

- Reduces appropriations from the general fund for Metropolitan Council transit operations (compared to 2012-13 base appropriations) by \$109.28 million, as well as \$51.28 million biennially on an ongoing basis (excluding a Minnesota Council on Transportation Access funding shift that does not change total funding for the council);
- Authorizes the Counties Transit Improvement Board (CTIB) to transfer funds to the Metropolitan Council for bus operations, in addition to funding provided for fixed transitway bus and light rail; and
- Authorizes the Metropolitan Council to transfer funds to address transit operating deficits, from (1) livable communities fund programs; (2) the right-of-way acquisition loan fund (RALF) program; and (3) budgeted operating funds for government affairs, public affairs, regional planning, and local planning assistance.

Finance and Policy

Among other provisions, the bill:

- Adjusts estimation and collections data used in allocating state aid for local roads;
- Establishes a \$2 donation program for promotion of anatomical gifts, implemented through vehicle registration and driver licensing;
- Expands eligibility for a special Gold Star license plate;
- Requires additional information on carbon dioxide dangers as part of driver instruction, the driver's manual, and driver licensing exams;
- Expands an annual oversize/overweight permit on boat hauling to include waterfront structures;
- Expands fixed guideway investment and financial plan reporting provisions; and
- Makes various technical changes.

Article 1: Transportation Appropriations

Overview

This article contains the transportation budget for the upcoming biennium, fiscal years 2012 and 2013.

- 1 Summary of appropriations.** Summarizes the appropriations by fund.
- 2 Transportation appropriations.** Defines terms. Establishes that appropriations are from the trunk highway fund, unless another is named, for the agencies and purposes specified.
- 3 Department of Transportation.** Appropriates funds to the Minnesota Department of Transportation (MnDOT) for the 2012-2013 biennium.

Subd. 1. Total appropriation. Summarizes MnDOT appropriations by fund.

Subd. 2. Multimodal systems. Appropriates money for airports and aviation, greater Minnesota transit, and freight and commercial vehicle operations. Among the changes in comparison to 2012-13 base appropriations and previous budgets, the legislation:

- Appropriates an additional \$1.775 million from the state airports fund in fiscal year 2013 for airport development grants, which reduces the fund balance in the state airports fund;
- Reduces appropriations from the general fund for Greater Minnesota transit by \$7.62 million for the biennium, as well as \$7.62 million biennially on an ongoing basis;

- Shifts funding from the Minnesota Council on Transportation Access to be provided entirely through the MnDOT transit appropriation instead of a portion being provided through the Met Council appropriation (which does not modify the amount of funding provided to the council compared to the 2010-11 biennium);
- Prevents reductions in transit funding for elderly and disabled service compared to the amount used in 2011;
- Reduces appropriations from the general fund for freight and commercial vehicle operations by \$98,000 for the biennium, as well as \$98,000 biennially on an ongoing basis; and
- Eliminates appropriations from the general fund for the commuter and passenger rail activity for the biennium and on an ongoing basis, which amounts to a reduction of \$1 million for the biennium (compared to 2012-13 base appropriations).

Subd. 3. State roads. Appropriates money for the state trunk highway system, including operations and maintenance (general highway maintenance activities); program planning and delivery (short- and long-range planning as well as project development activities such as preliminary engineering and project management work); state road construction (actual contracts for highway work as well as land acquisition); debt service on trunk highway bonds; and electronic communications.

Among the changes compared to 2012-13 base appropriations, the legislation:

- Increases state planning and research funding from the trunk highway fund by \$1.42 million for the biennium, due to anticipated federal aid increases;
- Increases state road construction funding from the trunk highway fund by a net of \$66 million for the biennium, due to anticipated federal aid increases; and
- Authorized transfer of up to \$20 million in fiscal year 2012 for a transportation economic development program newly created in the bill.

Subd. 4. Local roads. Appropriates money for the county state-aid highway system and the municipal state-aid street system, and allows for increases in the respective appropriations if there are additional funds and certain conditions are met.

Subd. 5. Agency management. Appropriates money for agency services (such as information technology and human resources) and buildings. Increases state planning and research funding from the trunk highway fund by \$130,000 for the biennium as well as on an ongoing basis, due to anticipated federal aid increases.

Subd. 6. Transfers. Allows transfer of money across most agency activities within certain funds. Directs transfer of funds in the flexible highway account, apportioning the money for county and municipal turn-back projects (the portion provided to the trunk highway fund is for trunk highways that will be improved and then turned over to the local road systems).

Subd. 7. Use of state road construction appropriations. Allows MnDOT to use previous year trunk highway construction appropriations in fiscal years 2012 and 2013 if used for the original purpose and requires reporting.

Subd. 8. Contingent appropriation. Allows unappropriated trunk highway fund money to be appropriated to MnDOT under certain circumstances, upon approval by a legislative group.

Subd. 9. Use of trunk highway fund. Prohibits use of trunk highway fund dollars to fund the Governor's staff.

- 4 Metropolitan Council.** Appropriates funds from the general fund to the Metropolitan Council for bus, light rail transit, and commuter rail operations. In changes and riders, the legislation:
- Reduces appropriations from the general fund (compared to 2012-13 base appropriation) by \$109.28 million for the biennium (excluding the Minnesota Council on Transportation Access funding shift, discussed below);
 - Reduces the base appropriation from the general fund in the out years (fiscal years 2014 and 2015, and beyond) by \$51.28 million biennially;
 - Combines bus and rail operations into a single appropriated amount;
 - Prioritizes use of reserves and fund transfer authority prior to fare increases, and prioritizes fare increases prior to service reductions;
 - Sets grants to suburban transit providers (opt-outs) in each year of the biennium at the amount provided in fiscal year 2011;
 - Prevents a reduction to Metro Mobility service level over the course of the biennium, including hours of service and coverage area; and
 - Shifts funding from the Minnesota Council on Transportation Access to be provided entirely through the MnDOT transit appropriation instead of a portion being provided through the Met Council appropriation (which does not modify the amount of funding provided to the council compared to the 2010-11 biennium).
- 5 Department of Public Safety.** Appropriates funds to the Department of Public Safety for transportation-related activities.
- Subd. 1. Total appropriation.** Summarizes Department of Public Safety appropriations by fund.
- Subd. 2. Administration and related services.** Appropriates money for administrative functions.
- Subd. 3. State Patrol.** Appropriates money for the State Patrol, including patrolling highways, commercial vehicle enforcement, and capitol security. Funds for the State Patrol are primarily from the trunk highway fund, and capitol security is funded from the general fund.
- Subd. 4. Driver and vehicle services.** Appropriates funds for driver services and vehicle services primarily from special revenue derived from vehicle and driver licensing fees.
- Subd. 5. Traffic safety.** Appropriates funds for the traffic safety office.
- Subd. 6. Pipeline safety.** Appropriates special revenue funds for the pipeline safety office.
- Subd. 7. Use of trunk highway fund.** Prohibits use of trunk highway fund dollars to fund the Governor's staff.
- 6 Tort claims.** Appropriates \$600,000 per year to the Department of Management and Budget for tort claims.
- 7 State roads.** Reduces the fiscal year 2011 appropriation to MnDOT from the trunk highway fund for state road construction by \$43 million, due to a lower amount of federal aid.

Article 2: Metropolitan Transit Finance

Overview

This article contains fiscal provisions related to Twin Cities area transit funding.

- 1 Grant application and awards; Grant Evaluation and Ranking System (GEARS) Committee.** Permits the Counties Transit Improvement Board to allocate funds to the Metropolitan Council for the council's bus operations, which would be in addition to funds provided to the Metropolitan Council for light rail transit, bus rapid transit, and commuter rail service.

This provision has the effect of potentially back-filling a portion of the reduced general fund appropriations to the Metropolitan Council for the biennium.

- 2 Priority of fund uses.** Establishes that the first priority in allocation of funds by the Counties Transit Improvement Board is for necessary debt service on bonds issued prior to 2011 under the board's bonding authority.

- 3 Metropolitan livable communities fund; transfers.** Permits the Metropolitan Council to transfer to its transit operating budget in 2011, 2012, and 2013, up to 100 percent of the uncommitted money in the livable communities fund. Transferred funds can only be used to cover operating deficits for transit, paratransit, and light rail and commuter rail services. Requires updates to livable communities legislative reports on any funds transferred.

This provision has the effect of potentially back-filling a portion of the reduced general fund appropriations to the Metropolitan Council for the biennium.

- 4 Right-of-way acquisition loan fund; transfers.** Permits the council to transfer to its transit operating budget in 2011, 2012, and 2013, up to 100 percent of the amounts levied and collected under the right-of-way acquisition loan fund (RALF) program. Transferred funds can only be used to cover operating deficits for transit, paratransit, and light rail and commuter rail services. Requires legislative notification of any funds transferred.

This provision has the effect of potentially back-filling a portion of the reduced general fund appropriations to the Metropolitan Council for the biennium.

- 5 Metropolitan Council operating budget; transfers.** Permits the council to transfer to its transit operating budget in 2011, 2012, and 2013, up to 100 percent of the amounts levied and collected from the council's general property tax levy that was originally budgeted for government affairs, public affairs, regional planning, and local planning assistance. Transferred funds can only be used to cover operating deficits for transit, paratransit, and light rail and commuter rail services. Requires legislative notification of any funds transferred.

This provision has the effect of potentially back-filling a portion of the reduced general fund appropriations to the Metropolitan Council for the biennium.

Article 3: Transportation Development

Overview

This article contains various fiscal and policy provisions.

- 1 Part three: detailed capital budget.** Adds a cross reference to the requirements of the capital budget submitted by state agencies to the legislature (see section 14).

- 2 Information provided. Adds a cross reference to the requirements for capital budget requests submitted by local units of government to the legislature (see section 14).
- 3 Trunk highway economic development account. Establishes an account in the trunk highway fund for trunk highway projects that will promote economic development, increase employment, and relieve growing traffic congestion. Makes a statutory appropriation of any funds provided to the account. Money in the account must be divided evenly between the metropolitan district and greater Minnesota, unless there are not enough applicants.
- 4 Estimate. Eliminates one month of actual receipts from being required data when identifying amount of aid provided for the county state-aid highway system in the upcoming calendar year. This aligns the aid allocation process with the November forecast.
- 5 Estimate of accruals. Eliminates one month of actual receipts from being required data when identifying amount of aid provided for the municipal state-aid street system in the upcoming calendar year. This aligns the aid allocation process with the November forecast.
- 6 Additional fee. Requires Driver and Vehicle Services (DVS) in the Department of Public Safety to include a mechanism for vehicle owners to donate an additional \$2 for organ donation educational programs as part of vehicle registration and renewal. Implementation is delayed until January 1, 2012.
- 7 **Definitions.** Expands eligibility for Gold Star special plates to include a legal guardian, sibling, or child of a person who has died while serving honorably in active service. Under current law, the plates are available only to a spouse or parent.
- 8 **Fees; proceeds deposited; appropriation.** Authorizes MnDOT to issue annual special permits for hauling oversized waterfront structures such as boat lifts and portable docks, effective the day after enactment.
- 9 **Fees.** Requires DVS to include a \$2 donation option for driver's licenses and Minnesota identification cards as part of the application to go towards organ donation educational programs. Implementation is delayed until January 1, 2012.
- 10 **Driver education content.** Requires the Department of Public Safety to amend its administrative rules on driver education by January 1, 2012, to include instruction on carbon monoxide. Exempts the rules from the full rulemaking process. Makes technical changes. The provision is effective the day after enactment.
- 11 [171.075] Anatomical gifts. Establishes an account and makes a statutory appropriation from the account from funds provided through optional \$2 donations collected as part of driver licensing and vehicle registration. Appropriated funds are for administrative expenses and to be distributed as grants for programs to increase organ and tissue donation registration. Implementation is delayed until January 1, 2012.
- 12 **Examination subject and locations; provisions for color blindness, disabled veterans.** Amends the required items on the knowledge test for a driver's license to include carbon monoxide poisoning. Makes technical changes. The change is effective January 1, 2012.
- 13 **Driver's manual; carbon monoxide.** Requires that the next edition of the driver's manual produced after August 1, 2011, by the Department of Public Safety must include information on carbon monoxide poisoning.
- 14 **Guideways; investment capacity.** Expands fixed guideway investment and financial plan reporting provisions.

Subd. 1. Definitions. Defines terms.

Subd. 1a. Capital project requests to legislature. Requires that any state agency or local unit of government that proposes or requests state funds for a guideway project must provide a financial plan based on available data. The plan must identify the project's capital expenditures and estimated ongoing operating costs.

Subd. 2. Legislative report. Amends the content of a biennial legislative report on guideway projects. Specifies additional items to be addressed in the report, including a system-wide capacity analysis that projects total capital and operating expenses and evaluates availability of funding from all sources.

- 15** Report on vehicle crimes unit. Clarifies that a legislative report from the Department of Public Safety on revenues generated by the Vehicle Crimes Unit remains in effect, to be submitted February 1, 2015. (The report was originally required in the 2010-11 budget.)
- 16** Report on anatomical gift account. Mandates a one-time legislative report by February 1, 2013, from the Department of Public Safety on the finances of donated funds for organ donation education programs.
- 17** **Revisor's instruction.** Makes a technical change to instruct the Revisor of Statutes to recodify provisions governing the driver's manual into a new, separate section of statutes.