five members
 13.8 of a group consisting of the members of
 13.9 the Legislative Advisory Commission
 13.10 under Minnesota Statutes, section 3.30,
 13.11 and the ranking minority members of the
 13.12 legislative committees with jurisdiction over
 13.13 transportation finance, may transfer all or
 13.14 part of the unappropriated balance in the
 13.15 trunk highway fund to an appropriation:
 13.16 (1) for trunk highway design, construction,
 13.17 or inspection in order to take advantage of
 13.18 an unanticipated receipt of income to the
 13.19 trunk highway fund or to take advantage
 13.20 of federal advanced construction funding;
 13.21 (2) for trunk highway maintenance in order
 13.22 to meet an emergency; or (3) to pay tort
 13.23 or environmental claims. Nothing in this
 13.24 subdivision authorizes the commissioner
 13.25 to increase the use of federal advanced
 13.26 construction funding beyond amounts
 13.27 specifically authorized. Any transfer as
 13.28 a result of the use of federal advanced
 13.29 construction funding must include an
 13.30 analysis of the effects on the long-term
 13.31 trunk highway fund balance. The amount
 13.32 transferred is appropriated for the purpose of
 13.33 the account to which it is transferred.

13.34 **Sec. 5. METROPOLITAN COUNCIL**

13.35 **Subdivision 1. Total Appropriation** **\$ 301,514,000** **\$ 295,109,000**

14.1	<u>Appropriations by Fund</u>		
14.2		<u>2016</u>	<u>2017</u>
14.3	<u>General</u>	<u>33,264,000</u>	<u>9,659,000</u>
14.4	<u>Special Revenue</u>	<u>1,700,000</u>	<u>1,700,000</u>
14.5	<u>Transit Assistance</u>	<u>266,550,000</u>	<u>283,750,000</u>

14.6 The amounts that may be spent for each
 14.7 purpose are specified in the following
 14.8 subdivisions.

14.9	<u>Subd. 2. Transit Operations</u>	<u>299,814,000</u>	<u>293,409,000</u>
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14.10	<u>Appropriations by Fund</u>		
14.11		<u>2016</u>	<u>2017</u>
14.12	<u>General</u>	<u>33,264,000</u>	<u>9,659,000</u>
14.13	<u>Transit Assistance</u>	<u>266,550,000</u>	<u>283,750,000</u>

14.14 The transit assistance fund appropriation is
 14.15 from the metropolitan area transit account
 14.16 under Minnesota Statutes, section 16A.88.

14.17 This appropriation is for transit system
 14.18 operations under Minnesota Statutes,
 14.19 sections 473.371 to 473.449.

14.20 The base appropriation from the general
 14.21 fund in fiscal year 2018 and thereafter is
 14.22 as provided in Minnesota Statutes, section
 14.23 473.13, subdivision 6.

14.24 The base appropriation from the transit
 14.25 assistance fund in fiscal year 2018 and
 14.26 thereafter is as provided in Minnesota
 14.27 Statutes, section 16A.88, subdivision 2.

14.28 To the extent that appropriations from the
 14.29 general fund are reduced in this subdivision
 14.30 from base appropriations for each fiscal
 14.31 year, the amount appropriated from the
 14.32 metropolitan area transit account that is in
 14.33 excess of the amount appropriated in fiscal
 14.34 year 2015 must be allocated first to purposes

15.1 identified in the Metropolitan Council 2015
 15.2 unified budget as adopted in December, 2014,
 15.3 and funded from general fund appropriations,
 15.4 including Metro Mobility service.

15.5 In each of the 2016 and 2017 Metropolitan
 15.6 Council budget years, the Metropolitan
 15.7 Council shall provide financial assistance to
 15.8 suburban transit providers under Minnesota
 15.9 Statutes, section 473.388, in an amount that
 15.10 equals no less than:

15.11 (1) the total assistance identified in the
 15.12 Metropolitan Council 2015 unified budget as
 15.13 adopted in December, 2014; plus

15.14 (2) the amount under clause (1) multiplied
 15.15 by a percentage, calculated as (i) the total
 15.16 amount in the metropolitan area transit
 15.17 account for fiscal year 2016 or 2017, as
 15.18 appropriate, less the total amount in that
 15.19 account for the previous fiscal year; divided
 15.20 by (ii) the total amount in that account for the
 15.21 previous fiscal year.

15.22 **Subd. 3. Suburban Connections Demonstration**
 15.23 **Project**

1,500,000

1,500,000

15.24 (a) This appropriation is from the vehicle
 15.25 services operating account in the special
 15.26 revenue fund for financial assistance
 15.27 to replacement service providers under
 15.28 Minnesota Statutes, section 473.388, to
 15.29 implement a demonstration project that
 15.30 provides regular route transit or express
 15.31 bus service between municipalities in the
 15.32 metropolitan area, as defined in Minnesota
 15.33 Statutes, section 473.121, subdivision 2,
 15.34 excluding cities of the first class. The
 15.35 council may not retain any portion of funds

16.1 appropriated under this section. Following
 16.2 notification under paragraph (b), the council
 16.3 shall allocate the appropriated funds as
 16.4 directed by the replacement service providers.

16.5 (b) The replacement service providers
 16.6 shall collectively identify one or more
 16.7 demonstration projects for financial
 16.8 assistance under this section and submit
 16.9 a notification of the allocation to the
 16.10 Metropolitan Council. Criteria for evaluating
 16.11 and identifying demonstration projects
 16.12 must include but are not limited to: (1)
 16.13 scope of service offering improvements;
 16.14 (2) integration with transit facilities and
 16.15 major business, retail, or suburban centers;
 16.16 (3) extent to which a proposed route
 16.17 complements existing transit service; and
 16.18 (4) density of employment along a proposed
 16.19 route.

16.20 (c) This is a onetime appropriation.

16.21 **Subd. 4. Transportation Management**
 16.22 **Organizations**

200,000

200,000

16.23 This appropriation is from the vehicle
 16.24 services operating account in the special
 16.25 revenue fund for grants to transportation
 16.26 management organizations that provide
 16.27 services exclusively or primarily in: (1)
 16.28 each city of the first class, as provided
 16.29 under section 410.01; and (2) the city
 16.30 having the highest population as of the
 16.31 effective date of this section located along
 16.32 the marked Interstate Highway 494 corridor.
 16.33 The council may not retain any portion
 16.34 of funds appropriated under this section.
 16.35 From the appropriation in each fiscal year,

17.1 the council shall make grant payments in
 17.2 full by July 31. Permissible uses of funds
 17.3 under this section include administrative
 17.4 expenses and programming and service
 17.5 expansion, including but not limited to
 17.6 staffing, communications, outreach and
 17.7 education program development, and
 17.8 operations management. This is a onetime
 17.9 appropriation.

17.10 **Sec. 6. PUBLIC SAFETY**

17.11 **Subdivision 1. Total Appropriation** **\$ 174,006,000 \$ 175,818,000**

		<u>Appropriations by Fund</u>	
		<u>2016</u>	<u>2017</u>
17.12			
17.13			
17.14	<u>General</u>	<u>13,039,000</u>	<u>13,158,000</u>
17.15	<u>Special Revenue</u>	<u>54,240,000</u>	<u>53,975,000</u>
17.16	<u>H.U.T.D.</u>	<u>10,436,000</u>	<u>10,449,000</u>
17.17	<u>Trunk Highway</u>	<u>96,291,000</u>	<u>98,236,000</u>

17.18 The amounts that may be spent for each
 17.19 purpose are specified in the following
 17.20 subdivisions.

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

17.22 **(a) Office of Communications** **517,000 530,000**

		<u>Appropriations by Fund</u>	
		<u>2016</u>	<u>2017</u>
17.23			
17.24			
17.25	<u>General</u>	<u>113,000</u>	<u>115,000</u>
17.26	<u>Trunk Highway</u>	<u>404,000</u>	<u>415,000</u>

17.27 The base appropriation from the general
 17.28 fund in each of fiscal years 2018 and 2019
 17.29 is \$530,000.

17.30 The base appropriation from the trunk
 17.31 highway fund in fiscal year 2018 and
 17.32 thereafter is \$0.

17.33 **(b) Public Safety Support** **8,585,000 8,674,000**

18.1	<u>Appropriations by Fund</u>	
18.2	<u>2016</u>	<u>2017</u>
18.3	<u>General</u>	<u>3,532,000</u>
18.4	<u>H.U.T.D.</u>	<u>1,366,000</u>
18.5	<u>Trunk Highway</u>	<u>3,687,000</u>

18.6 The base appropriation from the general
 18.7 fund in each of fiscal years 2018 and 2019 is
 18.8 \$8,674,000.

18.9 The base appropriation from the highway
 18.10 user tax distribution fund in fiscal year 2018
 18.11 and thereafter is \$0.

18.12 The base appropriation from the trunk
 18.13 highway fund in fiscal year 2018 and
 18.14 thereafter is \$0.

18.15 \$380,000 in each year is from the general
 18.16 fund for payment of public safety officer
 18.17 survivor benefits under Minnesota Statutes,
 18.18 section 299A.44. If the appropriation for
 18.19 either year is insufficient, the appropriation
 18.20 for the other year is available for it.

18.21 \$1,367,000 in each year is from the general
 18.22 fund to be deposited in the public safety
 18.23 officer's benefit account. This money
 18.24 is available for reimbursements under
 18.25 Minnesota Statutes, section 299A.465.

18.26 \$600,000 in each year is from the general
 18.27 fund and \$100,000 in each year is from the
 18.28 trunk highway fund for soft body armor
 18.29 reimbursements under Minnesota Statutes,
 18.30 section 299A.38.

18.31 \$792,000 in each year is from the general
 18.32 fund for transfer by the commissioner of
 18.33 management and budget to the trunk highway
 18.34 fund on December 31, 2015, and December

19.1 31, 2016, respectively, in order to reimburse
 19.2 the trunk highway fund for expenses not
 19.3 related to the fund. These represent amounts
 19.4 appropriated out of the trunk highway
 19.5 fund for general fund purposes in the
 19.6 administration and related services program.

19.7 \$610,000 in each year is from the highway
 19.8 user tax distribution fund for transfer by the
 19.9 commissioner of management and budget
 19.10 to the trunk highway fund on December 31,
 19.11 2015, and December 31, 2016, respectively,
 19.12 in order to reimburse the trunk highway
 19.13 fund for expenses not related to the fund.

19.14 These represent amounts appropriated out
 19.15 of the trunk highway fund for highway
 19.16 user tax distribution fund purposes in the
 19.17 administration and related services program.

19.18 **(c) Technology and Support Services** 3,685,000 3,685,000

19.19	<u>Appropriations by Fund</u>		
19.20		<u>2016</u>	<u>2017</u>
19.21	<u>General</u>	<u>1,322,000</u>	<u>1,322,000</u>
19.22	<u>H.U.T.D.</u>	<u>19,000</u>	<u>19,000</u>
19.23	<u>Trunk Highway</u>	<u>2,344,000</u>	<u>2,344,000</u>

19.24 The base appropriation from the general
 19.25 fund in each of fiscal years 2018 and 2019 is
 19.26 \$3,685,000.

19.27 The base appropriation from the highway
 19.28 user tax distribution fund in fiscal year 2018
 19.29 and thereafter is \$0.

19.30 The base appropriation from the trunk
 19.31 highway fund in fiscal year 2018 and
 19.32 thereafter is \$0.

19.33 **Subd. 3. State Patrol**

19.34 **(a) Patrolling Highways** 82,516,000 83,121,000

20.1	<u>Appropriations by Fund</u>		
20.2		<u>2016</u>	<u>2017</u>
20.3	<u>General</u>	<u>37,000</u>	<u>37,000</u>
20.4	<u>Special Revenue</u>	<u>1,000,000</u>	<u>0</u>
20.5	<u>H.U.T.D.</u>	<u>92,000</u>	<u>92,000</u>
20.6	<u>Trunk Highway</u>	<u>81,387,000</u>	<u>82,992,000</u>

20.7 \$975,000 from the trunk highway fund in
 20.8 fiscal year 2016 is to purchase a single engine
 20.9 aircraft for the State Patrol and exclusively
 20.10 for public safety purposes.

20.11 The special revenue fund appropriation is
 20.12 from the vehicle services operating account
 20.13 to recruit, hire, train, equip, and provide
 20.14 salary for additional State Patrol troopers.

20.15 This is a onetime appropriation.

20.16	<u>(b) Commercial Vehicle Enforcement</u>	<u>8,023,000</u>	<u>8,257,000</u>
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20.17	<u>(c) Capitol Security</u>	<u>8,035,000</u>	<u>8,147,000</u>
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20.18 This appropriation is from the general fund.

20.19 The commissioner may not: (1) spend
 20.20 any money from the trunk highway fund
 20.21 for capitol security; or (2) permanently
 20.22 transfer any state trooper from the patrolling
 20.23 highways activity to capitol security.

20.24 The commissioner may not transfer any
 20.25 money appropriated to the commissioner
 20.26 under this section: (1) to capitol security; or
 20.27 (2) from capitol security.

20.28	<u>(d) Vehicle Crimes Unit</u>	<u>723,000</u>	<u>736,000</u>
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20.29 This appropriation is from the highway user
 20.30 tax distribution fund.

20.31 This appropriation is to investigate: (1)
 20.32 registration tax and motor vehicle sales tax
 20.33 liabilities from individuals and businesses

21.1 that currently do not pay all taxes owed;
 21.2 and (2) illegal or improper activity related
 21.3 to sale, transfer, titling, and registration of
 21.4 motor vehicles.

21.5 **Subd. 4. Driver and Vehicle Services**

21.6 **(a) Driver Services** 30,078,000 30,532,000

21.7 This appropriation is from the driver services
 21.8 operating account in the special revenue fund.

21.9 Of the appropriation from the driver services
 21.10 operating account, \$31,000 in each year is
 21.11 to create a Data Services Unit within the
 21.12 Division of Driver and Vehicle Services.

21.13 **(b) Vehicle Services** 30,027,000 30,291,000

21.14 Appropriations by Fund

	<u>2016</u>	<u>2017</u>
21.15 <u>Special Revenue</u>	<u>21,791,000</u>	<u>22,055,000</u>
21.16 <u>H.U.T.D.</u>	<u>8,236,000</u>	<u>8,236,000</u>

21.18 The special revenue fund appropriation is
 21.19 from the vehicle services operating account
 21.20 in the special revenue fund.

21.21 Of the appropriation from the vehicle
 21.22 services operating account, \$59,000 in each
 21.23 year is to create a Data Services Unit within
 21.24 the Division of Driver and Vehicle Services.

21.25 **Subd. 5. Traffic Safety** 446,000 457,000

21.26 **Subd. 6. Pipeline Safety** 1,371,000 1,388,000

21.27 This appropriation is from the pipeline safety
 21.28 account in the special revenue fund.

21.29 **Sec. 7. TRANSFERS; GENERAL FUND.**

21.30 On or before June 30, 2015, the commissioner of management and budget shall
 21.31 transfer \$228,000,000 from the general fund as follows:

21.32 (1) \$114,474,000 to the county state-aid highway fund;

23.1 **Sec. 3. DEPARTMENT OF**
 23.2 **TRANSPORTATION**

23.3 **Subdivision 1. Corridors of Commerce** **\$ 812,500,000**

23.4 This appropriation is to the commissioner of
 23.5 transportation for the corridors of commerce
 23.6 program under Minnesota Statutes, section
 23.7 161.088.

23.8 Of this appropriation, \$125,000,000 is
 23.9 available in each of fiscal years 2016 to 2021,
 23.10 and \$62,500,000 is available in fiscal year
 23.11 2022.

23.12 In any fiscal year covered by this
 23.13 appropriation, the commissioner may
 23.14 identify projects based on previous selection
 23.15 processes or may perform a new selection.

23.16 For projects within the department's
 23.17 metropolitan district, the commissioner
 23.18 shall first select projects that: (1) are
 23.19 recommended under section 161.088,
 23.20 subdivision 5, paragraph (b), from previous
 23.21 selection processes; (2) are on non-Interstate
 23.22 Highways having an average annual daily
 23.23 traffic volume of at least 50,000; and (3)
 23.24 provide for capacity expansion through
 23.25 additional general purpose or auxiliary lanes
 23.26 of travel.

23.27 For projects outside of the department's
 23.28 metropolitan district, the commissioner
 23.29 shall first select any projects which are
 23.30 not completed and in which: (1) funds
 23.31 have been previously provided under the
 23.32 corridors of commerce program for right of
 23.33 way acquisition, design, or environmental
 23.34 analysis; and (2) the project provides for

24.1	<u>capacity expansion through additional</u>	
24.2	<u>general purpose or auxiliary lanes of travel.</u>	
24.3	<u>Subd. 2. Transportation Economic</u>	
24.4	<u>Development</u>	<u>32,500,000</u>
24.5	<u>This appropriation is for the transportation</u>	
24.6	<u>economic development program under</u>	
24.7	<u>Minnesota Statutes, section 174.12.</u>	
24.8	<u>Of this appropriation, \$5,000,000 is available</u>	
24.9	<u>in each of fiscal years 2016 to 2021, and</u>	
24.10	<u>\$2,500,000 is available in fiscal year 2022.</u>	
24.11	<u>Subd. 3. State Road Construction</u>	<u>455,000,000</u>
24.12	<u>This appropriation is for the construction,</u>	
24.13	<u>reconstruction, and improvement of trunk</u>	
24.14	<u>highways, including design-build contracts.</u>	
24.15	<u>This includes the cost of actual payment to</u>	
24.16	<u>landowners for lands acquired for highway</u>	
24.17	<u>rights-of-way, payment to lessees, interest</u>	
24.18	<u>subsidies, and relocation expenses.</u>	
24.19	<u>Of this appropriation, \$70,000,000 is</u>	
24.20	<u>available in each of fiscal years 2016 to 2021,</u>	
24.21	<u>and \$35,000,000 is available in fiscal year</u>	
24.22	<u>2022.</u>	
24.23	<u>Subd. 4. Cancellations</u>	
24.24	<u>The appropriations in this section cancel as</u>	
24.25	<u>specified under Minnesota Statutes, section</u>	
24.26	<u>16A.642, except that the commissioner of</u>	
24.27	<u>management and budget shall count the start</u>	
24.28	<u>of authorization for issuance of state bonds</u>	
24.29	<u>as the first day of the fiscal year during</u>	
24.30	<u>which the bonds are available to be issued as</u>	
24.31	<u>specified under subdivision 1, 2, or 3, and</u>	
24.32	<u>not as the date of enactment of this section.</u>	
24.33	<u>Sec. 4. BOND SALE EXPENSES</u>	<u>\$ 1,300,000</u>

25.1 This appropriation is to the commissioner
 25.2 of management and budget for bond
 25.3 sale expenses under Minnesota Statutes,
 25.4 sections 16A.641, subdivision 8, and 167.50,
 25.5 subdivision 4, and is effective through fiscal
 25.6 year 2025.

25.7 ARTICLE 3

25.8 SALES TAXES

25.9 Section 1. Minnesota Statutes 2014, section 97A.055, subdivision 2, is amended to read:

25.10 Subd. 2. **Receipts.** The commissioner of management and budget shall credit to the
 25.11 game and fish fund all money received under the game and fish laws and all income from
 25.12 state lands acquired by purchase or gift for game or fish purposes, including receipts from:

25.13 (1) licenses and permits issued;

25.14 (2) fines and forfeited bail;

25.15 (3) sales of contraband, wild animals, and other property under the control of the
 25.16 division;

25.17 (4) fees from advanced education courses for hunters and trappers;

25.18 (5) reimbursements of expenditures by the division;

25.19 (6) contributions to the division; and

25.20 (7) revenue credited to the game and fish fund under section 297A.94, paragraph
 25.21 ~~(e)~~ (h), clause (1).

25.22 Sec. 2. Minnesota Statutes 2014, section 297A.815, subdivision 3, is amended to read:

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

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

25.29 ~~(c)~~ ~~On or after July 1~~ (b) By July 15 of the subsequent fiscal year, the commissioner
 25.30 of management and budget shall transfer the ~~net revenue~~ revenues as estimated in
 25.31 paragraph ~~(b)~~ (a) from the general fund, as follows:

25.32 (1) ~~\$9,000,000 annually until January 1, 2015, and 50 percent annually thereafter to~~
 25.33 ~~the county state-aid highway fund. Notwithstanding any other law to the contrary, the~~
 25.34 ~~commissioner of transportation shall allocate the funds transferred under this clause to the~~

26.1 ~~counties in the metropolitan area, as defined in section 473.121, subdivision 4, excluding~~
26.2 ~~the counties of Hennepin and Ramsey, so that each county shall receive of such amount~~
26.3 ~~the percentage that its population, as defined in section 477A.011, subdivision 3, estimated~~
26.4 ~~or established by July 15 of the year prior to the current calendar year, bears to the total~~
26.5 ~~population of the counties receiving funds under this clause~~ 50 percent to the county
26.6 highway allocation account in the transportation stability fund; and

26.7 (2) ~~the remainder to the greater Minnesota transit account~~ 50 percent to the transit
26.8 allocation account in the transportation stability fund.

26.9 (c) The revenues deposited under this subdivision do not include the revenues,
26.10 including interest and penalties, generated by the sales tax imposed under section
26.11 297A.62, subdivision 1a, which must be deposited as provided under the Minnesota
26.12 Constitution, article XI, section 15.

26.13 **EFFECTIVE DATE.** This section is effective beginning with the estimate that must
26.14 be completed on or before June 30, 2016, for a transfer that occurs by July 15, 2016.

26.15 Sec. 3. Minnesota Statutes 2014, section 297A.94, is amended to read:

26.16 **297A.94 DEPOSIT OF REVENUES.**

26.17 (a) Except as provided in this section, the commissioner shall deposit the revenues,
26.18 including interest and penalties, derived from the taxes imposed by this chapter in the state
26.19 treasury and credit them to the general fund.

26.20 (b) The commissioner shall deposit taxes in the Minnesota agricultural and economic
26.21 account in the special revenue fund if:

26.22 (1) the taxes are derived from sales and use of property and services purchased for
26.23 the construction and operation of an agricultural resource project; and

26.24 (2) the purchase was made on or after the date on which a conditional commitment
26.25 was made for a loan guaranty for the project under section 41A.04, subdivision 3.

26.26 The commissioner of management and budget shall certify to the commissioner the date
26.27 on which the project received the conditional commitment. The amount deposited in
26.28 the loan guaranty account must be reduced by any refunds and by the costs incurred by
26.29 the Department of Revenue to administer and enforce the assessment and collection of
26.30 the taxes.

26.31 (c) The commissioner shall deposit the revenues, including interest and penalties,
26.32 derived from the taxes imposed on sales and purchases included in section 297A.61,
26.33 subdivision 3, paragraph (g), clauses (1) and (4), in the state treasury, and credit them
26.34 as follows:

27.1 (1) first to the general obligation special tax bond debt service account in each fiscal
27.2 year the amount required by section 16A.661, subdivision 3, paragraph (b); and

27.3 (2) after the requirements of clause (1) have been met, the balance to the general fund.

27.4 (d) On or after July 1, 2017, the commissioner shall deposit the revenues, including
27.5 interest and penalties, collected under section 297A.64, subdivision 1, in the small cities
27.6 assistance account in the transportation stability fund under section 162.145.

27.7 (e) The commissioner shall deposit the revenues, including interest and penalties,
27.8 collected under section 297A.64, subdivision 5, in the state treasury and credit them to the
27.9 general fund. By July 15 of each year the commissioner shall transfer to the highway user
27.10 tax distribution fund an amount equal to the excess fees collected under section 297A.64,
27.11 subdivision 5, for the previous calendar year.

27.12 (f) On or after July 1, 2017, in conjunction with the deposit of revenues under
27.13 paragraph (d), the commissioner shall deposit in the metropolitan transit capital account in
27.14 the transportation stability fund under section 16A.89, an amount equal to the estimated
27.15 revenues, including interest and penalties, collected under the tax rate imposed under
27.16 section 297A.62, subdivision 1, on the sale or purchase of rental motor vehicles subject
27.17 to section 297A.64. The commissioner shall estimate the amount of sales tax revenues
27.18 deposited under this paragraph based on the amount of revenue deposited under paragraph
27.19 (d).

27.20 (g) By July 15, 2015, the commissioner shall transfer \$150,000,000 from the general
27.21 fund to the highway allocation account in the transportation stability fund under section
27.22 16A.89, as a portion of the estimated amount of taxes collected from the sale and purchase
27.23 of motor vehicle parts in calendar year 2014. By July 15 of each subsequent year, the
27.24 commissioner shall transfer from the general fund to the highway allocation account in the
27.25 transportation stability fund an amount equal to the estimated revenues, including interest
27.26 and penalties, collected in tax from the sale or purchase of motor vehicle repair and
27.27 replacement parts in the previous calendar year. By June 30, 2016, and June 30 of every
27.28 fourth year thereafter, the commissioner shall estimate the percentage of total sales tax
27.29 revenues collected in the previous calendar year that is attributable to sales and purchases
27.30 of motor vehicle parts based on federal data and department consumption models. The
27.31 amount of sales tax revenue to be transferred to the highway user tax distribution fund
27.32 on each July 15 is equal to the most recently calculated percentage estimate under this
27.33 paragraph multiplied by the total sales tax revenues collected in the previous calendar
27.34 year. For purposes of this paragraph, "motor vehicle" has the meaning given in section
27.35 297B.01, subdivision 11, and "motor vehicle repair and replacement parts" includes (1) all
27.36 parts, tires, accessories, and equipment incorporated into or affixed to the motor vehicle as

28.1 part of the motor vehicle maintenance or repair, and (2) paint, oil, and other fluids that
28.2 remain on or in the motor vehicle as part of the motor vehicle maintenance or repair.

28.3 ~~(e)~~ (h) 72.43 percent of the revenues, including interest and penalties, transmitted
28.4 to the commissioner under section 297A.65, must be deposited by the commissioner
28.5 in the state treasury as follows:

28.6 (1) 50 percent of the receipts must be deposited in the heritage enhancement account
28.7 in the game and fish fund, and may be spent only on activities that improve, enhance, or
28.8 protect fish and wildlife resources, including conservation, restoration, and enhancement
28.9 of land, water, and other natural resources of the state;

28.10 (2) 22.5 percent of the receipts must be deposited in the natural resources fund, and
28.11 may be spent only for state parks and trails;

28.12 (3) 22.5 percent of the receipts must be deposited in the natural resources fund, and
28.13 may be spent only on metropolitan park and trail grants;

28.14 (4) three percent of the receipts must be deposited in the natural resources fund, and
28.15 may be spent only on local trail grants; and

28.16 (5) two percent of the receipts must be deposited in the natural resources fund,
28.17 and may be spent only for the Minnesota Zoological Garden, the Como Park Zoo and
28.18 Conservatory, and the Duluth Zoo.

28.19 ~~(f)~~ (i) The revenue dedicated under paragraph ~~(e)~~ (h) may not be used as a substitute
28.20 for traditional sources of funding for the purposes specified, but the dedicated revenue
28.21 shall supplement traditional sources of funding for those purposes. Land acquired with
28.22 money deposited in the game and fish fund under paragraph ~~(e)~~ (h) must be open to public
28.23 hunting and fishing during the open season, except that in aquatic management areas or
28.24 on lands where angling easements have been acquired, fishing may be prohibited during
28.25 certain times of the year and hunting may be prohibited. At least 87 percent of the money
28.26 deposited in the game and fish fund for improvement, enhancement, or protection of fish
28.27 and wildlife resources under paragraph ~~(e)~~ (h) must be allocated for field operations.

28.28 ~~(g)~~ (j) The revenues deposited under paragraphs (a) to ~~(f)~~ (i) do not include the
28.29 revenues, including interest and penalties, generated by the sales tax imposed under
28.30 section 297A.62, subdivision 1a, which must be deposited as provided under the
28.31 Minnesota Constitution, article XI, section 15.

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

28.33 Sec. 4. Minnesota Statutes 2014, section 297A.992, subdivision 1, is amended to read:

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

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

29.3 (2) "eligible county" means the county of Anoka, Carver, Dakota, Hennepin,
29.4 Ramsey, Scott, or Washington;

29.5 (3) "committee" means the Grant Evaluation and Ranking System (GEARS)
29.6 Committee;

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

29.11 (5) "population" means the population, as defined in section 477A.011, subdivision
29.12 3, estimated or established by July 15 of the year prior to the calendar year in which
29.13 the representatives will serve on the Grant Evaluation and Ranking System Committee
29.14 established under subdivision 5; and

29.15 (6) "transitway" means a guideway, as defined in section 174.93, subdivision 1, but
29.16 excluding intercity passenger rail.

29.17 Sec. 5. Minnesota Statutes 2014, section 297A.992, subdivision 6, is amended to read:

29.18 Subd. 6. ~~Allocation of Grant awards; use and allocation requirements.~~ (a) The
29.19 board must allocate grant awards only for the following transit purposes:

29.20 (1) assistance for transitways, which may consist of:

29.21 (i) capital improvements to transitways, including, but not limited to, commuter rail
29.22 rolling stock, light rail vehicles, and transitway buses;

29.23 (ii) capital costs for park-and-ride facilities, as defined in section 174.256,
29.24 subdivision 2;

29.25 (iii) feasibility studies, planning, alternatives analyses, environmental studies,
29.26 engineering, property acquisition for transitway purposes, and construction of transitways;
29.27 and

29.28 (iv) operating assistance for transitways; or

29.29 (2) capital and operating assistance for transit systems, including but not limited to
29.30 bus operations and arterial bus rapid transit.

29.31 (b) The joint powers board must annually award grants to each minimum guarantee
29.32 county in an amount no less than the amount of sales tax revenue collected within that
29.33 county.

30.1 (c) No more than 1.25 percent of the total awards may be annually allocated for
 30.2 planning, studies, design, construction, maintenance, and operation of pedestrian programs
 30.3 and bicycle programs and pathways.

30.4 Sec. 6. Minnesota Statutes 2014, section 297A.992, subdivision 6a, is amended to read:

30.5 Subd. 6a. **Priority of fund uses.** (a) The joint powers board shall allocate all
 30.6 revenues from the taxes imposed under this section in conformance with the following
 30.7 priority order:

30.8 (1) payment of debt service necessary for the fiscal year on bonds or other
 30.9 obligations issued prior to January 1, 2011, under subdivision 7; ~~and~~

30.10 (2) 100 percent of the net operating and capital maintenance costs for the fiscal year
 30.11 for all transitways in which a grant award for capital or operating costs has previously
 30.12 been provided under this section; and

30.13 (3) as otherwise authorized under this section.

30.14 (b) The joint powers board must not award any grants to begin or continue work on
 30.15 transit capital projects for which construction has not begun as of the effective date of this
 30.16 section, unless the requirements under paragraph (a), clauses (1) and (2), are met.

30.17 **EFFECTIVE DATE.** This section is effective the day following final enactment
 30.18 and applies for grant awards made for calendar year 2016 and thereafter.

30.19 Sec. 7. **REPEALER.**

30.20 Minnesota Statutes 2014, section 297A.992, subdivision 12, is repealed.

30.21 ARTICLE 4

30.22 TRANSPORTATION POLICY AND FINANCE

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

30.24 Subd. 3a. **Part three: detailed capital budget.** The detailed capital budget must:

30.25 (1) include recommendations for capital projects to be funded during the next six fiscal
 30.26 years, including any request for project funding from the metropolitan transit capital

30.27 account in the transportation stability fund under section 16A.89; and; (2) if applicable,

30.28 ~~must~~ meet the requirements under section 174.93, subdivision 1a. It must be submitted

30.29 with projects recommended by the governor and in order of importance among that

30.30 agency's requests as determined by the agency originating the request.

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

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

31.11 Sec. 3. Minnesota Statutes 2014, section 16A.88, is amended to read:

31.12 **16A.88 TRANSIT ASSISTANCE FUND.**

31.13 Subdivision 1. **Transit assistance fund established.** A transit assistance fund is
 31.14 established within the state treasury. The fund receives money distributed under section
 31.15 297B.09, subdivision 1, and other money as specified by law. Money in the fund must
 31.16 be allocated to the greater Minnesota transit account under subdivision 1a and the
 31.17 metropolitan area transit account under subdivision 2 in the manner specified in section
 31.18 297B.09, subdivision 1, and must be used solely for transit purposes under the Minnesota
 31.19 Constitution, article XIV, section 13.

31.20 Subd. 1a. **Greater Minnesota transit account; base appropriation.** (a) The
 31.21 greater Minnesota transit account is established within the transit assistance fund in the
 31.22 state treasury. Money in the account is ~~annually appropriated to the commissioner of~~
 31.23 ~~transportation~~ for assistance to transit systems outside the metropolitan area under section
 31.24 174.24. The commissioner may use up to ~~\$408,000 in fiscal year 2008 and \$416,000 in~~
 31.25 ~~fiscal year 2009 and thereafter~~ annually for administration of the transit program. The
 31.26 commissioner shall use funds appropriated by law from the account for transit operations
 31.27 as provided in section 174.24 and related program administration.

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

31.32 Subd. 2. **Metropolitan area transit account; base appropriation.** (a) The
 31.33 metropolitan area transit account is established within the transit assistance fund in the
 31.34 state treasury. ~~All money in the account is annually appropriated to~~ The Metropolitan
 31.35 Council shall use funds appropriated by law from the account for the funding of transit

32.1 systems within the metropolitan area under sections 473.384, 473.386, 473.387, 473.388,
32.2 and 473.405 to 473.449.

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

32.6 **Sec. 4. [16A.89] TRANSPORTATION STABILITY FUND.**

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

32.13 Subd. 2. **Financial reports.** Any report or financial statement submitted to the
32.14 legislature providing financial information on the fund must include accounting detail on
32.15 each account established within the fund.

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

32.20 (b) The commissioner of transportation shall promptly transfer any funds deposited
32.21 in the account to the highway user tax distribution fund.

32.22 Subd. 4. **Transit allocation account.** (a) A transit allocation account is established
32.23 in the transportation stability fund. The account consists of funds allocated under section
32.24 297A.815, subdivision 3, from a portion of estimated motor vehicle lease sales tax.

32.25 (b) The commissioner of transportation shall promptly transfer any funds deposited
32.26 in the account to the greater Minnesota transit account in the transit assistance fund.

32.27 Subd. 5. **County highway allocation account.** (a) A county highway allocation
32.28 account is established in the transportation stability fund. The account consists of funds
32.29 allocated under section 297A.815, subdivision 3, from a portion of estimated motor
32.30 vehicle lease sales tax.

32.31 (b) The commissioner of transportation shall promptly transfer any funds deposited
32.32 in the account to the county state-aid highway fund. Notwithstanding any other law to
32.33 the contrary, the commissioner of transportation shall allocate the funds transferred under
32.34 this paragraph to the counties in the metropolitan area, as defined in section 473.121,
32.35 subdivision 4, excluding the counties of Hennepin and Ramsey, so that each county receives

33.1 from that amount the percentage that its population, as defined in section 477A.011,
33.2 subdivision 3, estimated or established by July 15 of the year prior to the current calendar
33.3 year, bears to the total population of the counties receiving funds under this paragraph.

33.4 Subd. 6. **Metropolitan transit capital account.** (a) A metropolitan transit capital
33.5 account is established in the transportation stability fund. The account consists of funds
33.6 allocated under section 297A.94, from the general sales tax on rental motor vehicles,
33.7 and any other funds as provided by law.

33.8 (b) Money in the metropolitan transit capital account is for transit projects of a
33.9 capital nature in metropolitan counties, as defined in section 473.121, subdivision 4, as
33.10 specified by law, with priority for arterial bus rapid transit and express bus facilities. No
33.11 funds in the account may be expended for light rail transit, commuter rail, or streetcars.

33.12 (c) The base appropriations from the metropolitan transit capital account for each
33.13 forecasted fiscal year after the current biennium equals the balance in the account for each
33.14 year as identified in the latest forecast under sections 16A.103 and 174.03, subdivision 9.

33.15 Sec. 5. Minnesota Statutes 2014, section 16E.15, subdivision 2, is amended to read:

33.16 Subd. 2. **Software sale fund.** (a) Except as provided in ~~paragraph~~ paragraphs (b)
33.17 and (c), proceeds ~~of~~ from the sale or licensing of software products or services by the chief
33.18 information officer must be credited to the MN.IT services revolving fund. If a state
33.19 agency other than the Office of MN.IT Services has contributed to the development of
33.20 software sold or licensed under this section, the chief information officer may reimburse
33.21 the agency by discounting computer services provided to that agency.

33.22 (b) Proceeds ~~of~~ from the sale or licensing of software products or services developed
33.23 by the Pollution Control Agency, or custom developed by a vendor for the agency, must be
33.24 credited to the environmental fund.

33.25 (c) Proceeds from the sale or licensing of software products or services developed
33.26 by the Department of Transportation, or custom developed by a vendor for the agency,
33.27 using trunk highway funds, must be credited to the trunk highway fund.

33.28 Sec. 6. Minnesota Statutes 2014, section 117.036, subdivision 2, is amended to read:

33.29 Subd. 2. **Appraisal.** (a) Before commencing an eminent domain proceeding under
33.30 this chapter for an acquisition greater than \$25,000, the acquiring authority must obtain at
33.31 least one appraisal for the property proposed to be acquired. In making the appraisal, the
33.32 appraiser must confer with one or more of the owners of the property, if reasonably possible.
33.33 For acquisitions less than \$25,000, the acquiring authority may obtain a minimum damage
33.34 acquisition report in lieu of an appraisal. In making the minimum damage acquisition

34.1 report, the qualified person with appraisal knowledge must confer with one or more of
34.2 the owners of the property, if reasonably possible. Notwithstanding section 13.44, the
34.3 acquiring authority must provide the owner with a copy of (1) each appraisal for property
34.4 acquisitions over \$25,000, or (2) the minimum damage acquisition report for properties
34.5 under \$25,000, the acquiring authority has obtained for the property at the time an offer is
34.6 made, but no later than 60 days before presenting a petition under section 117.055, and
34.7 The acquiring authority must also inform the owner of the right to obtain an appraisal under
34.8 this section. Upon request, the acquiring authority must make available to the owner all
34.9 appraisals of the property for properties over \$25,000, or the minimum damage acquisition
34.10 report for properties under \$25,000. If the acquiring authority is considering both a full
34.11 and partial taking of the property, the acquiring authority shall obtain and provide the
34.12 owner with appraisals for both types of takings for properties over \$25,000 for both types
34.13 of takings, or minimum damage acquisition reports for properties under \$25,000.

34.14 (b) The owner may obtain an appraisal by a qualified appraiser of the property
34.15 proposed to be acquired. The owner is entitled to reimbursement for the reasonable costs
34.16 of the appraisal from the acquiring authority up to a maximum of \$1,500 for single family
34.17 and two-family residential property and minimum damage acquisitions and \$5,000 for
34.18 other types of property, provided that the owner submits to the acquiring authority the
34.19 information necessary for reimbursement, including a copy of the owner's appraisal,
34.20 at least five days before a condemnation commissioners' hearing. For purposes of this
34.21 ~~paragraph~~ subdivision, a "minimum damage acquisition" means an interest in property
34.22 that a qualified person ~~with appraisal knowledge~~ having an understanding of the local real
34.23 estate market indicates can be acquired for a cost of \$10,000 \$25,000 or less.

34.24 (c) The acquiring authority must pay the reimbursement to the owner within 30
34.25 days after receiving a copy of the appraisal and the reimbursement information. Upon
34.26 agreement between the acquiring authority and the owner, the acquiring authority may pay
34.27 the reimbursement directly to the appraiser.

34.28 Sec. 7. Minnesota Statutes 2014, section 117.036, subdivision 4, is amended to read:

34.29 Subd. 4. **Use of appraisal at commissioners' hearing.** An appraisal or
34.30 minimum damage acquisition report must not be used or considered in a condemnation
34.31 commissioners' hearing, nor may the appraiser who prepared the appraisal or the person
34.32 who prepared the minimum damage acquisition report testify, unless a copy of the
34.33 appraiser's written report or the minimum damage acquisition report is provided to the
34.34 opposing party at least five days before the hearing.

35.1 Sec. 8. Minnesota Statutes 2014, section 160.13, is amended to read:

35.2 **160.13 LIGHTING AND MARKING HIGHWAYS.**

35.3 Subdivision 1. **General authority.** Road authorities may light or mark highways
35.4 and appurtenances thereon and may install other safety devices as they deem necessary in
35.5 the interests of safety and convenient public travel.

35.6 Subd. 2. **Prohibition on aesthetic enhancements.** (a) The commissioner may not
35.7 use public funds for any aesthetic enhancements that increase the total cost of a project
35.8 on a highway or bridge.

35.9 (b) For purposes of this subdivision:

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

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

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

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

35.19 Sec. 9. Minnesota Statutes 2014, section 160.20, subdivision 4, is amended to read:

35.20 Subd. 4. **Conditions.** (a) A road authority may accept applications for permits for
35.21 installation of drain tile along or across the right-of-way under its jurisdiction. The road
35.22 authority may adopt reasonable rules for the installations and may require a bond before
35.23 granting a permit. Permits for installation along a highway right-of-way must ensure that
35.24 the length of the installation is restricted to the minimum necessary to achieve the desired
35.25 agricultural benefits. A permit must not allow open trenches to be left on the right-of-way
35.26 after installation of the drain tile is completed. A road authority that grants a permit for
35.27 tile drain installation is not responsible for damage to that installation resulting from the
35.28 action of the authority or any other permittee utilizing the right-of-way.

35.29 (b) A person who installs drain tile along or across a highway right-of-way without
35.30 obtaining a permit as provided in this section is guilty of a misdemeanor.

35.31 (c) The commissioner shall take no action under this section which will result in the
35.32 loss of federal aid for highway construction in the state.

36.1 (d) For the purpose of ~~this section~~ subdivisions 2 to 4, "highway" means any
36.2 highway as defined in section 160.02 which is located outside the corporate limits of a
36.3 home rule charter or statutory city.

36.4 Sec. 10. **[160.235] TRAFFIC SIGNAL TIMING OPTIMIZATION.**

36.5 (a) A road authority that has ownership of a traffic signal on a principal arterial or
36.6 roadway with an average daily traffic greater than 20,000 vehicles per day must complete
36.7 an inventory of all the traffic signals under its ownership and submit it to the Department
36.8 of Transportation district engineer. The inventory must include age of all signals, control
36.9 equipment, communications, detection type, timing plans in operation, and date of last
36.10 timing optimization.

36.11 (b) Based on the information from the inventory, a road authority subject to
36.12 paragraph (a) must develop and implement a traffic signal system optimization plan, which
36.13 must include re-evaluation of traffic signal timing at least once every five years. Each road
36.14 authority with a traffic signal optimization plan must annually certify compliance with its
36.15 plan and submit the certification as part of its annual maintenance expenditure report.

36.16 **EFFECTIVE DATE.** This section is effective the day following final enactment. The
36.17 initial inventory under paragraph (a) must be submitted on or before December 30, 2015.

36.18 Sec. 11. Minnesota Statutes 2014, section 160.27, is amended by adding a subdivision
36.19 to read:

36.20 **Subd. 10. Temporary permit for field application.** (a) In connection with
36.21 the use of the road right-of-way of a road authority, excluding on controlled-access
36.22 highways under section 160.08, a property owner or occupant of property abutting the
36.23 road right-of-way may apply for a permit for temporary placement, for up to 14 days, of a
36.24 pressurized flexible force main for the transport of manure for field application.

36.25 (b) The property owner or occupant must:

36.26 (1) identify the entire length of the right-of-way for use under the permit;

36.27 (2) place the force main within the backslope of the road authority's right-of-way
36.28 where possible;

36.29 (3) place pumping equipment outside the road authority's right-of-way; and

36.30 (4) meet all of the permit requirements identified by the road authority.

36.31 (c) Once the road authority has issued a permit, the property owner or occupant may
36.32 install the force main over the length of the right of way from the permittee's property to
36.33 where the manure will be applied, irrespective of whether the permittee is the owner or

37.1 occupant of all property abutting the portion of the right of way where the force main is
 37.2 to be installed.

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

37.5 Subd. 7. Forecasted base appropriations. (a) For purposes of this subdivision,
 37.6 "state and local government deflator" means the implicit price deflator for government
 37.7 consumption expenditures and gross investment for state and local governments as
 37.8 prepared by the United States Department of Commerce.

37.9 (b) In conjunction with each forecast under sections 16A.103 and 174.03, subdivision
 37.10 9, the commissioner shall identify base appropriations in each forecasted fiscal year from
 37.11 the trunk highway fund to the commissioner for the general operations and maintenance
 37.12 and the state road construction budget activities within the state roads budgetary program.
 37.13 Each base appropriation must be adjusted from the previous base as provided in paragraph
 37.14 (c), and in amounts calculated such that following the financial policies of the department,
 37.15 the unreserved portion of the trunk highway fund balance equals one percent of total
 37.16 forecasted revenues to the trunk highway fund for that fiscal year.

37.17 (c) In each forecast, any change in the forecasted base appropriations must be
 37.18 allocated:

37.19 (1) for the first forecasted fiscal year:

37.20 (i) the greater of zero or the amount being allocated under this paragraph multiplied
 37.21 by a percentage as calculated in paragraph (d), for the general operations and maintenance
 37.22 budget activity; and

37.23 (ii) the remainder for the state road construction budget activity; and

37.24 (2) for a forecasted fiscal year after the first year, for the state road construction
 37.25 budget activity.

37.26 (d) The percentage under paragraph (c), clause (1)(i), equals: (1) the annual state
 37.27 and local government deflator for the most recently available year, less the annual state
 37.28 and local government deflator for the prior year; divided by (2) the annual state and local
 37.29 government deflator for the prior year.

37.30 Sec. 13. Minnesota Statutes 2014, section 161.231, is amended to read:

37.31 **161.231 APPROPRIATION; PROCEEDS FROM LEASED STATE**
 37.32 **PROPERTY.**

37.33 There is appropriated annually from the fund or account in the state treasury to which
 37.34 the ~~rental~~ money from the sale, lease, conveyance, or disposal of state leased property

38.1 is credited a sufficient amount of money to carry out the state's obligations under the
38.2 provisions of sections 15.16, 117.135, 117.226, 161.16, 161.202, 161.23, subdivision 3,
38.3 161.24, 161.241, 161.43, 161.433, 161.44, 161.442, and 272.68, subdivision 3, including
38.4 the inventorying, marketing, and property management activities required to sell, lease,
38.5 rent, permit, convey, or otherwise dispose of the land or the interest in the land. At the
38.6 discretion of the commissioner of transportation, money in the account at the end of each
38.7 biennium may cancel to the trunk highway fund.

38.8 Sec. 14. Minnesota Statutes 2014, section 161.321, subdivision 2a, is amended to read:

38.9 Subd. 2a. **Small targeted group business; subcontracting goals.** (a) The
38.10 commissioner, as a condition of awarding a construction contract, may set goals that
38.11 require the prime contractor to subcontract portions of the contract to small targeted group
38.12 businesses. ~~Prime contractors must demonstrate good faith efforts to meet the project goals.~~
38.13 ~~The commissioner shall establish a procedure for granting waivers from the subcontracting~~
38.14 ~~requirement when qualified small targeted group businesses are not reasonably available.~~
38.15 The prime contractor may request a subcontracting goal waiver for the difference between
38.16 the level of targeted group small business participation the prime contractor has obtained
38.17 and the level specified in the goal. The commissioner may grant the waiver only if the
38.18 prime contractor has demonstrated good faith efforts to meet the goal. The commissioner
38.19 shall establish a procedure for evaluating the good faith efforts of contractors. The
38.20 commissioner may establish (1) financial incentives for prime contractors who exceed the
38.21 goals set for the use of subcontractors under this subdivision; and (2) sanctions for prime
38.22 contractors who fail to make good faith efforts to meet the goals set under this subdivision.

38.23 (b) The small targeted group business subcontracting requirements of this
38.24 subdivision do not apply to prime contractors who are small targeted group businesses.

38.25 Sec. 15. Minnesota Statutes 2014, section 161.321, subdivision 2c, is amended to read:

38.26 Subd. 2c. **Veteran-owned small business; subcontracting goals.** (a) The
38.27 commissioner, as a condition of awarding a construction contract, may set goals that
38.28 require the prime contractor to subcontract portions of the contract to veteran-owned small
38.29 businesses, except when prohibited by federal law or rule as a condition of receiving
38.30 federal funds. ~~Prime contractors must demonstrate good faith efforts to meet the project~~
38.31 ~~goals. The commissioner shall establish a procedure for granting waivers from the~~
38.32 ~~subcontracting requirement when qualified veteran-owned small businesses are not~~
38.33 ~~reasonably available.~~ The prime contractor may request a subcontracting goal waiver
38.34 for the difference between the level of veteran-owned small business participation the

39.1 prime contractor has obtained and the level specified in the goal. The commissioner may
 39.2 grant the waiver only if the prime contractor has demonstrated good faith efforts to meet
 39.3 the goal. The commissioner shall establish a procedure for evaluating the good faith
 39.4 efforts of contractors. The commissioner may establish (1) financial incentives for prime
 39.5 contractors who exceed the goals set for the use of subcontractors under this subdivision;
 39.6 and (2) sanctions for prime contractors who have not been granted a waiver and fail
 39.7 to meet goals set under this subdivision.

39.8 (b) The subcontracting requirements of this subdivision do not apply to prime
 39.9 contractors who are veteran-owned small businesses.

39.10 Sec. 16. Minnesota Statutes 2014, section 161.321, subdivision 4, is amended to read:

39.11 Subd. 4. **Contract awards, limitations.** Contracts awarded pursuant to this section
 39.12 ~~are~~ may be subject to ~~all~~ limitations contained in rules adopted by the commissioner
 39.13 of administration.

39.14 Sec. 17. **[162.145] SMALL CITIES ASSISTANCE.**

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

39.17 (b) "Eligible city" means a statutory or home rule charter city that does not receive
 39.18 municipal state-aid under sections 162.09 to 162.14, in the calendar year in which funds
 39.19 are distributed under this section.

39.20 (c) "Maximum aid" means 3.5 multiplied by the unweighted average amount of
 39.21 assistance to a city in a fiscal year.

39.22 (d) "Population" means the population estimated or established as of 30 days before
 39.23 the date of an allocation under subdivision 4 by the most recent date, based on the stated
 39.24 date of the count or estimate, of (i) the most recent federal census, (ii) a special census
 39.25 conducted under contract with the United States Bureau of the Census, (iii) a population
 39.26 estimate made by the Metropolitan Council pursuant to section 473.24, or (iv) a population
 39.27 estimate of the state demographer made pursuant to section 4A.02.

39.28 (e) "State-aid adjustment factor" means the greater of zero, or:

39.29 (1) 0.005; minus

39.30 (2) the number of lane miles of county state-aid highway in a city, divided by the
 39.31 total number of lane miles of county state-aid highway in all eligible cities.

39.32 (f) "Total population" means the sum of populations of all eligible cities.

39.33 Subd. 2. Small cities assistance account. A small cities assistance account is
 39.34 created in the transportation stability fund. The account consists of funds as provided by

40.1 law, and any other money donated, allotted, transferred, or otherwise provided to the
40.2 account. Money in the account may only be expended as provided under this section.

40.3 Subd. 3. **Administration.** (a) Subject to funds made available by law, the
40.4 commissioner shall allocate all funds as provided in subdivision 4 and shall notify the
40.5 commissioner of revenue.

40.6 (b) Following notification from the commissioner of transportation, the
40.7 commissioner of revenue shall distribute the specified funds to cities in the same manner
40.8 as local government aid under chapter 477A. An appropriation to the commissioner of
40.9 transportation under this section is available to the commissioner of revenue for the
40.10 distribution purposes specified in this paragraph.

40.11 (c) Other law to the contrary notwithstanding, in order to receive distributions under
40.12 this section, a city must conform to the standards set in section 477A.017, subdivision 2.
40.13 A city that receives funds under this section must make and preserve records necessary to
40.14 show that the funds are spent in compliance with subdivision 4.

40.15 Subd. 4. **Distribution formula.** (a) In each fiscal year in which funds are available
40.16 under this section, the commissioner shall allocate funds to eligible cities.

40.17 (b) The preliminary aid to each city is calculated as follows:

40.18 (1) 5 percent of funds allocated equally among all eligible cities;

40.19 (2) 35 percent of funds allocated proportionally based on each city's share of lane
40.20 miles of municipal streets compared to total lane miles of municipal streets of all eligible
40.21 cities;

40.22 (3) 35 percent of funds allocated proportionally based on each city's share of
40.23 population compared to total population of all eligible cities; and

40.24 (4) 25 percent of funds allocated proportionally based on each city's share of state-aid
40.25 adjustment factor compared to the sum of state-aid adjustment factors of all eligible cities.

40.26 (c) The final aid to each city is calculated as the lesser of:

40.27 (1) the preliminary aid to the city multiplied by an aid factor; or

40.28 (2) the maximum aid.

40.29 (d) The commissioner shall set the aid factor under paragraph (c), which must be the
40.30 same for all eligible cities, so that the total funds allocated under this subdivision equals
40.31 the total amount available for the fiscal year.

40.32 Subd. 5. **Use of funds.** (a) Funds distributed under this section are available only for
40.33 construction and maintenance of roads located within the city, including:

40.34 (1) land acquisition, environmental analysis, design, engineering, construction, and
40.35 reconstruction, and maintenance;

40.36 (2) road projects partially located within the city;

41.1 (3) projects on county state-aid highways located within the city; and
 41.2 (4) cost participation on road projects under the jurisdiction of another unit of
 41.3 government.

41.4 (b) Funds distributed under this section are not subject to state-aid requirements
 41.5 under this chapter, including but not limited to engineering standards adopted by the
 41.6 commissioner in rules.

41.7 Sec. 18. Minnesota Statutes 2014, section 168.053, subdivision 1, is amended to read:

41.8 Subdivision 1. **Application; fee; penalty.** Any person, firm, or corporation with
 41.9 a business located in Minnesota engaged in the business of transporting motor vehicles
 41.10 owned by another, by delivering, by drive-away or towing methods, either singly or by
 41.11 means of the full mount method, the saddle mount method, the tow bar method, or any other
 41.12 combination thereof, and under their own power, vehicles over the highways of the state
 41.13 from the manufacturer or any other point of origin, to any point of destination, within or
 41.14 without the state, shall make application to the registrar for a drive-away in-transit license.
 41.15 This application for annual license shall be accompanied by a registration fee of \$250 and
 41.16 contain information the registrar may require. Upon the filing of the application and the
 41.17 payment of the fee, the registrar shall issue to each drive-away operator a drive-away
 41.18 in-transit license plate, which must be carried and displayed on the power unit consistent
 41.19 with section 169.79 and the plate shall remain on the vehicle while being operated within
 41.20 Minnesota transported. The license plate issued under this subdivision is not valid for the
 41.21 purpose of permanent vehicle registration ~~and is not valid outside Minnesota.~~ Additional
 41.22 drive-away in-transit license plates desired by any drive-away operator may be secured
 41.23 from the registrar of motor vehicles upon the payment of a fee of \$5 for each set of
 41.24 additional license plates. Any person, firm, or corporation engaging in the business as a
 41.25 drive-away operator, of transporting and delivering by means of full mount method, the
 41.26 saddle mount method, the tow bar method, or any combination thereof, and under their
 41.27 own power, motor vehicles, who fails or refuses to file or cause to be filed an application,
 41.28 as is required by law, and to pay the fees therefor as the law requires, shall be found guilty
 41.29 of violating the provisions of sections 168.053 to 168.057; and, upon conviction, fined
 41.30 not less than \$50, and not more than \$100, and all costs of court. Each day so operating
 41.31 without securing the license and plates as required shall constitute a separate offense.

41.32 Sec. 19. **[168.1294] "START SEEING MOTORCYCLES" PLATES.**

41.33 Subdivision 1. **Issuance of plates.** The commissioner shall issue special "Start
 41.34 Seeing Motorcycles" license plates or a single motorcycle plate to an applicant who:

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

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

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

42.6 (4) contributes a minimum of \$10 annually to the motorcycle safety fund, created
 42.7 under section 171.06, subdivision 2a, paragraph (a), clause (1); and

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

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

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

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

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

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

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

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

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

42.26 Sec. 20. Minnesota Statutes 2014, section 168.1299, subdivision 1, is amended to read:

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

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

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

42.32 (3) contributes a minimum of \$30 annually ~~after January 1, 2017,~~ to the Minnesota
 42.33 Section PGA Foundation account; and

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

43.1 **EFFECTIVE DATE.** This section is effective July 1, 2015, and applies for plates
43.2 issued on or after that date.

43.3 Sec. 21. Minnesota Statutes 2014, section 169.475, is amended by adding a subdivision
43.4 to read:

43.5 Subd. 4. **Penalty.** A person who is convicted of a second or subsequent violation
43.6 under this section must pay a fine of \$50 plus the amount specified in the uniform fine
43.7 schedule established by the Judicial Council.

43.8 **EFFECTIVE DATE.** This section is effective August 1, 2015, and applies to
43.9 violations committed on or after that date.

43.10 Sec. 22. Minnesota Statutes 2014, section 169.49, is amended to read:

43.11 **169.49 HEADLAMPS.**

43.12 (a) Every motor vehicle, other than a motorcycle, ~~shall~~ must be equipped with at
43.13 least two headlamps, ~~with~~ including at least one on each side of the front of the motor
43.14 vehicle, ~~which~~. Headlamps ~~shall~~ must comply with the requirements and limitations set
43.15 forth in sections 169.47 to ~~169.79~~ 169.66.

43.16 (b) Every motorcycle ~~shall~~ must be equipped with at least one and not more than
43.17 ~~two~~ four headlamps, which ~~shall~~ must comply with the requirements and limitations of
43.18 sections 169.47 to ~~169.79~~ 169.66.

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

43.20 Sec. 23. Minnesota Statutes 2014, section 169.782, subdivision 1, is amended to read:

43.21 Subdivision 1. **Driver; daily inspection, report.** (a) The driver of a commercial
43.22 motor vehicle shall ~~report in writing at the completion of each day's work on~~ inspect daily
43.23 each commercial motor vehicle the driver has operated. A person who owns one or more
43.24 commercial motor vehicles and who employs drivers for those commercial motor vehicles
43.25 must require each driver to submit a written report at the completion of each day's work
43.26 as required by this section. The driver of a commercial motor vehicle subject to this
43.27 section is not required to prepare and submit a written report if no defect or deficiency
43.28 is discovered by or reported to the driver, except that the driver of a passenger-carrying
43.29 commercial motor vehicle shall prepare and submit a written report regardless of whether
43.30 any defect or deficiency is discovered by or reported to the driver.

43.31 (b) The inspection and report must cover the following parts and accessories: service
43.32 brakes, including trailer and semitrailer brake connections; parking (hand) brake; steering

44.1 mechanism; lighting devices and reflectors; tires; horn; windshield wiper or wipers; rear
44.2 vision mirror or mirrors; coupling devices; wheels and rims; and emergency equipment.

44.3 ~~(b)~~ (c) The report must identify the vehicle and list any defect or deficiency
44.4 discovered by or reported to the driver that would affect the safe operation of the vehicle or
44.5 result in its mechanical breakdown. If no defect or deficiency is discovered by or reported
44.6 to the driver, the report must so indicate. The driver must sign the report after completing
44.7 it. In the case of a commercial motor vehicle operated by two drivers, the signature of one
44.8 of the drivers satisfies the requirements of this subdivision if both drivers agree concerning
44.9 the defects or deficiencies. If a driver operates more than one commercial motor vehicle
44.10 during a day's work, a report must be prepared for each vehicle operated.

44.11 ~~(e)~~ (d) Before operating or allowing the operation of a commercial motor vehicle
44.12 on which a report has been prepared under this subdivision, the owner of the vehicle or
44.13 the owner's agent must repair defects or deficiencies listed on the report that would likely
44.14 affect the safe operation of the vehicle. Before allowing the commercial motor vehicle to
44.15 be operated again, the owner or the owner's agent must certify, on the report listing the
44.16 defect or deficiency, that the defect or deficiency has been corrected or that correction is
44.17 unnecessary. A motor carrier must keep the original vehicle inspection report for at least
44.18 three months after the date of inspection. The report must be available for inspection by
44.19 an authorized federal, state, or local official at any time during this period.

44.20 ~~(d)~~ (e) A copy of the vehicle inspection report, including a certification of corrections
44.21 resulting from the report, must be carried in the commercial motor vehicle, or in the power
44.22 unit of a commercial motor vehicle combination, at all times when the vehicle or power
44.23 unit is operated until the next inspection report is completed under this subdivision. The
44.24 copy must be made available on demand to (1) a peace officer, (2) a person authorized
44.25 under section 221.221, and (3) a person described in section 299D.06.

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

44.27 Sec. 24. Minnesota Statutes 2014, section 169.782, subdivision 2, is amended to read:

44.28 Subd. 2. **Driver; pretrip inspection.** ~~(a) Before driving~~ Prior to the first operation
44.29 of a commercial motor vehicle following completion of a daily inspection report under
44.30 subdivision 1, a driver must:

- 44.31 (1) review the most recent vehicle inspection report on the vehicle;
44.32 (2) determine that the vehicle is in safe operating condition; and
44.33 (3) sign the inspection report in the vehicle.

44.34 The driver shall sign the report only if all defects and deficiencies listed in the report
44.35 have been certified as having been corrected or as not requiring correction.

45.1 ~~(b) If the commercial motor vehicle does not contain the previous day's inspection~~
45.2 ~~report, the driver must make the inspection and complete the report required under~~
45.3 ~~subdivision 1.~~

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

45.5 Sec. 25. Minnesota Statutes 2014, section 169.782, subdivision 4, is amended to read:

45.6 Subd. 4. **Exceptions.** ~~(a) With the exception of subdivision 2, paragraph (a), clause~~
45.7 ~~(2),~~ This section does not apply to a commercial motor vehicle that is a farm truck that may
45.8 be operated by a person not holding a commercial driver's license, provided that before
45.9 driving the vehicle, a driver must determine that the vehicle is in safe operating condition.

45.10 (b) This section does not apply to a commercial motor vehicle held for resale by a
45.11 motor vehicle dealer licensed under section 168.27.

45.12 (c) This section does not apply to a covered farm vehicle as defined in Code of
45.13 Federal Regulations, title 49, section 390.5, that is not carrying hazardous materials of
45.14 a type or quantity that requires the vehicle to be placarded in accordance with Code of
45.15 Federal Regulations, title 49, section 172.504.

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

45.17 Sec. 26. Minnesota Statutes 2014, section 169.81, is amended by adding a subdivision
45.18 to read:

45.19 Subd. 3f. **Length limits exclusion; aerodynamic device.** An aerodynamic device
45.20 that meets the requirements under Code of Federal Regulations, title 23, section 658.16
45.21 (b)(4), is excluded from each calculation of length under subdivision 2, 3, or 3c, including
45.22 (1) total vehicle length; and (2) length of a semitrailer or trailer, whether in a vehicle
45.23 combination or not.

45.24 Sec. 27. Minnesota Statutes 2014, section 169.865, subdivision 1, is amended to read:

45.25 Subdivision 1. **Six-axle vehicles.** (a) A road authority may issue an annual permit
45.26 authorizing a vehicle or combination of vehicles with a total of six or more axles to haul
45.27 ~~raw or unprocessed agricultural~~ qualifying products and be operated with a gross vehicle
45.28 weight of up to:

45.29 (1) 90,000 pounds; and

45.30 (2) 99,000 pounds during the period set by the commissioner under section 169.826,
45.31 subdivision 1.

46.1 (b) Notwithstanding subdivision 3, paragraph (a), clause (4), a vehicle or
46.2 combination of vehicles operated under this subdivision and transporting only sealed
46.3 intermodal containers may be operated on an interstate highway if allowed by the United
46.4 States Department of Transportation.

46.5 (c) Any combination of qualifying products may be transported under a single
46.6 permit issued under this subdivision.

46.7 (d) The fee for a permit issued under this subdivision is \$300, or a proportional
46.8 amount as provided in section 169.86, subdivision 5.

46.9 Sec. 28. Minnesota Statutes 2014, section 169.865, subdivision 2, is amended to read:

46.10 Subd. 2. **Seven-axle vehicles.** (a) A road authority may issue an annual permit
46.11 authorizing a vehicle or combination of vehicles with a total of seven or more axles to
46.12 haul ~~raw or unprocessed agricultural~~ qualifying products and be operated with a gross
46.13 weight of up to:

46.14 (1) 97,000 pounds; and

46.15 (2) 99,000 pounds during the period set by the commissioner under section 169.826,
46.16 subdivision 1.

46.17 (b) Drivers of vehicles operating under this subdivision must comply with driver
46.18 qualification requirements adopted under section 221.0314, subdivisions 2 to 5, and Code
46.19 of Federal Regulations, title 49, parts 40 and 382, unless exempt under section 221.031,
46.20 subdivision 2c.

46.21 (c) Any combination of qualifying products may be transported under a single
46.22 permit issued under this subdivision.

46.23 (d) The fee for a permit issued under this subdivision is \$500, or a proportional
46.24 amount as provided in section 169.86, subdivision 5.

46.25 Sec. 29. Minnesota Statutes 2014, section 169.865, is amended by adding a subdivision
46.26 to read:

46.27 Subd. 6. **Qualifying products.** For purposes of this section, "qualifying products"
46.28 consists of:

46.29 (1) raw or unprocessed agricultural products;

46.30 (2) agricultural products transported for processing as a biofuel, including but not
46.31 limited to oat hulls and other feedstocks;

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

46.33 (4) highway and building construction materials, and associated demolition
46.34 materials, including but not limited to aggregate material within the meaning of section

47.1 298.75, subdivision 1, paragraph (a), hot mix asphalt, plastic concrete, cementitious
47.2 materials, concrete admixtures, asphalt cement, construction demolition materials, and
47.3 recycled road materials.

47.4 Sec. 30. Minnesota Statutes 2014, section 169.87, subdivision 6, is amended to read:

47.5 Subd. 6. **Recycling and garbage vehicles.** (a) Except as provided in paragraph (b),
47.6 weight restrictions imposed under subdivisions 1 and 2 do not apply to a vehicle that
47.7 does not exceed 20,000 pounds per single axle and is designed and used exclusively for
47.8 recycling, while engaged in recycling in a political subdivision that mandates curbside
47.9 recycling pickup.

47.10 (b) Weight restrictions imposed under subdivisions 1 and 2 do not apply to: (1) a
47.11 vehicle that does not exceed 14,000 pounds per single axle and is used exclusively for
47.12 recycling as described in paragraph (a), ~~or~~; (2) a vehicle that does not exceed 14,000
47.13 pounds per single axle and is designed and used exclusively for collecting mixed municipal
47.14 solid waste, as defined in section 115A.03, subdivision 21, while engaged in such
47.15 collection; or (3) a portable toilet service vehicle that does not exceed 14,000 pounds per
47.16 single axle or 26,000 pounds gross vehicle weight, and is designed and used exclusively
47.17 for collecting liquid waste from portable toilets, while engaged in such collection.

47.18 (c) Notwithstanding section 169.80, subdivision 1, a violation of weight restrictions
47.19 imposed under subdivisions 1 and 2 by a vehicle designed and used exclusively for
47.20 recycling while engaged in recycling in a political subdivision that mandates curbside
47.21 recycling pickup while engaged in such collection, ~~or~~ by a vehicle that is designed and
47.22 used exclusively for collecting mixed municipal solid waste as defined in section 115A.03,
47.23 subdivision 21, while engaged in such collection, or by a portable toilet service vehicle
47.24 that is designed and used exclusively for collecting liquid waste from portable toilets,
47.25 while engaged in such collection, is not subject to criminal penalties but is subject to a
47.26 civil penalty for excess weight under section 169.871.

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

47.28 Sec. 31. Minnesota Statutes 2014, section 173.02, is amended by adding a subdivision
47.29 to read:

47.30 Subd. 18a. **Electronic advertising device.** (a) "Electronic advertising device"
47.31 means an advertising device that is capable of displaying digital content that can be
47.32 changed through messaging or electronic communications technology.

48.1 (b) Digital content consists of static text and images only, and does not include
48.2 animation, flashing or moving lights, video, and other content having the appearance
48.3 of movement.

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

48.5 Sec. 32. Minnesota Statutes 2014, section 173.15, is amended to read:

48.6 **173.15 PROHIBITED ADVERTISING DEVICES.**

48.7 (a) After June 8, 1971 no advertising device shall be erected or maintained:

48.8 (1) which purports to be or resembles an official traffic-control device, sign, or
48.9 signal, or railroad sign or signal; or which hides from view or interferes in any material
48.10 degree with the effectiveness of any traffic-control device, sign, or signal, or railroad sign
48.11 or signal, or which obstructs or interferes with the driver's view of approaching, merging,
48.12 or intersecting traffic for a distance not to exceed 500 feet;

48.13 (2) which prominently displays the word "stop" or "danger";

48.14 (3) which contains statements, words, or pictures of an obscene, indecent, or
48.15 immoral character, or such as would offend public morals or decency;

48.16 (4) on any right-of-way of the interstate system of highways, except as otherwise
48.17 provided by law or allowed by the commissioner;

48.18 (5) on private land without the consent of the owner or occupant thereof;

48.19 (6) on trees, shrubs, or which are painted or drawn upon rocks or natural features,
48.20 or on public utility poles;

48.21 (7) which has distracting flashing or moving lights so designed or lighted as to
48.22 be a traffic hazard;

48.23 (8) to which access can be obtained only from an interstate main-traveled way but
48.24 excluding frontage roads adjacent thereto;

48.25 (9) which are structurally unsafe, are in disrepair, or are abandoned.

48.26 (b) The prohibition under paragraph (a), clause (7), does not include an electronic
48.27 advertising device in which digital content changes no more frequently than once every
48.28 six seconds.

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

48.30 Sec. 33. Minnesota Statutes 2014, section 174.40, is amended by adding a subdivision
48.31 to read:

48.32 Subd. 4a. **Eligibility.** A statutory or home rule charter city, county, or town is
48.33 eligible to receive funding under this section only if it has adopted subdivision regulations

49.1 that require safe routes to school infrastructure in developments authorized on or after
49.2 the effective date of this section.

49.3 **Sec. 34. [174.57] SNOW AND ICE CONTROL; APPROPRIATION.**

49.4 (a) In a fiscal year in which the commissioner expends at least 110 percent of
49.5 the total biennial appropriation for snow and ice management specified in law, the
49.6 commissioner may use an additional amount for this purpose that does not exceed 50
49.7 percent of the unappropriated reserves in the trunk highway fund. The amount identified
49.8 by the commissioner under this paragraph is appropriated from the trunk highway fund to
49.9 the commissioner for snow and ice management purposes.

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

49.16 Sec. 35. Minnesota Statutes 2014, section 174.636, is amended by adding a subdivision
49.17 to read:

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

49.20 Sec. 36. Minnesota Statutes 2014, section 174.92, is amended to read:

49.21 **174.92 EXERCISE OF POWER; COMMUTER RAIL; EXERCISE OF**
49.22 **POWER.**

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

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

49.28 Sec. 37. Minnesota Statutes 2014, section 174.93, subdivision 1, is amended to read:

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

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

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

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

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

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

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

50.20 Sec. 38. **[174.94] GUIDEWAY DEVELOPMENT AUTHORIZATION.**

50.21 (a) For purposes of this section, guideway has the meaning given in section 174.93,
50.22 subdivision 1.

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

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

50.33 **EFFECTIVE DATE.** This section is effective the day following final enactment,
50.34 and applies for any project not approved by the Federal Transit Administration for
50.35 preliminary engineering or a subsequent project phase as of the effective date of this

51.1 section. That portion that relates to the Metropolitan Council applies in the counties of
 51.2 Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

51.3 Sec. 39. Minnesota Statutes 2014, section 221.031, is amended by adding a subdivision
 51.4 to read:

51.5 Subd. 9a. **Federal out-of-service order; operation prohibited.** No intrastate
 51.6 carrier, private carrier engaged in intrastate commerce, or person providing intrastate
 51.7 transportation service described in section 221.025 shall operate a commercial motor
 51.8 vehicle in Minnesota while a motor carrier out-of-service order issued by the Federal
 51.9 Motor Carrier Safety Administration under Code of Federal Regulations, title 49, part
 51.10 385 or 386, is in effect.

51.11 Sec. 40. Minnesota Statutes 2014, section 221.605, is amended by adding a subdivision
 51.12 to read:

51.13 Subd. 4. **Federal out-of-service order; operation prohibited.** No interstate carrier
 51.14 or private carrier engaged in interstate commerce shall operate a commercial motor
 51.15 vehicle in Minnesota while a motor carrier out-of-service order issued by the Federal
 51.16 Motor Carrier Safety Administration under Code of Federal Regulations, title 49, part
 51.17 385 or 386, is in effect.

51.18 Sec. 41. Minnesota Statutes 2014, section 299D.085, subdivision 2, is amended to read:

51.19 Subd. 2. **Certificate.** No person may operate as an overdimensional load escort
 51.20 driver in this state without a certificate issued by the commissioner, or by a state with
 51.21 which the commissioner has entered into a reciprocal agreement. The commissioner shall
 51.22 assess a fee for each certificate applicant, calculated to cover the commissioner's cost of
 51.23 establishing and administering the program. No other certification is required to escort
 51.24 an overdimensional load.

51.25 Sec. 42. Minnesota Statutes 2014, section 299D.09, is amended to read:

51.26 **299D.09 ESCORT SERVICE; APPROPRIATION; RECEIPTS.**

51.27 (a) Fees charged for escort services provided by the State Patrol are annually
 51.28 appropriated to the commissioner of public safety to administer and provide these services.

51.29 (b) The fee charged for services provided by the State Patrol with a vehicle is \$79.28
 51.30 an hour. The fee charged for services provided without a vehicle is \$59.28 an hour
 51.31 shall be set to recover actual costs as determined by the commissioner of public safety
 51.32 by July 1 each year.

52.1 (c) The fees charged for State Patrol flight services are \$140 an hour for a fixed wing
 52.2 aircraft, \$490 an hour for a helicopter, and \$600 an hour for the Queen Air in fiscal year
 52.3 2012; and \$139.64 an hour for a fixed wing aircraft, \$560.83 an hour for a helicopter, and
 52.4 \$454.84 an hour for the Queen Air in fiscal year 2013 and thereafter.

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

52.6 Sec. 43. Minnesota Statutes 2014, section 360.305, subdivision 4, is amended to read:

52.7 Subd. 4. **Costs allocated; local contribution; hangar construction account.** (a)
 52.8 ~~Except as otherwise provided in this subdivision~~ Annually by June 1, the commissioner
 52.9 of transportation shall ~~require as a condition of assistance by the state that the~~ establish
 52.10 local contribution rates which will apply to a political subdivision, municipality, or public
 52.11 corporation make a substantial contribution to the cost of the construction, improvement,
 52.12 maintenance, or operation of the airport, in connection with which the assistance of the
 52.13 state is sought. These costs are referred to as project costs when applying for state or
 52.14 federal funding assistance to construct, improve, maintain, or operate an airport, or to
 52.15 acquire land for airport facilities or clear zones. If the commissioner does not establish
 52.16 local contribution rates by June 1, the previous rates apply.

52.17 (b) ~~For any airport, whether key, intermediate, or landing strip, where only state and~~
 52.18 ~~local funds are to be used, the contribution shall be not less than one-fifth of the sum of:~~

52.19 (1) ~~the project costs;~~

52.20 (2) ~~acquisition costs of the land and clear zones, which are referred to as acquisition~~
 52.21 ~~costs.~~ The commissioner may pay all costs beyond the local contribution. Local
 52.22 contribution rates shall not be less than five percent of the total cost of the activity or
 52.23 acquisition, except that the commissioner may require less than five percent for research
 52.24 projects, radio or navigational aids, activities, or acquisitions for which federal funds are
 52.25 available to cover more than 90 percent of the total cost, or as otherwise necessary to
 52.26 respond to an emergency.

52.27 (c) ~~For any airport where federal, state, and local funds are to be used, the~~
 52.28 ~~contribution shall not be less than five percent of the sum of the project costs and~~
 52.29 ~~acquisition costs.~~ The commissioner's establishment of local contribution rates is not
 52.30 subject to the rulemaking requirements of chapter 14.

52.31 (d) ~~The commissioner may pay the total cost of radio and navigational aids.~~

52.32 (e) ~~Notwithstanding paragraph (b) or (c), the commissioner may pay all of the~~
 52.33 ~~project costs of a new landing strip, but not an intermediate airport or key airport, or may~~
 52.34 ~~pay an amount equal to the federal funds granted and used for a new landing strip plus~~
 52.35 ~~all of the remaining project costs; but the total amount paid by the commissioner for the~~

53.1 ~~project costs of a new landing strip, unless specifically authorized by an act appropriating~~
 53.2 ~~funds for the new landing strip, shall not exceed \$200,000.~~

53.3 ~~(f) Notwithstanding paragraph (b) or (c), the commissioner may pay all the project~~
 53.4 ~~costs for research and development projects, including, but not limited to noise abatement;~~
 53.5 ~~provided that in no event shall the sums expended under this paragraph exceed five~~
 53.6 ~~percent of the amount appropriated for construction grants.~~

53.7 ~~(g) (d)~~ To receive aid under this section ~~for project costs or for acquisition costs~~, the
 53.8 municipality must enter into an agreement with the commissioner giving assurance that
 53.9 the airport will be operated and maintained in a safe, serviceable manner for aeronautical
 53.10 purposes only for the use and benefit of the public:

53.11 (1) for 20 years after the date ~~that~~ the municipality receives any state funds for
 53.12 project construction or improvement costs ~~are received by the municipality~~; and

53.13 (2) for 99 years after the date ~~that~~ the municipality receives any state funds for land
 53.14 acquisition costs ~~are received by the municipality~~. If any land acquired with state funds
 53.15 ceases to be used for aviation purposes, the municipality shall repay the state airports fund
 53.16 the same percentage of the appraised value of the property as that percentage of the costs
 53.17 of acquisition and participation provided by the state to acquire the land.

53.18 The agreement may contain other conditions as the commissioner deems reasonable.

53.19 ~~(h) (e)~~ The commissioner shall establish a hangar construction revolving account,
 53.20 which shall be used for the purpose of financing the construction of hangar buildings to
 53.21 be constructed by municipalities owning airports. All municipalities owning airports are
 53.22 authorized to enter into contracts for the construction of hangars, and contracts with
 53.23 the commissioner for the financing of hangar construction for an amount and period of
 53.24 time as may be determined by the commissioner and municipality. All receipts from the
 53.25 financing contracts shall be deposited in the hangar construction revolving account and
 53.26 are reappropriated for the purpose of financing construction of hangar buildings. ~~The~~
 53.27 ~~commissioner may pay from the hangar construction revolving account 80 percent of the~~
 53.28 ~~cost of financing construction of hangar buildings. For purposes of this paragraph, the~~
 53.29 ~~construction of hangars shall include their design.~~ The commissioner shall transfer up to
 53.30 \$4,400,000 from the state airports fund to the hangar construction revolving account.

53.31 ~~(i) (f)~~ The commissioner may pay a portion of the purchase price of any contribute
 53.32 to costs incurred by any municipality for airport maintenance and operations, safety
 53.33 equipment, and ~~of the actual~~ airport snow removal costs ~~incurred by any municipality.~~
 53.34 ~~The portion to be paid by the state shall not exceed two-thirds of the cost of the purchase~~
 53.35 ~~price or snow removal. To receive aid a municipality must enter into an agreement of the~~
 53.36 ~~type referred to in paragraph (g).~~

54.1 (†)(g) This subdivision applies only to project costs or acquisition costs of
54.2 municipally owned airports incurred after June 1, 1971.

54.3 Sec. 44. Minnesota Statutes 2014, section 398A.04, is amended by adding a
54.4 subdivision to read:

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

54.7 Sec. 45. Minnesota Statutes 2014, section 473.13, is amended by adding a subdivision
54.8 to read:

54.9 Subd. 6. **Forecasted base appropriations.** The base appropriation from the general
54.10 fund to the council for transit system operations under sections 473.371 to 473.449 in
54.11 fiscal year 2018 and thereafter is the greater of zero or:

54.12 (1) \$76,626,000; less

54.13 (2) funds in the metropolitan area transit account in the transit assistance fund under
54.14 section 16A.88 in that fiscal year, attributable to motor vehicle sales tax revenue under
54.15 section 297B.09; less funds appropriated to the council from that account in fiscal year
54.16 2015, attributable to motor vehicle sales tax revenue; less

54.17 (3) 50 percent of the amount in grants to the council under section 297A.992,
54.18 subdivision 6a, paragraph (a), clause (2).

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

54.21 Sec. 46. Minnesota Statutes 2014, section 473.146, subdivision 4, is amended to read:

54.22 Subd. 4. **Transportation planning.** (a) The Metropolitan Council is the designated
54.23 planning agency for any long-range comprehensive transportation planning required by
54.24 section 134 of the Federal Highway Act of 1962, Section 4 of Urban Mass Transportation
54.25 Act of 1964 and Section 112 of Federal Aid Highway Act of 1973 and other federal
54.26 transportation laws. The council shall assure administration and coordination of
54.27 transportation planning with appropriate state, regional and other agencies, counties,
54.28 and municipalities.

54.29 (b) The council shall establish an advisory body consisting of citizens and
54.30 representatives of municipalities, counties, and state agencies in fulfillment of the planning
54.31 responsibilities of the council. The membership of the advisory body must consist of:

54.32 (1) the commissioner of transportation or the commissioner's designee;

55.1 (2) the commissioner of the Pollution Control Agency or the commissioner's
55.2 designee;

55.3 (3) one member of the Metropolitan Airports Commission appointed by the
55.4 commission;

55.5 (4) one person appointed by the council to represent nonmotorized transportation;

55.6 (5) one person appointed by the commissioner of transportation to represent the
55.7 freight transportation industry;

55.8 (6) two persons ~~appointed by the council~~ to represent public transit, with one
55.9 appointed by the council, and one appointed by the Suburban Transit Association who
55.10 must be an elected official from a city participating in the replacement service program
55.11 under section 473.388;

55.12 (7) ten elected officials of cities within the metropolitan area, including one
55.13 representative from each first-class city, appointed by the Association of Metropolitan
55.14 Municipalities;

55.15 (8) one member of the county board of each county in the seven-county metropolitan
55.16 area, appointed by the respective county boards;

55.17 (9) eight citizens appointed by the council, one from each council precinct; and

55.18 (10) one member of the council, appointed by the council.

55.19 (c) The council shall appoint a chair from among the members of the advisory body.

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

55.23 Sec. 47. Minnesota Statutes 2014, section 473.39, is amended by adding a subdivision
55.24 to read:

55.25 Subd. 6. **Limitations.** The council may not issue certificates of indebtedness,
55.26 bonds, or other obligations secured in part or in whole by a pledge of motor vehicle sales
55.27 tax revenue received under sections 16A.88 and 297B.09, or by a pledge of any earnings
55.28 from the council's investment of motor vehicle sales tax revenues.

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

55.32 Sec. 48. Minnesota Statutes 2014, section 473.399, is amended by adding a subdivision
55.33 to read:

56.1 Subd. 6. **Legislative authorization.** The powers conferred to a responsible
 56.2 authority, as defined in section 473.3993, subdivision 4, under sections 473.399 to
 56.3 473.3999, are subject to the requirements under section 174.94.

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

56.6 Sec. 49. Minnesota Statutes 2014, section 473.4051, subdivision 2, is amended to read:

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

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

56.14 Sec. 50. Laws 2009, chapter 158, section 10, as amended by Laws 2012, chapter 287,
 56.15 article 3, section 56, and Laws 2014, chapter 255, section 20, is amended to read:

56.16 Sec. 10. **EFFECTIVE DATE.**

56.17 Sections 2 and 3 are effective August 1, 2009, ~~and the amendments made in sections~~
 56.18 ~~2 and 3 to Minnesota Statutes, sections 169.011 and 169.045, expire July 31, 2015.~~

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

56.20 Sec. 51. Laws 2014, chapter 312, article 11, section 3, the effective date, is amended to
 56.21 read:

56.22 **EFFECTIVE DATE.** Subdivisions 1 to 4 are effective January 1, 2015, for special
 56.23 Minnesota golf plates issued on or after that date. Subdivision 5 is effective ~~January 1,~~
 56.24 ~~2017~~ July 1, 2015.

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

56.26 Sec. 52. **DEPARTMENT OF TRANSPORTATION EFFICIENCIES.**

56.27 (a) In fiscal years 2016 and 2017, the commissioner of transportation shall
 56.28 implement efficiencies identified by the Transportation Strategic Management and
 56.29 Operations Advisory Task Force report under Laws 2008, chapter 152, article 6, section 9,

57.1 equal to 15 percent of the Department of Transportation's total appropriations for fiscal
57.2 years 2014 and 2015.

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

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

57.8 Sec. 53. **LEGISLATIVE ROUTE NO. 228 REMOVED.**

57.9 (a) Minnesota Statutes, section 161.115, subdivision 159, is repealed effective the
57.10 day after the commissioner of transportation receives a copy of the agreement between
57.11 the commissioner and the governing body of Ottertail County to transfer jurisdiction of
57.12 Legislative Route No. 228 and after the commissioner notifies the revisor of statutes
57.13 under paragraph (b).

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

57.18 Sec. 54. **LEGISLATIVE ROUTE NO. 275 REMOVED.**

57.19 (a) Minnesota Statutes, section 161.115, subdivision 206, is repealed effective the
57.20 day after the commissioner of transportation receives a copy of the agreement between the
57.21 commissioner and the governing body of Lac qui Parle County to transfer jurisdiction
57.22 of Legislative Route No. 275 and after the commissioner notifies the revisor of statutes
57.23 under paragraph (b).

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

57.28 Sec. 55. **COST PARTICIPATION POLICY.**

57.29 The commissioner of transportation, in consultation with representatives of local
57.30 units of government, shall create and adopt a policy concerning cost participation
57.31 for cooperative construction projects and maintenance responsibilities between the
57.32 Department of Transportation and local units of government. The policy must minimize
57.33 the share of cooperative project costs to be funded by the local units of government while

58.1 complying in all respects with the state constitutional requirements concerning allowable
58.2 uses of the trunk highway fund. The policy should provide and include sufficient flexibility
58.3 for unique projects and locations if doing so results in a lower total project cost. The policy
58.4 must be completed and adopted by the commissioner no later than September 1, 2015.

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

58.6 Sec. 56. **INTERSTATE 94/694/494 INTERCHANGE SAFETY IMPROVEMENT**
58.7 **STUDY.**

58.8 The commissioner of transportation must conduct a safety improvement study for
58.9 the interchange of signed Interstate Highways 94, 694, and 494 in the cities of Woodbury
58.10 and Oakdale. At a minimum, the study must provide specific recommendations to
58.11 improve the safety of the interchange and include cost estimates for each recommended
58.12 improvement. The commissioner must report the findings and recommendations of the
58.13 study to the legislative committees having jurisdiction over transportation policy and
58.14 finance within 180 days after the effective date of this section.

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

58.16 Sec. 57. **LEGISLATIVE REPORT ON VEHICLE TITLE TRANSFER FEE**
58.17 **FUNDS.**

58.18 By November 1, 2015, the commissioner of the Pollution Control Agency shall
58.19 submit a report on motor vehicle title transfer fee funds to the chairs and ranking
58.20 minority members of the legislative committees with jurisdiction over transportation
58.21 and environment policy and finance. At a minimum, the report must (1) identify the
58.22 annual amount revenue from the motor vehicle title transfer fee under Minnesota Statutes,
58.23 section 115A.908, over fiscal years 2012 to 2015; (2) evaluate the policy rationale for
58.24 allocation of revenue from the title transfer fee; and (3) specify uses of funds from the
58.25 title transfer fee, including identification of any motor vehicle, road, or bridge purposes
58.26 for which funds are used.

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

58.28 Sec. 58. **PUBLIC-PRIVATE PARTNERSHIP PILOT PROGRAM.**

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

59.1 (b) "Toll facility," "BOT facility," and "BTO facility" have the meanings given
59.2 under Minnesota Statutes, section 160.84.

59.3 (c) "Responsible authority" means the commissioner of transportation or the
59.4 Metropolitan Council, as appropriate.

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

59.11 (b) Notwithstanding Minnesota Statutes, section 160.845, 160.98, or any other
59.12 law to the contrary, a responsible authority may use in the pilot program an existing
59.13 public-private partnership mechanism or a proposed mechanism that proves the best
59.14 available option for the state. Mechanisms that a responsible authority may use consist
59.15 only of: toll facilities, BOT facilities, BTO facilities, user fees, construction payments,
59.16 joint development agreements, negotiated exactions, and air rights development.

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

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

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

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

59.32 (d) If a responsible authority enters into a public-private partnership agreement
59.33 that includes a temporary transfer of ownership or control of a road, bridge, or other
59.34 infrastructure investment to the private entity, the agreement must include a provision

60.1 requiring the return of the road, bridge, or other infrastructure investment to the state after
60.2 a specified period of time that may not exceed 25 years.

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

60.7 Subd. 4. **Consultation.** (a) As part of the pilot program under this section, the
60.8 commissioner and the Metropolitan Council shall consult with the commissioner of
60.9 management and budget, the commissioner of employment and economic development, the
60.10 commissioner of administration, and one representative each from the American Council
60.11 of Engineering Companies - Minnesota chapter, the Central Minnesota Transportation
60.12 Alliance, and the Minnesota County Engineers Association. In addition, the commissioner
60.13 shall invite the Federal Highway Administration and the Metropolitan Council shall invite
60.14 the Federal Transit Administration to participate in consultation activities.

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

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

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

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

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

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

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

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

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

60.34 (7) benefits to the public;

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

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

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

61.4 (1) the planning, acquisition, financing, development, design, construction,
61.5 reconstruction, replacement, improvement, maintenance, management, repair, leasing, or
61.6 operation of the project;

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

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

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

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

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

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

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

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

61.22 (10) procedures for amendment of the agreement.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

62.19 Subd. 8. **Legislative reporting.** By August 1 annually in 2016 through 2019,
 62.20 the commissioner of transportation and the Metropolitan Council shall jointly submit
 62.21 to the chairs and ranking minority members of the house of representatives and senate
 62.22 committees having jurisdiction over transportation policy and finance a list of all
 62.23 agreements executed under the pilot program authority. At a minimum, the list must
 62.24 identify each agreement, the contracting entities, contract amount and duration, any
 62.25 repayment requirements, and provide an update on the project's progress. The list may be
 62.26 submitted electronically and is subject to Minnesota Statutes, section 3.195, subdivision 1.

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

62.29 **Sec. 59. REPEALER.**

62.30 Minnesota Statutes 2014, section 299E.02, is repealed."

62.31 Delete the title and insert:

62.32 "A bill for an act
 62.33 relating to transportation; establishing a budget for transportation; appropriating
 62.34 money for transportation, including Department of Transportation, Metropolitan
 62.35 Council, and Department of Public Safety activities; amending various

63.1 provisions governing transportation policy and finance; establishing funds and
63.2 accounts; authorizing sale and issuance of trunk highway bonds; amending
63.3 Minnesota Statutes 2014, sections 16A.11, subdivision 3a; 16A.86, subdivision
63.4 2; 16A.88; 16E.15, subdivision 2; 97A.055, subdivision 2; 117.036, subdivisions
63.5 2, 4; 160.13; 160.20, subdivision 4; 160.27, by adding a subdivision; 161.04,
63.6 by adding a subdivision; 161.231; 161.321, subdivisions 2a, 2c, 4; 168.053,
63.7 subdivision 1; 168.1299, subdivision 1; 169.475, by adding a subdivision;
63.8 169.49; 169.782, subdivisions 1, 2, 4; 169.81, by adding a subdivision; 169.865,
63.9 subdivisions 1, 2, by adding a subdivision; 169.87, subdivision 6; 173.02,
63.10 by adding a subdivision; 173.15; 174.40, by adding a subdivision; 174.636,
63.11 by adding a subdivision; 174.92; 174.93, subdivision 1; 221.031, by adding
63.12 a subdivision; 221.605, by adding a subdivision; 297A.815, subdivision 3;
63.13 297A.94; 297A.992, subdivisions 1, 6, 6a; 299D.085, subdivision 2; 299D.09;
63.14 360.305, subdivision 4; 398A.04, by adding a subdivision; 473.13, by adding a
63.15 subdivision; 473.146, subdivision 4; 473.39, by adding a subdivision; 473.399,
63.16 by adding a subdivision; 473.4051, subdivision 2; Laws 2009, chapter 158,
63.17 section 10, as amended; Laws 2014, chapter 312, article 11, section 3; proposing
63.18 coding for new law in Minnesota Statutes, chapters 16A; 160; 162; 168; 174;
63.19 repealing Minnesota Statutes 2014, sections 297A.992, subdivision 12; 299E.02."