

1.1 Senator ..... moves to amend S.F. No. 1904 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "ARTICLE 1

1.4 TRANSPORTATION AND PUBLIC SAFETY APPROPRIATIONS

1.5 Section 1. SUMMARY OF APPROPRIATIONS.

1.6 The amounts shown in this section summarize direct appropriations, by fund, made  
1.7 in this article.

	<u>2016</u>		<u>2017</u>		<u>Total</u>
1.9 <u>General</u>	\$ 113,484,000	\$	101,984,000	\$	215,468,000
1.10 <u>Airports</u>	25,109,000		25,109,000		50,218,000
1.11 <u>C.S.A.H.</u>	771,167,000		850,253,000		1,621,420,000
1.12 <u>M.S.A.S.</u>	210,467,000		237,802,000		448,269,000
1.13 <u>Special Revenue</u>	123,549,000		124,334,000		247,883,000
1.14 <u>H.U.T.D.</u>	2,426,000		2,435,000		4,861,000
1.15 <u>Trunk Highway</u>	1,868,014,000		2,000,895,000		3,868,909,000
1.16 <u>Total</u>	\$ 3,114,216,000	\$	3,342,812,000	\$	6,457,028,000

1.17 Sec. 2. TRANSPORTATION  
1.18 APPROPRIATIONS.

1.19 The sums shown in the columns marked  
1.20 "Appropriations" are appropriated to the  
1.21 agencies and for the purposes specified in  
1.22 this article. The appropriations are from  
1.23 the trunk highway fund, or another named  
1.24 fund, and are available for the fiscal years  
1.25 indicated for each purpose. The figures  
1.26 "2016" and "2017" used in this article mean  
1.27 that the appropriations listed under them are  
1.28 available for the fiscal year ending June 30,  
1.29 2016, or June 30, 2017, respectively. "The  
1.30 first year" is fiscal year 2016. "The second  
1.31 year" is fiscal year 2017. "The biennium" is  
1.32 fiscal years 2016 and 2017.

1.33 APPROPRIATIONS  
1.34 Available for the Year  
1.35 Ending June 30  
1.36 2016 2017

2.1 **Sec. 3. DEPARTMENT OF**  
 2.2 **TRANSPORTATION.**

2.3 **Subdivision 1. Total Appropriation** \$ **2,889,599,000** \$ **3,105,481,000**

2.4 Appropriations by Fund

	<u>2016</u>	<u>2017</u>
2.5 <u>General</u>	<u>48,058,000</u>	<u>27,058,000</u>
2.6 <u>Airports</u>	<u>25,109,000</u>	<u>25,109,000</u>
2.7 <u>C.S.A.H.</u>	<u>771,167,000</u>	<u>850,253,000</u>
2.8 <u>M.S.A.S.</u>	<u>210,467,000</u>	<u>237,802,000</u>
2.9 <u>Special Revenue</u>	<u>62,000,000</u>	<u>62,000,000</u>
2.10 <u>Trunk Highway</u>	<u>1,772,798,000</u>	<u>1,903,259,000</u>

2.12 The amounts that may be spent for each  
 2.13 purpose are specified in the following  
 2.14 subdivisions.

2.15 **Subd. 2. Multimodal Systems**

2.16 **(a) Aeronautics**

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

2.18 This appropriation is from the state  
 2.19 airports fund and must be spent according  
 2.20 to Minnesota Statutes, section 360.305,  
 2.21 subdivision 4.

2.22 The base appropriation for fiscal years 2018  
 2.23 and 2019 is \$14,298,000 for each year.

2.24 Notwithstanding Minnesota Statutes, section  
 2.25 16A.28, subdivision 6, this appropriation is  
 2.26 available for five years after appropriation.  
 2.27 If the appropriation for either year is  
 2.28 insufficient, the appropriation for the other  
 2.29 year is available for it.

2.30 **(2) Aviation Support and Services** 6,661,000 6,661,000

2.31 Appropriations by Fund

2.32 <u>Airports</u>	<u>5,311,000</u>	<u>5,311,000</u>
2.33 <u>Trunk Highway</u>	<u>1,350,000</u>	<u>1,350,000</u>

3.1 \$80,000 in each year is from the state airports  
 3.2 fund for the Civil Air Patrol.

3.3 **(3) Airplane Purchase** 5,000,000 -0-

3.4 This appropriation is from the general fund to  
 3.5 be used in conjunction with proceeds of the  
 3.6 sale of existing airplanes for the replacement  
 3.7 of one state airplane.

3.8 **(b) Transit** 27,543,000 27,567,000

3.9	<u>Appropriations by Fund</u>		
3.10	<u>General</u>	<u>23,745,000</u>	<u>23,745,000</u>
3.11	<u>Trunk Highway</u>	<u>798,000</u>	<u>822,000</u>
3.12	<u>Special Revenue</u>	<u>3,000,000</u>	<u>3,000,000</u>

3.13 \$100,000 in each year is from the general  
 3.14 fund for the administrative expenses of the  
 3.15 Minnesota Council on Transportation Access  
 3.16 under Minnesota Statutes, section 174.285.

3.17 \$500,000 in each year is from the general fund  
 3.18 for noninfrastructure activities in the safe  
 3.19 routes to school program under Minnesota  
 3.20 Statutes, section 174.40, subdivision 7a.

3.21 The base appropriation from the general fund  
 3.22 for fiscal years 2018 and 2019 is \$21,245,000  
 3.23 in each year.

3.24 \$3,000,000 in each year is from the greater  
 3.25 Minnesota active transportation account in  
 3.26 the special revenue fund under Minnesota  
 3.27 Statutes, section 174.38. This is a onetime  
 3.28 appropriation.

3.29 **(c) Passenger Rail** 500,000 500,000

3.30 This appropriation is from the general  
 3.31 fund for passenger rail system planning,  
 3.32 alternatives analysis, environmental analysis,  
 3.33 design, and preliminary engineering under

4.1 Minnesota Statutes, sections 174.632 to  
 4.2 174.636.

4.3 **(d) Freight** 6,700,000 6,852,000

4.4 Appropriations by Fund

4.5 General 256,000 256,000

4.6 Trunk Highway 5,044,000 5,196,000

4.7 Special Revenue 1,400,000 1,400,000

4.8 The special revenue fund appropriations  
 4.9 are from the rail grade crossing safety  
 4.10 improvement account under Minnesota  
 4.11 Statutes, section 219.016.

4.12 **Subd. 3. State Roads**

4.13 **(a) Operations and Maintenance** 284,030,000 297,185,000

4.14 **(b) Program Planning and Delivery** 249,214,000 263,625,000

4.15 \$130,000 in each year is available for  
 4.16 administrative costs of the targeted group  
 4.17 business program.

4.18 \$266,000 in each year is available for grants  
 4.19 to metropolitan planning organizations  
 4.20 outside the seven-county metropolitan area.

4.21 \$75,000 in each year is available for a  
 4.22 transportation research contingent account  
 4.23 to finance research projects that are  
 4.24 reimbursable from the federal government or  
 4.25 from other sources. If the appropriation for  
 4.26 either year is insufficient, the appropriation  
 4.27 for the other year is available for it.

4.28 \$900,000 in each year is available for  
 4.29 grants for transportation studies outside  
 4.30 the metropolitan area to identify critical  
 4.31 concerns, problems, and issues. These  
 4.32 grants are available: (1) to regional  
 4.33 development commissions; (2) in regions

5.1 where no regional development commission  
 5.2 is functioning, to joint powers boards  
 5.3 established under agreement of two or  
 5.4 more political subdivisions in the region to  
 5.5 exercise the planning functions of a regional  
 5.6 development commission; and (3) in regions  
 5.7 where no regional development commission  
 5.8 or joint powers board is functioning, to the  
 5.9 department's district office for that region.

5.10 \$1,000,000 in each year is available  
 5.11 for management of contaminated and  
 5.12 regulated material on property owned by  
 5.13 the Department of Transportation, including  
 5.14 mitigation of property conveyances, facility  
 5.15 acquisition or expansion, chemical release at  
 5.16 maintenance facilities, and spills on the trunk  
 5.17 highway system where there is no known  
 5.18 responsible party.

5.19 The base appropriation for program planning  
 5.20 and delivery for fiscal years 2018 and 2019  
 5.21 is \$262,625,000 in each year.

5.22 **(c) State Road Construction** 967,480,000 1,025,905,000

5.23 It is estimated that these appropriations will  
 5.24 be funded as follows:

5.25	<u>Appropriations by Fund</u>		
5.26	<u>Federal Highway</u>		
5.27	<u>Aid</u>	<u>455,970,000</u>	<u>462,570,000</u>
5.28	<u>Highway User Taxes</u>	<u>511,510,000</u>	<u>563,335,000</u>

5.29 The commissioner of transportation shall  
 5.30 notify the chairs and ranking minority  
 5.31 members of the legislative committees with  
 5.32 jurisdiction over transportation finance of  
 5.33 any significant events that should cause these  
 5.34 estimates to change.

6.1 This appropriation is for the actual  
6.2 construction, reconstruction, and  
6.3 improvement of trunk highways, including  
6.4 design-build contracts and consultant usage  
6.5 to support these activities. This includes the  
6.6 cost of actual payment to landowners for  
6.7 lands acquired for highway rights-of-way,  
6.8 payment to lessees, interest subsidies, and  
6.9 relocation expenses.

6.10 The base appropriation for state road  
6.11 construction for fiscal years 2018 and 2019  
6.12 is \$970, 905,000 in each year.

6.13 \$10,000,000 in each year is for the  
6.14 transportation economic development  
6.15 program under Minnesota Statutes, section  
6.16 174.12.

6.17 \$5,000,000 in the first year is for the  
6.18 construction of noise barriers on trunk  
6.19 highways.

6.20 The commissioner shall transfer \$2,000,000  
6.21 in the first year to the state right-of-way  
6.22 acquisition loan account under Minnesota  
6.23 Statutes, section 161.225.

6.24 The commissioner shall transfer \$50,000,000  
6.25 in the first year and \$55,000,000 in the  
6.26 second year to the county turnback account  
6.27 under Minnesota Statutes, section 161.082.

6.28 The commissioner may expend up to one-half  
6.29 of one percent of the federal appropriations  
6.30 under this paragraph as grants to opportunity  
6.31 industrialization centers and other nonprofit  
6.32 job training centers for job training programs  
6.33 related to highway construction.

7.1 The commissioner may transfer up to  
 7.2 \$15,000,000 each year to the transportation  
 7.3 revolving loan fund.

7.4 The commissioner may receive money  
 7.5 covering other shares of the cost of  
 7.6 partnership projects. These receipts are  
 7.7 appropriated to the commissioner for these  
 7.8 projects.

7.9 **(d) Highway Debt Service** 197,519,000      240,307,000

7.10 \$.....,000 in the first year and \$.....,000 in  
 7.11 the second year are for transfer to the state  
 7.12 bond fund. This appropriation is insufficient  
 7.13 to make all transfers required in the year  
 7.14 for which it is made, the commissioner of  
 7.15 management and budget shall notify the  
 7.16 senate Committee on Finance and the house  
 7.17 of representatives Committee on Ways and  
 7.18 Means of the amount of the deficiency and  
 7.19 shall then transfer that amount under the  
 7.20 statutory open appropriation. Any excess  
 7.21 appropriation cancels to the trunk highway  
 7.22 fund.

7.23 **(e) Electronic Communications** 5,326,000      5,486,000

7.24	<u>Appropriations by Fund</u>		
7.25	<u>General</u>	<u>3,000</u>	<u>3,000</u>
7.26	<u>Trunk Highway</u>	<u>5,323,000</u>	<u>5,483,000</u>

7.27 The general fund appropriation is to equip  
 7.28 and operate the Roosevelt signal tower for  
 7.29 Lake of the Woods weather broadcasting.

7.30 **Subd. 4. Local Roads**

7.31 **(a) County State-Aid Roads** 771,167,000      850,253,000

7.32 This appropriation is from the county  
 7.33 state-aid highway fund under Minnesota  
 7.34 Statutes, section 161.081, and chapter 162.

8.1 If the commissioner of transportation  
 8.2 determines that a balance remains in the  
 8.3 county state-aid highway fund following  
 8.4 the appropriations and transfers made in  
 8.5 this subdivision, and that the appropriations  
 8.6 made are insufficient for advancing county  
 8.7 state-aid highway projects, an amount  
 8.8 necessary to advance the projects, not to  
 8.9 exceed the balance in the county state-aid  
 8.10 highway fund, is appropriated in each year  
 8.11 to the commissioner. Within two weeks  
 8.12 of a determination under this contingent  
 8.13 appropriation, the commissioner of  
 8.14 transportation shall notify the commissioner  
 8.15 of management and budget and the chairs  
 8.16 and ranking minority members of the  
 8.17 legislative committees with jurisdiction over  
 8.18 transportation finance concerning funds  
 8.19 appropriated.

8.20	<b><u>(b) Municipal State-Aid Roads</u></b>	<u>210,467,000</u>	<u>237,802,000</u>
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8.21 This appropriation is from the municipal  
 8.22 state-aid street fund under Minnesota  
 8.23 Statutes, chapter 162.

8.24 If the commissioner of transportation  
 8.25 determines that a balance remains in the  
 8.26 municipal state-aid street fund following  
 8.27 the appropriations made in this subdivision,  
 8.28 and that the appropriations made are  
 8.29 insufficient for advancing municipal state-aid  
 8.30 street projects, an amount necessary to  
 8.31 advance the projects, not to exceed the  
 8.32 balance in the municipal state-aid street  
 8.33 fund, is appropriated in each year to  
 8.34 the commissioner. Within two weeks  
 8.35 of a determination under this contingent

9.1 appropriation, the commissioner of  
 9.2 transportation shall notify the commissioner  
 9.3 of management and budget and the chairs  
 9.4 and ranking minority members of the  
 9.5 legislative committees with jurisdiction over  
 9.6 transportation finance concerning funds  
 9.7 appropriated.

9.8 **(c) City Streets and Bridges** 57,600,000 57,600,000

9.9 \$28,800,000 in each year is appropriated from  
 9.10 the small city streets and bridges account in  
 9.11 the special revenue fund under Minnesota  
 9.12 Statutes, section 175.54, subdivision 1.

9.13 \$28,800,000 in each year is appropriated from  
 9.14 the larger city streets and bridges account in  
 9.15 the special revenue fund under Minnesota  
 9.16 Statutes, section 175.54, subdivision 2.

9.17 **(d) Local Bridge Replacement and**  
 9.18 **Rehabilitation** 11,000,000 -0-

9.19 This appropriation is from the general fund  
 9.20 to match federal money and to replace  
 9.21 or rehabilitate local deficient bridges as  
 9.22 provided in Minnesota Statutes, section  
 9.23 174.50. To the extent practicable, the  
 9.24 commissioner shall expend the funds as  
 9.25 provided under Minnesota Statutes, section  
 9.26 174.50, subdivision 6a, 6b, or 6c. This is a  
 9.27 onetime appropriation.

9.28 **(e) Pedestrian, Bicycle, and Safe Routes to**  
 9.29 **Schools** 2,500,000 2,500,000

9.30 This appropriation is from the general fund  
 9.31 for infrastructure activities in the safe routes  
 9.32 to school program under Minnesota Statutes,  
 9.33 section 174.40, and grants for other bicycle  
 9.34 and pedestrian infrastructure that encourages

10.1 active transportation choices. This is a  
10.2 onetime appropriation.

10.3 **(f) Highways on Tribal Lands** 5,000,000 -0-

10.4 This appropriation is from the general fund  
10.5 for the purposes of maintenance, design, or  
10.6 construction of highways on tribal lands.

10.7 **Subd. 5. Agency Management**

10.8 **(a) Agency Services** 42,722,000 43,519,000

10.9 **(b) Buildings** 18,722,000 19,321,000

10.10	<u>Appropriations by Fund</u>		
10.11	<u>General</u>	<u>54,000</u>	<u>54,000</u>
10.12	<u>Trunk Highway</u>	<u>18,718,000</u>	<u>19,267,000</u>

10.13 Any money appropriated to the commissioner  
10.14 of transportation for building construction  
10.15 for any fiscal year before 2016 is available  
10.16 to the commissioner of transportation  
10.17 during the biennium to the extent that the  
10.18 commissioner spends the money on the  
10.19 building construction projects for which the  
10.20 money was originally encumbered during the  
10.21 fiscal year for which it was appropriated.

10.22 If the appropriation for either year is  
10.23 insufficient, the appropriation for the other  
10.24 year is available for it.

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

10.26 If the appropriation for either year is  
10.27 insufficient, the appropriation for the other  
10.28 year is available for it.

10.29 **Subd. 6. Previous State Road Construction**  
10.30 **Appropriations**

10.31 Any money appropriated to the commissioner  
10.32 of transportation for state road construction  
10.33 for any fiscal year before the first year is

11.1 available to the commissioner during the  
11.2 biennium to the extent that the commissioner  
11.3 spends the money on the state road  
11.4 construction project for which the money  
11.5 was originally encumbered during the fiscal  
11.6 year for which it was appropriated. The  
11.7 commissioner of transportation shall report to  
11.8 the commissioner of management and budget  
11.9 by August 1, 2015, and August 1, 2016, on  
11.10 a form the commissioner of management  
11.11 and budget provides, on expenditures made  
11.12 during the previous fiscal year that are  
11.13 authorized by this subdivision.

11.14 **Subd. 7. Contingent Appropriation**

11.15 The commissioner of transportation, with  
11.16 the approval of the governor and the  
11.17 written approval of at least five members  
11.18 of a group consisting of the members of  
11.19 the Legislative Advisory Commission  
11.20 under Minnesota Statutes, section 3.30,  
11.21 and the ranking minority members of the  
11.22 legislative committees with jurisdiction over  
11.23 transportation finance, may transfer all or  
11.24 part of the unappropriated balance in the  
11.25 trunk highway fund to an appropriation:  
11.26 (1) for trunk highway design, construction,  
11.27 or inspection in order to take advantage of  
11.28 an unanticipated receipt of income to the  
11.29 trunk highway fund or to take advantage  
11.30 of federal advanced construction funding;  
11.31 (2) for trunk highway maintenance in order  
11.32 to meet an emergency; or (3) to pay tort  
11.33 or environmental claims. Nothing in this  
11.34 subdivision authorizes the commissioner  
11.35 to increase the use of federal advanced  
11.36 construction funding beyond amounts



13.1	<u>H.U.T.D.</u>	<u>1,366,000</u>	<u>1,366,000</u>		
13.2	<u>Trunk Highway</u>	<u>3,687,000</u>	<u>3,771,000</u>		
13.3	<u>\$130,000 in each year is from the general</u>				
13.4	<u>fund for the additional position of labor</u>				
13.5	<u>relations manager.</u>				
13.6	<u>\$380,000 in each year is from the general</u>				
13.7	<u>fund for payment of public safety officer</u>				
13.8	<u>survivor benefits under Minnesota Statutes,</u>				
13.9	<u>section 299A.44. If the appropriation for</u>				
13.10	<u>either year is insufficient, the appropriation</u>				
13.11	<u>for the other year is available for it.</u>				
13.12	<u>\$1,367,000 in each year is from the general</u>				
13.13	<u>fund to be deposited in the public safety</u>				
13.14	<u>officer's benefit account. This money</u>				
13.15	<u>is available for reimbursements under</u>				
13.16	<u>Minnesota Statutes, section 299A.465.</u>				
13.17	<u>\$600,000 in each year is from the general</u>				
13.18	<u>fund and \$100,000 in each year is from the</u>				
13.19	<u>trunk highway fund for soft body armor</u>				
13.20	<u>reimbursements under Minnesota Statutes,</u>				
13.21	<u>section 299A.38.</u>				
13.22	<b><u>(c) Technology and Support Service</u></b>		<u>3,685,000</u>	<u>3,685,000</u>	
13.23	<u>Appropriations by Fund</u>				
13.24	<u>General</u>	<u>1,322,000</u>	<u>1,322,000</u>		
13.25	<u>H.U.T.D.</u>	<u>19,000</u>	<u>19,000</u>		
13.26	<u>Trunk Highway</u>	<u>2,344,000</u>	<u>2,344,000</u>		
13.27	<b><u>Subd. 3. State Patrol</u></b>				
13.28	<b><u>(a) Patrolling Highways</u></b>		<u>81,756,000</u>	<u>83,857,000</u>	
13.29	<u>Appropriations by Fund</u>				
13.30	<u>General</u>	<u>37,000</u>	<u>37,000</u>		
13.31	<u>H.U.T.D.</u>	<u>807,000</u>	<u>828,000</u>		
13.32	<u>Trunk Highway</u>	<u>80,912,000</u>	<u>82,992,000</u>		
13.33	<u>\$693,000 in each year is from the highway</u>				
13.34	<u>user tax distribution fund for the Vehicle</u>				

14.1	<u>Crimes Unit, to investigate: (1) registration</u>		
14.2	<u>tax and motor vehicle sales tax liabilities from</u>		
14.3	<u>individuals and businesses that currently do</u>		
14.4	<u>not pay all taxes owed; and (2) illegal or</u>		
14.5	<u>improper activity related to sale, transfer,</u>		
14.6	<u>titling, and registration of motor vehicles.</u>		
14.7	<u>\$500,000 is appropriated from the trunk</u>		
14.8	<u>highway fund in fiscal year 2016 to assist in</u>		
14.9	<u>the purchase of a single engine aircraft for</u>		
14.10	<u>the State Patrol.</u>		
14.11	<b><u>(b) Commercial Vehicle Enforcement</u></b>	<u>8,023,000</u>	<u>8,257,000</u>
14.12	<b><u>(c) Capitol Security</u></b>	<u>8,035,000</u>	<u>8,147,000</u>
14.13	<u>This appropriation is from the general fund.</u>		
14.14	<u>The commissioner may not: (1) spend</u>		
14.15	<u>any money from the trunk highway fund</u>		
14.16	<u>for capitol security; or (2) permanently</u>		
14.17	<u>transfer any state trooper from the patrolling</u>		
14.18	<u>highways activity to capitol security.</u>		
14.19	<u>The commissioner may not transfer any</u>		
14.20	<u>money appropriated to the commissioner</u>		
14.21	<u>under this section: (1) to capitol security; or</u>		
14.22	<u>(2) from capitol security.</u>		
14.23	<b><u>Subd. 4. Driver and Vehicle Services</u></b>		
14.24	<b><u>(a) Vehicle Services</u></b>	<u>30,027,000</u>	<u>30,291,000</u>
14.25	<u>This appropriation is from the vehicle</u>		
14.26	<u>services operating account in the special</u>		
14.27	<u>revenue fund.</u>		
14.28	<u>Of these appropriations, \$59,000 in each year</u>		
14.29	<u>is for the creation of a Data Services Unit</u>		
14.30	<u>within the Division of Driver and Vehicle</u>		
14.31	<u>Services.</u>		
14.32	<b><u>(b) Driver Services</u></b>	<u>30,151,000</u>	<u>30,655,000</u>

15.1 This appropriation is from the driver services  
 15.2 operating account in the special revenue fund.

15.3 \$31,000 in each year is for the creation of a  
 15.4 Data Services Unit within the Division of  
 15.5 Driver and Vehicle Services.

15.6 \$74,000 in the first year and \$124,000 in  
 15.7 the second year are for staff costs related to  
 15.8 insurance attestation requirements. This is a  
 15.9 onetime appropriation.

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

15.11 The commissioner of public safety shall  
 15.12 spend 50 percent of the money available to  
 15.13 the state under United States Code, title 23,  
 15.14 section 164, and the remaining 50 percent  
 15.15 must be transferred to the commissioner  
 15.16 of transportation for hazard elimination  
 15.17 activities under United States Code, title 23,  
 15.18 section 152.

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

15.20 This appropriation is from the pipeline safety  
 15.21 account in the special revenue fund.

15.22 Sec. 6. **DEPARTMENT OF REVENUE** \$ 234,000 \$ 222,000

15.23 \$234,000 in fiscal year 2016 and \$222,000  
 15.24 in fiscal year 2017 are appropriated from  
 15.25 the highway user tax distribution fund to  
 15.26 the commissioner of revenue for tax system  
 15.27 management costs.

15.28 Sec. 7. **TRANSFER** \$ 3,000,000 \$ 3,000,000

15.29 \$3,000,000 in fiscal year 2016 and \$3,000,000  
 15.30 in fiscal year 2017 are transferred from the  
 15.31 general fund to the greater Minnesota active  
 15.32 transportation account in the special revenue

16.1 fund under Minnesota Statutes, section  
16.2 174.38. These are onetime transfers.

16.3 **Sec. 8. APPROPRIATION.**

16.4 \$8,000 in fiscal year 2016 and \$8,000 in fiscal year 2017 are appropriated from the  
16.5 general fund to the Legislative Coordinating Commission for expenses related to the  
16.6 road-user charge working group.

16.7 **ARTICLE 2**

16.8 **TRUNK HIGHWAY BONDING**

16.9 **Section 1. BOND SALE AUTHORIZATION.**

16.10 To provide the money appropriated in this article from the bond proceeds account in  
16.11 the trunk highway fund, the commissioner of management and budget shall sell and issue  
16.12 bonds of the state in an amount up to \$1,001,000,000 in the manner, upon the terms, and  
16.13 with the effect prescribed by Minnesota Statutes, sections 167.50 to 167.52, and by the  
16.14 Minnesota Constitution, article XIV, section 11, at the times and in the amounts requested  
16.15 by the commissioner of transportation. The proceeds of the bonds, except accrued interest  
16.16 and any premium received from the sale of the bonds, must be deposited in the bond  
16.17 proceeds account in the trunk highway fund.

16.18 **Sec. 2. BOND APPROPRIATIONS.**

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

16.26 **SUMMARY**

16.27	<u>Department of Transportation</u>	<u>\$ 1,000,000,000</u>
16.28	<u>Department of Management and Budget</u>	<u>1,000,000</u>
16.29	<b><u>TOTAL</u></b>	<b><u>\$ 1,001,000,000</u></b>

16.30 **APPROPRIATIONS**

16.31 **Sec. 3. DEPARTMENT OF**  
16.32 **TRANSPORTATION CORRIDORS OF**  
16.33 **COMMERCE**

**\$ 800,000,000**

17.1 (a) The appropriation in this section is  
 17.2 to the commissioner of transportation for  
 17.3 the corridors of commerce program under  
 17.4 Minnesota Statutes, section 161.088, and is  
 17.5 available in the amounts of \$200,000,000 in  
 17.6 each fiscal year from 2016 to 2019.

17.7 (b) In any fiscal year covered by this  
 17.8 appropriation, the commissioner may  
 17.9 identify projects based on previous selection  
 17.10 processes or may perform a new selection.

17.11 (c) The appropriation in this section cancels  
 17.12 as specified under Minnesota Statutes, section  
 17.13 16A.642, except that the commissioner of  
 17.14 management and budget shall count the start  
 17.15 of authorization for issuance of state bonds  
 17.16 as the first day of the fiscal year during  
 17.17 which the bonds are available to be issued as  
 17.18 specified under paragraph (a), and not as the  
 17.19 date of enactment of this section.

17.20 **Sec. 4. TRANSPORTATION ECONOMIC**  
 17.21 **DEVELOPMENT PROGRAM**

**\$ 200,000,000**

17.22 (a) This appropriation is for the transportation  
 17.23 economic development program under  
 17.24 Minnesota Statutes, section 174.12, and is  
 17.25 available in the amounts of \$50,000,000 in  
 17.26 each fiscal year from 2016 to 2019.

17.27 (b) The appropriation in this section cancels  
 17.28 as specified under Minnesota Statutes, section  
 17.29 16A.642, except that the commissioner of  
 17.30 management and budget shall count the start  
 17.31 of authorization for issuance of state bonds  
 17.32 as the first day of the fiscal year during  
 17.33 which the bonds are available to be issued as

18.1 specified under paragraph (a), and not as the  
 18.2 date of enactment of this section.

18.3 Sec. 5. **BOND SALE EXPENSES** **\$** **1,000,000**

18.4 This appropriation is to the commissioner  
 18.5 of management and budget for bond sale  
 18.6 expenses under Minnesota Statutes, sections  
 18.7 16A.641, subdivision 8; and 167.50,  
 18.8 subdivision 4, and is available in the amounts  
 18.9 of \$250,000 in each fiscal year from 2016 to  
 18.10 2019.

18.11 Sec. 6. **EFFECTIVE DATE.**

18.12 This article is effective July 1, 2015.

### 18.13 **ARTICLE 3**

#### 18.14 **GROSS RECEIPTS TAX**

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

18.16 **296A.061 CANCELLATION OR NONRENEWAL OF LICENSES.**

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

- 18.19 (1) the license holder has not filed a petroleum tax return or report for at least one year;  
 18.20 (2) the license holder has not filed a gross receipts tax return for at least one year;  
 18.21 (3) the license holder has not reported any petroleum tax liability or gross receipts  
 18.22 tax liability on the license holder's returns or reports for at least one year; or  
 18.23 ~~(3)~~ (4) the license holder requests cancellation of the license.

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

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

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

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

19.4 (1) 6.5 percent of \$2.50; or

19.5 (2) 6.5 percent of the prior fiscal year's average wholesale gasoline price per  
19.6 gallon in Minnesota for all grades by refiners, as published by the United States Energy  
19.7 Information Administration and rounded to the nearest tenth of a cent per gallon. The  
19.8 wholesale price used must not include any tax or fee assessed by the state of Minnesota  
19.9 or the United States government.

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

19.13 Subd. 4. Administrative provisions. Except as otherwise provided in this chapter,  
19.14 the relevant audit, assessment, refund, penalty, interest, enforcement, collection remedies,  
19.15 appeal, and administrative provisions of chapter 289A apply to taxes imposed under  
19.16 this section.

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

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

19.22 Sec. 3. Minnesota Statutes 2014, section 296A.11, is amended to read:

19.23 **296A.11 SELLER MAY COLLECT TAX.**

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

19.33 Sec. 4. Minnesota Statutes 2014, section 296A.12, is amended to read:

20.1           **296A.12 GASOLINE AND SPECIAL FUEL TAX AND MOTOR FUELS**  
20.2           **GROSS RECEIPTS TAX IN LIEU OF OTHER TAXES.**

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

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

20.10           **296A.16 REFUND OR CREDIT.**

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

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

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

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

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

20.21           (5) in error;

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

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

20.26           Subd. 2. **Fuel used in other vehicle; claim for refund.** Any person who buys and  
20.27           uses gasoline for a qualifying purpose other than use in motor vehicles, snowmobiles  
20.28           except as provided in clause (2), or motorboats, or special fuel for a qualifying purpose  
20.29           other than use in licensed motor vehicles, and who paid the excise or gross receipts tax  
20.30           directly or indirectly through the amount of the tax being included in the price of the  
20.31           gasoline or special fuel, or otherwise, shall be reimbursed and repaid the amount of the  
20.32           tax paid upon filing with the commissioner a claim for refund in the form and manner  
20.33           prescribed by the commissioner, and containing the information the commissioner shall  
20.34           require. By signing any such claim which is false or fraudulent, the applicant shall be  
20.35           subject to the penalties provided in this chapter for knowingly making a false claim.

21.1 The claim shall set forth the total amount of the gasoline so purchased and used by the  
21.2 applicant other than in motor vehicles, or special fuel purchased and used by the applicant  
21.3 other than in licensed motor vehicles, and shall state when and for what purpose it was  
21.4 used. When a claim contains an error in computation or preparation, the commissioner  
21.5 is authorized to adjust the claim in accordance with the evidence shown on the claim or  
21.6 other information available to the commissioner. The commissioner, on being satisfied  
21.7 that the claimant is entitled to the payments, shall approve the claim and transmit it to the  
21.8 commissioner of management and budget. The words "gasoline" or "special fuel" as used  
21.9 in this subdivision do not include aviation gasoline or special fuel for aircraft. Gasoline or  
21.10 special fuel bought and used for a "qualifying purpose" means:

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

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

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

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

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

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

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

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

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

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

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

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

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

22.29 Subd. 7. **Civil penalty for filing false claim.** A person who violates section  
22.30 296A.23, subdivision 1, shall forfeit the full amount of the claim. In addition, a person who  
22.31 is convicted under section 296A.23 for filing a false statement or claim shall, in addition  
22.32 to any criminal penalties imposed, be prohibited from filing with the commissioner any  
22.33 claim for refund upon gasoline purchased within six months after such conviction.

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

23.1 Sec. 6. **REVISOR'S INSTRUCTION.**

23.2 In Minnesota Statutes, the revisor of statutes shall rename Minnesota Statutes,  
23.3 chapter 296A, to be "Tax on Petroleum and Other Fuels; Gross Receipts Tax."

23.4 **ARTICLE 4**

23.5 **VEHICLE REGISTRATION TAX**

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

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

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

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

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

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

23.26	FROM	TO
23.27	\$ 0	\$ 199.99
23.28	\$ 200	\$ 399.99

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

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

23.33 (g) The registrar shall establish the base value, when new, of every passenger  
23.34 automobile and hearse registered prior to the effective date of Extra Session Laws 1971,  
23.35 chapter 31, using list price information published by the manufacturer or any nationally

24.1 recognized firm or association compiling such data for the automotive industry. If unable  
 24.2 to ascertain the base value of any registered vehicle in the foregoing manner, the registrar  
 24.3 may use any other available source or method. The registrar shall calculate tax using base  
 24.4 value information available to dealers and deputy registrars at the time the application for  
 24.5 registration is submitted. The tax on all previously registered vehicles shall be computed  
 24.6 upon the base value thus determined taking into account the depreciation provisions of  
 24.7 paragraph (h).

24.8 (h) The annual additional tax must be computed upon a the specified percentage of  
 24.9 1.5 percent of the base value as follows: during the first year of vehicle life, upon 100  
 24.10 percent ~~of the base value~~; for the second year, 90 percent ~~of such value~~; for the third year,  
 24.11 80 percent ~~of such value~~; for the fourth year, 70 percent ~~of such value~~; for the fifth year, 60  
 24.12 percent ~~of such value~~; for the sixth year, 50 percent ~~of such value~~; for the seventh year,  
 24.13 40 percent ~~of such value~~; for the eighth year, 30 percent ~~of such value~~; for the ninth  
 24.14 year, 20 percent ~~of such value~~; for the tenth year, ten percent ~~of such value~~; for the 11th  
 24.15 and each succeeding year, the sum of \$25.

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

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

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

## 24.22 ARTICLE 5

### 24.23 METROPOLITAN TRANSIT IMPROVEMENT AREA SALES TAX

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

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

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

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

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

24.34 (4) "minimum guarantee county" means any metropolitan county or eligible county  
 24.35 that is participating in the joint powers agreement under subdivision 3, whose proportion

25.1 of the annual sales tax revenue under this section collected within that county is less  
 25.2 than or equal to three percent; ~~and~~

25.3 ~~(5) "population" means the population, as defined in section 477A.011, subdivision~~  
 25.4 ~~3, estimated or established by July 15 of the year prior to the calendar year in which~~  
 25.5 ~~the representatives will serve on the Grant Evaluation and Ranking System Committee~~  
 25.6 ~~established under subdivision 5.~~

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

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

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

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

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

25.22 Subd. 5. **Grant application and awards; ~~Grant Evaluation and Ranking System~~**  
 25.23 **(GEARS) Committee.** (a) The joint powers board shall establish a grant application  
 25.24 process and identify the amount of available funding for grant awards. Grant applications  
 25.25 must be submitted in a form prescribed by the joint powers board. An applicant must  
 25.26 provide, in addition to all other information required by the joint powers board, the  
 25.27 estimated cost of the project, the amount of the grant sought, possible sources of funding  
 25.28 in addition to the grant sought, and identification of any federal funds that will be utilized  
 25.29 if the grant is awarded. A grant application seeking transit capital funding must identify  
 25.30 the source of money necessary to operate the transit improvement.

25.31 (b) The joint powers board shall establish a timeline and procedures for the award of  
 25.32 grants, and may award grants only to the state and political subdivisions. The board shall  
 25.33 define objective criteria for the award of grants, which must include, but not be limited to,  
 25.34 consistency with the most recent version of the transportation policy plan adopted by the

26.1 Metropolitan Council under section 473.146. The joint powers board shall maximize the  
26.2 availability and use of federal funds in projects funded under this section.

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

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

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

26.9 ~~(3) one additional elected city representative from each county for every additional~~  
26.10 ~~400,000 in population, or fraction of 400,000, in the county that is above 400,000 in~~  
26.11 ~~population; and~~

26.12 ~~(4) the chair of the Metropolitan Council Transportation Committee.~~

26.13 ~~(d) Each city representative must be elected at a meeting of cities in the metropolitan~~  
26.14 ~~transportation area, which must be convened for that purpose by the Association of~~  
26.15 ~~Metropolitan Municipalities.~~

26.16 ~~(e) The committee shall evaluate grant applications following objective criteria~~  
26.17 ~~established by the joint powers board, and must provide to the joint powers board a~~  
26.18 ~~selection list of transportation projects that includes a priority ranking.~~

26.19 ~~(f) A grant award for a transit project located within the metropolitan area, as defined~~  
26.20 ~~in section 473.121, subdivision 2, may be funded only after the Metropolitan Council~~  
26.21 ~~reviews the project for consistency with the transit portion of the Metropolitan Council~~  
26.22 ~~policy plan and one of the following occurs:~~

26.23 ~~(1) the Metropolitan Council finds the project to be consistent;~~

26.24 ~~(2) the Metropolitan Council initially finds the project to be inconsistent, but after a~~  
26.25 ~~good faith effort to resolve the inconsistency through negotiations with the joint powers~~  
26.26 ~~board, agrees that the grant award may be funded; or~~

26.27 ~~(3) the Metropolitan Council finds the project to be inconsistent, and submits the~~  
26.28 ~~consistency issue for final determination to a panel, which determines the project to be~~  
26.29 ~~consistent. The panel is composed of a member appointed by the chair of the Metropolitan~~  
26.30 ~~Council, a member appointed by the joint powers board, and a member agreed upon by~~  
26.31 ~~both the chair and the joint powers board.~~

26.32 ~~(g) (d) Grants must be funded by the proceeds of the taxes imposed under this~~  
26.33 ~~section and under section 297A.9925, bonds, notes, or other obligations issued by the~~  
26.34 ~~joint powers board under subdivision 7.~~

26.35 ~~(h) Notwithstanding the provisions of this section except subdivision 6a, of~~  
26.36 ~~the revenue collected under this section, the joint powers board shall allocate to the~~

27.1 Metropolitan Council, in fiscal years 2012 and 2013, an amount not less than 75 percent of  
27.2 the net cost of operations for those transitways that were receiving metropolitan sales tax  
27.3 funds through an operating grant agreement on June 30, 2011.

27.4 ~~(i) The Metropolitan Council shall expend any funds allocated under paragraph (h)~~  
27.5 ~~for the operations of the specified transitways solely within those counties that are in the~~  
27.6 ~~metropolitan transportation area.~~

27.7 ~~(j) (e) Nothing in paragraph (h) or (i) this section prevents grant awards to~~  
27.8 ~~the Metropolitan Council for capital and operating assistance for transitways and~~  
27.9 ~~park-and-ride facilities.~~

27.10 Sec. 4. Minnesota Statutes 2014, section 297A.992, subdivision 6, is amended to read:

27.11 Subd. 6. **Allocation of grant awards.** (a) The board must allocate grant awards  
27.12 only for the following transit purposes:

27.13 ~~(i) (1) capital improvements to transitways, including, but not limited to, highway~~  
27.14 ~~bus rapid transit, commuter rail rolling stock, light rail vehicles, and transitway buses. A~~  
27.15 ~~grant must not exceed an amount equal to total capital cost less amounts committed by~~  
27.16 ~~regional railroad authorities and the federal government;~~

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

27.19 ~~(iii) (3) feasibility studies, planning, alternatives analyses, environmental studies,~~  
27.20 ~~engineering, property acquisition for transitway purposes, and construction of transitways;~~  
27.21 ~~and~~

27.22 ~~(iv) (4) 50 percent of net operating assistance for cost of transitways that commenced~~  
27.23 ~~revenue operations before September 30, 2015;~~

27.24 ~~(5) 100 percent of net operating cost of the Robert Street transitway and Riverview~~  
27.25 ~~Corridor transitway; and~~

27.26 ~~(6) capital and operating costs for any transitway improvement or transitway with~~  
27.27 ~~total grant awards under this clause not to exceed tax proceeds remitted under section~~  
27.28 ~~299A.9925, subdivision 4, clause (1). Only the Metropolitan Council or a county located~~  
27.29 ~~in the metropolitan transportation area may apply for a grant under this clause.~~

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

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

28.1       Sec. 5. **[297A.9925] METROPOLITAN TRANSIT IMPROVEMENT AREA**  
28.2 **TRANSIT SALES AND USE TAX; RATE; IMPOSITION; USES; PRIORITIES.**

28.3       Subdivision 1. **Definitions.** For purposes of this section, the following terms have  
28.4 the following meanings:

28.5       (1) "metropolitan transit improvement area" or "area" means the counties of Anoka,  
28.6 Dakota, Hennepin, Ramsey, and Washington;

28.7       (2) "Metropolitan Council" or "council" means the Metropolitan Council established  
28.8 by section 473.123; and

28.9       (3) "local governmental unit" means any county, city, town, school district, special  
28.10 district, or other political subdivisions or public corporation, other than the council or a  
28.11 metropolitan agency, lying in whole or in part within the metropolitan transit improvement  
28.12 area.

28.13       Subd. 2. **Metropolitan transit improvement area transit sales tax imposition;**  
28.14 **rate.** (a) Notwithstanding section 297A.99, subdivisions 1, 2, and 3, 477A.016, or any  
28.15 other law, a metropolitan area transit sales and use tax is imposed at a rate of three-quarters  
28.16 of one percent on retail sales and uses taxable under this chapter occurring within the  
28.17 metropolitan transit improvement area.

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

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

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

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

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

28.31       Subd. 5. **General purpose; consistency with transportation policy plan.** (a) The  
28.32 Metropolitan Council shall utilize the proceeds of the tax imposed under subdivision  
28.33 2 for transit purposes described under subdivision 7, within the metropolitan transit  
28.34 improvement area.

28.35       (b) Projects funded with the metropolitan transit improvement area transit sales and  
28.36 use tax proceeds must not be inconsistent with the long-range transportation policy plan

29.1 adopted by the council under section 473.146 and located within the transit improvement  
29.2 area.

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

29.5 (1) payment of debt service necessary for the fiscal year on bonds or other  
29.6 obligations secured by revenues from the tax imposed in this section;

29.7 (2) proportional distribution of an amount equal to one-eighth of the total net  
29.8 proceeds of the taxes imposed under subdivision 2 and under section 297A.992,  
29.9 subdivision 2, so that the share of each county in the metropolitan transit improvement  
29.10 area is based on the proportion of taxes generated in that county. Grant awards under  
29.11 this clause must be used by Hennepin County only for transit purposes, but by all other  
29.12 counties for any transit purpose or any transportation purpose that has a nexus to transit or  
29.13 transit-oriented development; and

29.14 (3) as otherwise authorized under subdivision 7.

29.15 Subd. 7. **Use of tax proceeds.** (a) After deducting the amount necessary under  
29.16 subdivision 6, clauses (1) and (2), the council shall allocate remaining revenues from the  
29.17 tax imposed in this section for the following purposes:

29.18 (1) operating and capital costs to preserve existing bus services that are in  
29.19 conformance with regional transit performance standards as specified in the council's  
29.20 transportation policy plan;

29.21 (2) 100 percent of the net operating costs of arterial bus rapid transit lines in operation  
29.22 on September 30, 2015, and 50 percent of the net operating costs of other transitways;

29.23 (3) grants required under paragraph (b);

29.24 (4) operating and capital costs for transit expansion in accordance with the transit  
29.25 portion of the council's policy transit plan, including, but not limited to:

29.26 (i) expansion and upgrades of regular route and commuter bus service provided  
29.27 by metropolitan transit and replacement services under section 473.388, with overall  
29.28 expansion of service by an annual average rate of four percent;

29.29 (ii) development of arterial bus rapid transit, transitways, and streetcar systems; and

29.30 (iii) maintenance of affordable transit fares;

29.31 (5) operating and capital costs for expansion and improvement of regional  
29.32 transitways and streetcars;

29.33 (6) to transit authorities to establish, replace, or modify transit shelters to conform  
29.34 with design specifications and maintenance requirements within the meaning of section  
29.35 473.41;

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

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

- 30.17 (i) scope of service offering improvements;  
30.18 (ii) integration with transit facilities and major business, retail, or suburban centers;  
30.19 (iii) extent to which a proposed route complements existing transit service; and  
30.20 (iv) density of employment along a proposed route;

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

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

30.29 (b) The council shall make available an amount equal to ten percent of the revenues  
30.30 from the tax imposed in this section and in section 297A.992 through grants to local  
30.31 units of government within the metropolitan transit improvement area for construction  
30.32 and maintenance of regional bicycle, trail, and pedestrian infrastructure for safe routes to  
30.33 school infrastructure and for active transportation programs under section 174.38. The  
30.34 council shall establish a grant program, criteria, and oversight procedures.

31.1 **EFFECTIVE DATE.** This section is effective for sales and purchases made after  
 31.2 September 30, 2015, and applies in the counties of Anoka, Dakota, Hennepin, Ramsey,  
 31.3 and Washington.

31.4 Sec. 6. **REPEALER.**

31.5 Minnesota Statutes 2014, section 473.4051, subdivision 2, is repealed.

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

## 31.7 **ARTICLE 6**

### 31.8 **OTHER TAXES, FEES, AND TRANSFERS**

31.9 Section 1. Minnesota Statutes 2014, section 115A.908, is amended to read:

#### 31.10 **115A.908 MOTOR VEHICLE TRANSFER FEE.**

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

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

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

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

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

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

31.26 (b) The commissioner of transportation shall deposit the proceeds of the surcharge  
 31.27 as follows:

31.28 (1) 50 percent in the small city streets and bridges account under section 174.54,  
 31.29 subdivision 1; and

31.30 (2) 50 percent in the larger city streets and bridges account under section 174.54,  
 31.31 subdivision 2.

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

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

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

32.5 (1) ~~30.5 percent to the town road account created in section 162.081;~~

32.6 (2) ~~16 percent to the town bridge account, which is created in the state treasury~~ 56.5  
 32.7 percent to the county state-aid highway fund, consisting of: (i) 30.5 percent to the town  
 32.8 road account created in section 162.081; (ii) 16 percent to the town bridge account created  
 32.9 in the state treasury; and (iii) ten percent to the county municipal accounts for purposes  
 32.10 described in section 162.08; and

32.11 (3) ~~53.5 percent to the flexible highway account created in subdivision 3~~ (2) 43.5  
 32.12 percent to the municipal state-aid street fund.

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

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

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

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

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

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

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

32.32 Sec. 5. Minnesota Statutes 2014, section 161.083, is amended to read:

33.1 **161.083 MUNICIPAL TURNBACK ACCOUNT, EXPENDITURE.**

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

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

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

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

33.18 Sec. 6. Minnesota Statutes 2014, section 162.07, subdivision 1a, is amended to read:

33.19 Subd. 1a. **Apportionment sum and excess sum.** (a) For purposes of this  
 33.20 subdivision, "distribution amount" means the amount identified in section 162.06,  
 33.21 subdivision 1, after the deductions provided for in section 162.06 for administrative costs,  
 33.22 disaster account, research account, and state park road account.

33.23 (b) The apportionment sum is calculated ~~by subtracting the excess sum, as calculated~~  
 33.24 ~~in paragraph (c), from~~ as 68 percent of the distribution amount.

33.25 (c) The excess sum is calculated as ~~the sum of revenue within~~ 32 percent of the  
 33.26 distribution amount:

33.27 ~~(1) attributed to that portion of the gasoline excise tax rate under section 296A.07,~~  
 33.28 ~~subdivision 3, in excess of 20 cents per gallon, and to that portion of the excise tax rates~~  
 33.29 ~~in excess of the energy equivalent of a gasoline excise tax rate of 20 cents per gallon~~  
 33.30 ~~for E85 and M85 under section 296A.07, subdivision 3, and special fuel under section~~  
 33.31 ~~296A.08, subdivision 2;~~

33.32 ~~(2) attributed to a change in the passenger vehicle registration tax under section~~  
 33.33 ~~168.013, imposed on or after July 1, 2008, that exceeds (i) the amount collected in fiscal~~  
 33.34 ~~year 2008, multiplied by (ii) the annual average United States Consumer Price Index for~~

34.1 ~~the calendar year previous to the current calendar year, divided by the annual average~~  
 34.2 ~~United States Consumer Price Index for calendar year 2007; and~~

34.3 ~~(3) attributed to that portion of the motor vehicle sales tax revenue in excess of the~~  
 34.4 ~~percentage allocated to the county state-aid highway fund in fiscal year 2007.~~

34.5 ~~(d) For purposes of this subdivision, the United States Consumer Price Index~~  
 34.6 ~~identified in paragraph (c) is for all urban consumers, United States city average, as~~  
 34.7 ~~determined by the United States Department of Labor.~~

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

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

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

34.16 Sec. 8. Minnesota Statutes 2014, section 168.017, is amended by adding a subdivision  
 34.17 to read:

34.18 Subd. 6. **Refunds; grace period.** The registrar shall cancel registration and provide  
 34.19 a full refund on a vehicle registered under this section if an application for refund is  
 34.20 submitted within the first ten days of the month commencing the registration period for  
 34.21 which the refund is submitted.

34.22 **EFFECTIVE DATE.** This section is effective the day following final enactment,  
 34.23 and applies to registration periods starting on or after January 1, 2016.

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

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

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

34.28 (2) is a resident of this state;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

36.4 (c) Special plates issued under this subdivision may only be used during the period  
36.5 that the owner of the motor vehicle is a member of a fire department as specified in this  
36.6 subdivision. When the individual to whom the special plates were issued is no longer a  
36.7 member of a fire department or when the motor vehicle ownership is transferred, the  
36.8 owner shall remove the special plates from the motor vehicle. If the commissioner  
36.9 receives written notification that an individual is no longer qualified for these special  
36.10 plates, the commissioner shall invalidate the plates and notify the individual of this  
36.11 action. The individual may retain the plate only upon demonstrating compliance with the  
36.12 qualifications of this subdivision. Upon removal or invalidation of the special plates or  
36.13 special motorcycle plate, the owner or purchaser of the motor vehicle shall obtain regular  
36.14 plates, a regular motorcycle plate, or special plates for the proper registration classification  
36.15 for the motor vehicle.

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

36.18 (e) Upon payment of a fee of \$5, plates issued under this subdivision for a passenger  
36.19 automobile or truck may be transferred to another passenger automobile or truck owned  
36.20 or jointly owned by the person to whom the plates were issued. On payment of a fee of  
36.21 \$5, a plate issued under this subdivision for a motorcycle may be transferred to another  
36.22 motorcycle owned or jointly owned by the person to whom the plate was issued.

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

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

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

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

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

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

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

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

37.3 (c) Special plates issued under this subdivision may only be used during the period  
37.4 that the owner of the motor vehicle is an active or retired member of the Minnesota National  
37.5 Guard as specified in this subdivision. When the individual to whom the special plates  
37.6 were issued is no longer an active or retired member of the Minnesota National Guard,  
37.7 the special plates must be removed from the vehicle by the owner. If the commissioner  
37.8 receives written notification that an individual is no longer qualified for these special plates,  
37.9 the commissioner shall invalidate the plates and notify the individual of this action. The  
37.10 individual may retain the plate only upon demonstrating compliance with the qualifications  
37.11 of this subdivision. Upon removal or invalidation of the special plates, either the owner or  
37.12 purchaser of the motor vehicle shall obtain regular plates for the motor vehicle.

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

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

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

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

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

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

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

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

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

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

37.34 (c) Special plates issued under this subdivision may only be used during the period  
37.35 that the owner of the motor vehicle is a member of the ready reserve. When the owner is

38.1 no longer a member, the special plates must be removed from the motor vehicle by the  
38.2 owner. If the commissioner receives written notification that an individual is no longer  
38.3 qualified for these special plates, the commissioner shall invalidate the plates and notify  
38.4 the individual of this action. The individual may retain the plate only upon demonstrating  
38.5 compliance with the qualifications of this subdivision. On removal or invalidation of the  
38.6 special plates, either the owner or purchaser of the motor vehicle shall obtain regular  
38.7 plates for the motor vehicle. While the owner is a member of the ready reserve, plates  
38.8 issued under this subdivision may be transferred to another motor vehicle owned by that  
38.9 individual on paying a fee of \$5.

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

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

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

38.15 (1) is a volunteer ambulance attendant as defined in section 144E.001, subdivision  
38.16 15, and owns a motor vehicle taxed as a passenger automobile;

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

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

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

38.21 (b) An individual may use special plates issued under this subdivision only during  
38.22 the period that the individual is a volunteer ambulance attendant. When the individual to  
38.23 whom the special plates were issued ceases to be a volunteer ambulance attendant, the  
38.24 individual shall remove each set of special plates issued. If the commissioner receives  
38.25 written notification that an individual is no longer qualified for these special plates, the  
38.26 commissioner shall invalidate the plates and notify the individual of this action. The  
38.27 individual may retain the plate only upon demonstrating compliance with the qualifications  
38.28 of this subdivision. When ownership of the motor vehicle is transferred, the individual  
38.29 shall remove the special plates from that motor vehicle. On removal or invalidation of the  
38.30 special plates, the owner or purchaser of the motor vehicle shall obtain regular plates for the  
38.31 motor vehicle. Special plates issued under this subdivision may be transferred to another  
38.32 motor vehicle owned by the volunteer ambulance attendant on payment of a fee of \$5.

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

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

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

39.4 (1) is a retired member of a fire department as defined in section 299N.01, subdivision  
39.5 2, has a letter from the fire chief affirming that the applicant is a retired firefighter who  
39.6 served ten or more years and separated in good standing, and is a registered owner of a  
39.7 passenger automobile, a one-ton pickup truck, a recreational vehicle, or a motorcycle;

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

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

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

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

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

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

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

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

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

39.33 License Plate	Single	Double
39.34 Regular and Disability	\$ <del>4.50</del> <u>6.25</u>	\$ <del>6.00</del> <u>12.50</u>
39.35 Special	\$ 8.50	<u>10.00</u>
39.36 Special	\$ 8.50	\$ <u>12.50</u>

40.1	Personalized (Replacement)	\$ 10.00	\$ 14.00
40.2	Collector Category	\$ 13.50	\$ 15.00
40.3	Emergency Vehicle Display	\$ <del>3.00</del> <u>6.25</u>	\$ <del>6.00</del> <u>12.50</u>
40.4	Utility Trailer Self-Adhesive	\$ 2.50	
40.5	Vertical Motorcycle Plate	\$ 100.00	NA
40.6	Stickers		
40.7	Duplicate year	\$ 1.00	\$ 1.00
40.8	International Fuel Tax Agreement	\$ 2.50	

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

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

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

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

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

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

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

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

40.24 (1) special veteran's plates to an applicant who served in the active military service  
40.25 in a branch of the armed forces of the United States or of a nation or society allied with the  
40.26 United States in conducting a foreign war, was discharged under honorable conditions,  
40.27 and is a registered owner of a passenger automobile, recreational motor vehicle, or  
40.28 one-ton pickup truck, but which is not a commercial motor vehicle as defined in section  
40.29 169.011, subdivision 16; or

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

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

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

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

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

41.13 (1) is a member of a congressionally chartered veterans service organization and  
41.14 is a registered owner of a passenger automobile, pickup truck, van, or self-propelled  
41.15 recreational vehicle;

41.16 (2) pays the registration tax required by law;

41.17 (3) pays a fee of ~~\$10~~ \$12.50 for each set of two plates, and any other fees required  
41.18 by this chapter; and

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

41.21 (b) The additional fee of ~~\$10~~ \$12.50 is payable at the time of initial application for  
41.22 the special plate emblem and when the plates must be replaced or renewed. An applicant  
41.23 must not be issued more than two sets of special plate emblems for motor vehicles listed  
41.24 in paragraph (a) and registered to the applicant.

41.25 (c) The applicant must present a valid card indicating membership in the American  
41.26 Legion or Veterans of Foreign Wars.

41.27 Sec. 19. Minnesota Statutes 2014, section 168.1255, subdivision 1, is amended to read:

41.28 Subdivision 1. **General requirements and procedures.** The commissioner shall  
41.29 issue special veteran contribution plates or a single motorcycle plate to an applicant who:

41.30 (1) is a veteran, as defined in section 197.447;

41.31 (2) is a registered owner of a passenger automobile as defined in section 168.002,  
41.32 subdivision 24, recreational vehicle as defined in section 168.002, subdivision 27, one-ton  
41.33 pickup truck as defined in section 168.002, subdivision 21b, or motorcycle as defined in  
41.34 section 168.002, subdivision 19;

42.1 (3) pays a fee of ~~\$10~~ \$12.50 to cover the costs of handling and manufacturing the  
42.2 plates;

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

42.4 (5) pays the fees required under this chapter;

42.5 (6) pays an additional onetime World War II memorial contribution of \$30, which  
42.6 the department shall retain until all start-up costs associated with the development and  
42.7 issuing of the plates have been recovered, after which the commissioner shall deposit  
42.8 contributions in the World War II donation match account; and

42.9 (7) complies with this chapter and rules governing the registration of motor vehicles  
42.10 and licensing of drivers.

42.11 Sec. 20. Minnesota Statutes 2014, section 168.128, subdivision 2, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

44.1 (d) Special critical habitat license plates, the designs for which are selected under  
44.2 subdivision 2, on or after January 1, 2006, may be personalized according to section  
44.3 168.12, subdivision 2a.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

44.27 (6) complies with laws and rules governing registration and licensing of vehicles  
44.28 and drivers.

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

44.32 Sec. 26. Minnesota Statutes 2014, section 168.1299, subdivision 1, is amended to read:

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

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

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

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

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

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

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

45.12 **exemptions.** Any person, copartnership, or corporation having a permanent enclosed  
45.13 commercial building or structure either owned in fee or leased and engaged in the  
45.14 business, either exclusively or in addition to any other occupation, of selling motorized  
45.15 bicycles, boat trailers, horse trailers, or snowmobile trailers, may apply to the registrar  
45.16 for a dealer's license. Upon payment of a \$10 fee the registrar shall license the applicant  
45.17 as a dealer for the remainder of the calendar year in which the application was received.

45.18 The license may be renewed on or before the second day of January of each succeeding  
45.19 year by payment of a fee of \$10. The registrar shall issue to each dealer, upon request

45.20 of the dealer, dealer plates as provided in subdivision 16 upon payment of ~~\$5~~ \$6.25 for  
45.21 each plate, and the plates may be used in the same manner and for the same purposes as

45.22 is provided in subdivision 16. Except for motorized bicycle dealers, the registrar shall  
45.23 also issue to the dealer, upon request of the dealer, "in-transit" plates as provided in

45.24 subdivision 17 upon payment of a fee of \$5 for each plate. This subdivision does not  
45.25 abrogate any of the provisions of this section relating to the duties, responsibilities, and

45.26 requirements of persons, copartnerships, or corporations engaged in the business, either  
45.27 exclusively or in addition to other occupations, of selling motor vehicles or manufactured

45.28 homes, except that a seller of boat trailers, utility trailers, or snowmobile trailers who  
45.29 is licensed under this subdivision is not required to have a contract or franchise with a

45.30 manufacturer or distributor of new boat trailers, utility trailers, or new snowmobile trailers  
45.31 the seller proposes to sell, broker, wholesale, or auction. This section does not require a

45.32 manufacturer of snowmobile trailers whose manufacturing facility is located outside of  
45.33 the metropolitan area as defined in section 473.121 to have a dealer's license to transport

45.34 the snowmobile trailers to dealers or retail outlets in the state.

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

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

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

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

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

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

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

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

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

47.1 (i) The deputy registrar shall keep records and make reports to the commissioner as  
47.2 the commissioner requires. The records must be maintained at the offices of the deputy  
47.3 registrar. The records and offices of the deputy registrar must at all times be open to the  
47.4 inspection of the commissioner or the commissioner's agents. The deputy registrar shall  
47.5 report to the commissioner by the next working day following receipt all registrations  
47.6 made and taxes and fees collected by the deputy registrar.

47.7 (j) The filing fee fees imposed under subdivision 7, paragraph (a), clauses (1) and  
47.8 (3), must be deposited in the treasury of the place for which appointed or, if not a public  
47.9 official, a deputy shall retain the filing fee fees, but the registration tax and, any additional  
47.10 fees for delayed registration the deputy registrar has collected, and the surcharge imposed  
47.11 under subdivision 7, paragraph (a), clause (2), the deputy registrar shall deposit by the next  
47.12 working day following receipt in an approved state depository to the credit of the state  
47.13 through the commissioner of management and budget. The place for which the deputy  
47.14 registrar is appointed through its governing body must provide the deputy registrar with  
47.15 facilities and personnel to carry out the duties imposed by this subdivision if the deputy  
47.16 is a public official. In all other cases, the deputy shall maintain a suitable facility for  
47.17 serving the public.

47.18 Sec. 29. Minnesota Statutes 2014, section 168.33, subdivision 7, is amended to read:

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

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

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

47.25 (3) a \$10 filing fee is imposed on every other type of vehicle transaction, including  
47.26 motor carrier fuel tax licenses under sections 168.06 and 168D.05, and pro rate transactions.

47.27 (b) Notwithstanding paragraph (a):

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

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

47.33 (c) The filing fee and surcharge must be shown as a separate item on all registration  
47.34 renewal notices sent out by the commissioner.

48.1 (d) The statutory fees and taxes, and the filing fees and surcharge imposed under  
48.2 paragraph (a) may be paid by credit card or debit card. The deputy registrar may collect a  
48.3 surcharge on the statutory fees, taxes, statutory surcharge, and filing fee not greater than  
48.4 the cost of processing a credit card or debit card transaction, in accordance with emergency  
48.5 rules established by the commissioner of public safety. The surcharge authorized by this  
48.6 paragraph must be used to pay the cost of processing credit and debit card transactions.

48.7 (e) The fees and surcharge collected under ~~this subdivision~~ paragraph (a) by the  
48.8 department must be allocated as follows:

48.9 (1) of the fees collected under paragraph (a), clause (1):

48.10 (i) \$4.50 must be deposited in the vehicle services operating account; and

48.11 (ii) \$1.50 must be deposited:

48.12 (A) in the driver and vehicle services technology account until sufficient funds have  
48.13 been deposited in that account to cover all costs of administration, development, and  
48.14 initial full deployment of the driver and vehicle services information system; and

48.15 (B) after completion of the deposit of funds under subitem (A) in the vehicle  
48.16 services operating account; and

48.17 (2) of the surcharge collected under paragraph (a), clause (2):

48.18 (i) 50 percent must be deposited in the small city streets and bridges account under  
48.19 section 174.54, subdivision 1; and

48.20 (ii) 50 percent must be deposited in the larger city streets and bridges account under  
48.21 section 174.54, subdivision 2; and

48.22 (3) of the fees collected under paragraph (a), clause ~~(2)~~ (3):

48.23 (i) \$3.50 must be deposited ~~in the general fund~~ as follows:

48.24 (A) 50 percent to the small city streets and bridges account under section 174.54,  
48.25 subdivision 1; and

48.26 (B) 50 percent to the larger city streets and bridges account under section 174.54,  
48.27 subdivision 2;

48.28 (ii) \$5.00 must be deposited in the vehicle services operating account; and

48.29 (iii) \$1.50 must be deposited:

48.30 (A) in the driver and vehicle services technology account until sufficient funds have  
48.31 been deposited in that account to cover all costs of administration, development, and  
48.32 initial full deployment of the driver and vehicle services information system; and

48.33 (B) after completion of the deposit of funds under subitem (A) in the vehicle services  
48.34 operating account.

48.35 **EFFECTIVE DATE.** Paragraph (a), clause (3), is effective the day following final  
48.36 enactment. The remainder of the section is effective July 1, 2015.

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

49.2 Subd. 3. **Special plates or certificate; fee; proceeds to highway user fund vehicle**  
49.3 **services operating account.** At the same time that an owner or operator of intercity buses  
49.4 registers them in Minnesota and obtains number plates therefor, the owner or operator  
49.5 shall apply for special identification plates or certificates for the remainder of that fleet  
49.6 of intercity buses. The registrar of motor vehicles shall design an appropriate plate or  
49.7 identification certificate for this purpose which shall be issued upon the payment of a  
49.8 fee of ~~\$10~~ \$12.50 covering each intercity bus so identified. The proceeds of such fees  
49.9 shall be deposited to the credit of the vehicle services operating account under section  
49.10 299A.705, subdivision 1. No intercity bus shall at any time be operated in the state of  
49.11 Minnesota without either Minnesota number plates or special identification plates or  
49.12 certificates issued as herein provided.

49.13 Sec. 31. Minnesota Statutes 2014, section 168A.07, is amended by adding a  
49.14 subdivision to read:

49.15 Subd. 3. **Fees.** The filing fee to create a conditional registration shall conform with  
49.16 the fee provided in section 168.33, subdivision 7, paragraph (a), clause (3). A subsequent  
49.17 removal and clearing of a conditional registration is considered a separate transaction and  
49.18 requires payment of an additional filing fee of the same amount, provided the removal and  
49.19 clearing was initiated by a motor vehicle dealer licensed under section 168.27.

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

49.21 Subdivision 1. **Small city streets and bridges account.** A small city streets and  
49.22 bridges account is created as a special revenue account and established in the state  
49.23 treasury, consisting of money allotted, appropriated, or transferred through gift or grant  
49.24 for the account. Money in the account must be appropriated to the commissioner of  
49.25 transportation by law and apportioned among all the cities in the state that are not eligible  
49.26 to receive municipal state aid and do not receive municipal state aid. The commissioner  
49.27 shall apportion the money so that each city receives of the total amount the percentage that  
49.28 its population bears to the total population of small cities in this state. Money apportioned  
49.29 under this section must be used for construction, reconstruction, improvement, operations,  
49.30 and maintenance of city streets and bridges.

49.31 Subd. 2. **Larger city streets and bridges account.** A larger city streets and  
49.32 bridges account is created as a special revenue account and established in the state  
49.33 treasury, consisting of money allotted, appropriated, or transferred through gift or grant  
49.34 for the account. Money in the account must be appropriated to the commissioner of

50.1 transportation by law and apportioned among all the cities in the state that are eligible  
50.2 to receive municipal state aid. The commissioner shall apportion: (1) 50 percent of the  
50.3 money so that each city receives of that amount the percentage that its population bears to  
50.4 the total population of all cities that are eligible to receive municipal state aid; and (2)  
50.5 50 percent of the money so that each city receives of that amount the percentage that its  
50.6 money needs, as determined by the commissioner under section 162.13, subdivision 3,  
50.7 bears to the total money needs of all cities that are eligible to receive municipal state aid.  
50.8 Money apportioned under this section must be used for construction, reconstruction,  
50.9 improvement, operations, and maintenance of city streets and bridges.

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

50.11 Subd. 3. **Motor vehicle lease sales tax revenue.** (a) For purposes of this  
50.12 subdivision, "net revenue" means an amount equal to the revenues, including interest  
50.13 and penalties, collected under this section, during the fiscal year; less ~~\$32,000,000~~  
50.14 \$22,000,000 in each fiscal year.

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

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

50.21 ~~(1) \$9,000,000 annually until January 1, 2015, and 50 percent annually thereafter to~~  
50.22 ~~the county state-aid highway fund.~~

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

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

50.33 (e) The revenues transferred under this subdivision do not include the revenues,  
50.34 including interest and penalties, generated by the sales tax imposed under section

51.1 297A.62, subdivision 1a, which must be deposited as provided under the Minnesota  
 51.2 Constitution, article XI, section 15.

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

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

51.6 **297B.03 EXEMPTIONS.**

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

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

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

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

51.24 Subd. 5. **Sale of a business.** ~~(4)~~ The purchase or use of any motor vehicle previously  
 51.25 registered in the state of Minnesota when such transfer constitutes a transfer within the  
 51.26 meaning of section 118, 331, 332, 336, 337, 338, 351, 355, 368, 721, 731, 1031, 1033, or  
 51.27 1563(a) of the Internal Revenue Code; is exempt.

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

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

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

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

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

52.15 Subd. 11. Local government road maintenance. ~~(10)~~ The purchase or use of a  
 52.16 motor vehicle by a ~~town~~ local government for use exclusively for road maintenance,  
 52.17 including ~~snowplows and dump trucks~~ a snowplow or dump truck, but not including  
 52.18 ~~automobiles, vans, or pickup trucks~~; an automobile, van, or pickup truck is exempt. For  
 52.19 purposes of this subdivision "local government" means:

52.20 (1) a home rule charter or statutory city;

52.21 (2) a county;

52.22 (3) a town; or

52.23 (4) an instrumentality of a home rule charter or statutory city, county, or town.

52.24 An instrumentality may be a special district under section 6.465, or a special district  
 52.25 organized under a joint powers agreement under section 471.59, if the special district was  
 52.26 established by the county, city, or town, or the majority of the special district's governing  
 52.27 board is made up of:

52.28 (i) elected officials of the city, county, or town; or

52.29 (ii) the special district's members are appointed by the governing body of the city,  
 52.30 county, or town.

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

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

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

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

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

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

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

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

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

53.28            **EFFECTIVE DATE.** This section is effective for sales and purchases made after  
 53.29 June 30, 2014.

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

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

53.33            (b) ~~60~~ 58 percent of the money collected and received must be deposited in the  
 53.34 highway user tax distribution fund, ~~36~~ 34 percent must be deposited in the metropolitan

54.1 area transit account under section 16A.88, and ~~four~~ eight percent must be deposited in the  
54.2 greater Minnesota transit account under section 16A.88.

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

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

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

54.10 Subd. 2. **Authorization to impose the fee.** (a) The city of Minneapolis may  
54.11 impose by ordinance a fee to be paid by the owner of each parking space located in a  
54.12 parking facility within an area in the city of Minneapolis described as follows: west of the  
54.13 Mississippi River, west of Interstate Highway 35W, north or east of Interstate Highway  
54.14 94, and south of Plymouth Avenue.

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

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

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

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

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

54.30 (2) public plazas, including, but not limited to, improvements, operations,  
54.31 maintenance, and programming, to include recreational and entertainment activities  
54.32 designed to promote enjoyment of the city for Minnesotans and tourists of all ages. The  
54.33 city of Minneapolis may designate proceeds for this purpose for downtown, or specifically

55.1 for Nicollet Mall, Peavey Plaza, or Downtown East Commons, or other similar locations.  
55.2 The city of St. Paul may designate proceeds for this purpose for downtown, or specifically  
55.3 for Rice Park, Mears Park, Wacouta Commons, Kellogg Park, Pedro Park, Central Station  
55.4 Plaza, Cleveland Circle, or other similar locations; and

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

55.6 (i) planning, design, engineering, property acquisition, and construction of the  
55.7 downtown portion of a transit line or bicycle facility;

55.8 (ii) maintaining and acquiring equipment, transit vehicles, and related facilities, such  
55.9 as maintenance facilities, that need not be located in the parking facilities fee area;

55.10 (iii) acquiring, improving, or constructing transit stations; and

55.11 (iv) acquiring or improving public space, including the construction and installation  
55.12 of improvements to streets and sidewalks, decorative lighting and surfaces, and plantings  
55.13 related to the downtown portion of a transit line or bicycle facility.

55.14 **EFFECTIVE DATE.** Under Minnesota Statutes, section 645.023, subdivision 1,  
55.15 this section is effective on July 1, 2015, without the requirement of local approval.

55.16 **Sec. 37. MOTOR VEHICLE SALES TAX REFUND.**

55.17 For motor vehicle sales tax paid on purchases made after June 30, 2014, and before  
55.18 the effective date of this section, on motor vehicles exempt under Minnesota Statutes,  
55.19 section 297B.03, subdivision 11, the purchaser may apply for a refund using the mechanism  
55.20 provided for refund of the general sales tax to purchasers under Minnesota Statutes, section  
55.21 289A.50, subdivision 2a. Payment of a refund pursuant to this section must be made out  
55.22 of the transit assistance fund and highway user fund in the same proportion provided for  
55.23 deposit of tax proceeds for the fiscal year pursuant to section 297B.09, subdivision 1. The  
55.24 amounts necessary to pay the refunds are appropriated out of the respective funds.

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

55.26 **Sec. 38. REPEALER.**

55.27 Minnesota Statutes 2014, section 161.081, subdivision 3, is repealed.

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

55.29 **ARTICLE 7**

55.30 **EFFICIENCY MEASURES**

55.31 Section 1. Minnesota Statutes 2014, section 16E.15, subdivision 2, is amended to read:

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

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

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

56.13 Sec. 2. Minnesota Statutes 2014, section 161.20, is amended by adding a subdivision  
 56.14 to read:

56.15 Subd. 3a. **Transfer of appropriations.** With the approval of the commissioner of  
 56.16 management and budget, the commissioner of transportation may transfer unencumbered  
 56.17 balances among appropriations from the trunk highway fund and the state airports fund.  
 56.18 No transfer may be made from appropriations for state road construction, for operations  
 56.19 and maintenance, or for debt service. Transfers under this paragraph may not be made  
 56.20 between funds. Transfers under this paragraph must be reported immediately to the  
 56.21 chairs and ranking minority members of the legislative committees and divisions with  
 56.22 jurisdiction over transportation finance.

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

56.24 Sec. 3. **[161.225] LOANS FOR LAND ACQUISITION FOR HIGHWAY**  
 56.25 **PROJECTS.**

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

56.31 Subd. 2. **Loans.** (a) The commissioner may make loans to counties, towns, and  
 56.32 statutory and home rule charter cities to purchase property within the right-of-way of  
 56.33 a state trunk highway shown on an official map adopted pursuant to section 394.361  
 56.34 or 462.359, or to purchase property within the proposed right-of-way of a principal or

57.1 intermediate arterial highway. The loans shall be made from the fund established under this  
57.2 subdivision for purchases approved by the commissioner. The loans shall bear no interest.

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

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

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

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

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

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

57.21 (d) A private property owner may elect to receive the purchase price either  
57.22 in a lump sum or in not more than four annual installments without interest on the  
57.23 deferred installments. If the purchase agreement provides for installment payments,  
57.24 the commissioner shall make the loan in installments corresponding to those in the  
57.25 purchase agreement. The recipient of an acquisition loan shall convey the property for the  
57.26 construction of the highway at the same price which the recipient paid for the property. The  
57.27 price may include the costs of preparing environmental documents that were required for  
57.28 the acquisition and that were paid for with money that the recipient received from the loan  
57.29 fund. Upon notification by the commissioner that the plan to construct the highway has been  
57.30 abandoned or the anticipated location of the highway has changed, the recipient shall sell  
57.31 the property at market value in accordance with the procedures required for the disposition  
57.32 of the property. All rents and other money received because of the recipient's ownership  
57.33 of the property and all proceeds from the conveyance or sale of the property shall be paid  
57.34 to the commissioner. If a recipient is not permitted to include in the conveyance price the  
57.35 cost of preparing environmental documents that were required for the acquisition, then the

58.1 recipient is not required to repay the commissioner an amount equal to 40 percent of the  
58.2 money received from the loan fund and spent in preparing the environmental documents.

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

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

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

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

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

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

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

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

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

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

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

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

59.2 Sec. 4. Minnesota Statutes 2014, section 161.231, is amended to read:

59.3 **161.231 APPROPRIATION; PROCEEDS FROM ~~LEASED~~ STATE**  
59.4 **PROPERTY.**

59.5 There is appropriated annually from the fund or account in the state treasury to which  
59.6 the ~~rental~~ money from the sale, lease, conveyance, or disposal of state leased property  
59.7 is credited a sufficient amount of money to carry out the state's obligations under the  
59.8 provisions of sections 15.16, 117.135, 117.226, 161.16, 161.202, 161.23, subdivision 3,  
59.9 161.24, 161.241, 161.43, 161.433, 161.44, 161.442, and 272.68, subdivision 3, including  
59.10 the inventorying, marketing, and property management activities required to sell, lease,  
59.11 rent, permit, convey, or otherwise dispose of the land or the interest in the land. At the  
59.12 discretion of the commissioner of transportation, money in the account at the end of each  
59.13 biennium may cancel to the trunk highway fund.

59.14 Sec. 5. Minnesota Statutes 2014, section 161.46, subdivision 2, is amended to read:

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

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

59.26 Sec. 6. Minnesota Statutes 2014, section 168.013, subdivision 1g, is amended to read:

59.27 Subd. 1g. **Recreational vehicle.** (a) Self-propelled recreational vehicles ~~shall~~ must  
59.28 be separately licensed and taxed annually on the basis of total gross weight ~~and~~. The  
59.29 tax ~~shall~~ must be graduated according to the Minnesota base rate schedule prescribed  
59.30 in subdivision 1e, but in no event less than \$20, except as otherwise provided in this  
59.31 subdivision.

60.1 (b) For all self-propelled recreational vehicles, the tax for the ninth and succeeding  
60.2 years of vehicle life ~~shall be~~ is 75 percent of the tax imposed in the Minnesota base rate  
60.3 schedule.

60.4 (c) Towed recreational vehicles ~~shall~~ must be separately licensed and taxed under  
60.5 either one of the following, as determined by the vehicle owner: (1) annually on the basis  
60.6 of total gross weight at 30 percent of the Minnesota base rate prescribed in subdivision 1e  
60.7 but ; or (2) once every three years on the basis of total gross weight at 90 percent of the  
60.8 Minnesota base rate prescribed in subdivision 1e, provided that the filing fee under section  
60.9 168.33, subdivision 7, paragraph (a), is multiplied by three, with funds collected by the  
60.10 commissioner allocated proportionally in the same manner as provided in section 168.33,  
60.11 subdivision 7, paragraph (e). In no event is the tax under this paragraph less than \$5.

60.12 (d) Notwithstanding any law to the contrary, all trailers and semitrailers taxed  
60.13 pursuant to this section ~~shall be~~ are exempt from any wheelage tax now or hereafter  
60.14 imposed by any political subdivision or political subdivisions.

60.15 **EFFECTIVE DATE.** This section is effective the day following final enactment,  
60.16 and applies to taxes payable for a registration period starting on or after January 1, 2016.

60.17 Sec. 7. Minnesota Statutes 2014, section 168.013, subdivision 8, is amended to read:

60.18 Subd. 8. **Tax proceeds to highway user fund; fee proceeds to vehicle services**  
60.19 **account.** (a) Unless otherwise specified in this chapter, the net proceeds of the registration  
60.20 tax imposed under this chapter, including the penalty surcharge for late payment, imposed  
60.21 in section 168.31, subdivision 1a, must be collected by the commissioner, paid into the  
60.22 state treasury, and credited to the highway user tax distribution fund.

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

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

60.28 Sec. 8. Minnesota Statutes 2014, section 168.12, subdivision 1, is amended to read:

60.29 Subdivision 1. **Plates; design, visibility, periods of issuance.** (a) The commissioner,  
60.30 upon approval and payment, shall issue to the applicant the plates required by this chapter,  
60.31 bearing the state name and an assigned vehicle registration number. The number assigned  
60.32 by the commissioner may be a combination of a letter or sign with figures. The color of the  
60.33 plates and the color of the abbreviation of the state name and the number assigned must

61.1 be in marked contrast. The plates must be lettered, spaced, or distinguished to suitably  
61.2 indicate the registration of the vehicle according to the rules of the commissioner.

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

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

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

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

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

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

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

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

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

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

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

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

62.6 Sec. 9. Minnesota Statutes 2014, section 168.31, is amended by adding a subdivision  
 62.7 to read:

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

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

62.15 Sec. 10. **[174.53] FEDERAL FUND FLEXIBILITY PROGRAM.**

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

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

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

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

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

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

62.29 Sec. 11. Minnesota Statutes 2014, section 299A.465, subdivision 2, is amended to read:

62.30 Subd. 2. **Officer or firefighter killed in line of duty.** (a) This subdivision applies  
 62.31 when a peace officer or, firefighter, or volunteer firefighter is killed while on duty and

63.1 discharging the officer's or, firefighter's, or volunteer firefighter's duties as a peace officer  
63.2 or, firefighter, or volunteer firefighter.

63.3 (b) The officer's or firefighter's employer shall continue to cover the deceased  
63.4 officer's or firefighter's dependents, including the officer's or firefighter's spouse:

63.5 (1) if the officer or, firefighter, or volunteer firefighter was receiving dependent  
63.6 coverage at the time of the officer's or, firefighter's, or volunteer firefighter's death under  
63.7 the employer's group health plan; or

63.8 (2) if the officer's or, firefighter's, or volunteer firefighter's spouse was not covered  
63.9 as a dependent at the time of the officer's or, firefighter's, or volunteer firefighter's death,  
63.10 but at that time was eligible, or afterward becomes eligible, to be a dependent on the  
63.11 employer's group health plan.

63.12 (c) The employer is responsible for the employer's contribution for the coverage of  
63.13 the officer's or, firefighter's, or volunteer firefighter's dependents. Subject to subdivision  
63.14 5, paragraph (b), clause (2), coverage must continue for a dependent of the officer or,  
63.15 firefighter for the period of time that the person is a dependent up to the age of 65, or  
63.16 volunteer firefighter as follows: (1) for a surviving spouse, until the surviving spouse  
63.17 reaches the age of 65; and (2) for each other dependent, until the dependent reaches the  
63.18 age of 26, except as otherwise provided in section 62L.02, subdivision 11.

63.19 **EFFECTIVE DATE.** This section is effective January 1, 2016, and applies to  
63.20 officer, firefighter, and volunteer firefighter deaths that occur on and after the effective date.

63.21 Sec. 12. Minnesota Statutes 2014, section 299A.465, is amended by adding a  
63.22 subdivision to read:

63.23 **Subd. 2a. Volunteer firefighter killed in line of duty.** (a) This subdivision  
63.24 applies when a volunteer firefighter is killed while on duty and discharging the volunteer  
63.25 firefighter's duties as a volunteer firefighter and the municipality or municipalities that  
63.26 operate the fire department did not offer a group health insurance policy to which a  
63.27 volunteer firefighter was eligible to subscribe.

63.28 (b) The municipality or municipalities that operate the fire department that the  
63.29 volunteer firefighter served with shall, until coverage terminates as provided under  
63.30 subdivision 2, paragraph (c), either: (1) provide health insurance coverage for the  
63.31 volunteer firefighter's dependents that is equivalent to the average benefit provided by the  
63.32 municipality or municipalities to dependents of its employees who are covered by the  
63.33 plan, or (2) reimburse the dependents, if the municipality or municipalities do not offer a  
63.34 group health insurance plan for any employees, for a minimum of 50 percent of the cost of  
63.35 health insurance premiums for coverage selected by the dependents.

64.1 **EFFECTIVE DATE.** This section is effective January 1, 2016, and applies to  
 64.2 volunteer firefighter deaths that occur on and after the effective date.

64.3 Sec. 13. Minnesota Statutes 2014, section 299A.465, subdivision 5, is amended to read:

64.4 Subd. 5. **Definition.** For purposes of this section:

64.5 (a) "Peace officer" or "officer" has the meaning given in section 626.84, subdivision  
 64.6 1, paragraph (c).

64.7 (b) "Dependent" means a person who: (1) meets the definition of dependent in  
 64.8 section 62L.02, subdivision 11, at the time of the officer's or firefighter's injury or death—~~a~~  
 64.9 ~~person~~; and (2) is not a dependent for purposes of this section during the period of time the  
 64.10 person is covered under another group health plan. For purposes of this section, a volunteer  
 64.11 firefighter is deemed to be an eligible employee under section 62L.02, subdivision 13.

64.12 (c) "Firefighter" has the meaning given in Minnesota Statutes 2000, section 424.03,  
 64.13 but does not include volunteer firefighters.

64.14 (d) "Volunteer firefighter" has the meaning given in section 299N.03, subdivision 7,  
 64.15 and includes paid per call.

64.16 (e) "Fire department" has the meaning given in section 299N.03, subdivision 4.

64.17 **EFFECTIVE DATE.** This section is effective January 1, 2016, and applies to  
 64.18 officer and firefighter deaths that occur on and after the effective date.

64.19 Sec. 14. Minnesota Statutes 2014, section 299A.465, is amended by adding a  
 64.20 subdivision to read:

64.21 Subd. 5a. **Minimum benefit.** Nothing in this section prohibits an employer from  
 64.22 providing benefits to survivors of deceased volunteer firefighters that are greater than the  
 64.23 benefits required under this section.

64.24 Sec. 15. Minnesota Statutes 2014, section 299D.09, is amended to read:

64.25 **299D.09 ESCORT SERVICE; APPROPRIATION; RECEIPTS.**

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

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

65.1 (c) The fees charged for State Patrol flight services are \$140 an hour for a fixed wing  
 65.2 aircraft, \$490 an hour for a helicopter, and \$600 an hour for the Queen Air in fiscal year  
 65.3 2012; and \$139.64 an hour for a fixed wing aircraft, \$560.83 an hour for a helicopter, and  
 65.4 \$454.84 an hour for the Queen Air in fiscal year 2013 and thereafter.

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

65.6 Sec. 16. **[299F.037] REPORTING FIREFIGHTER DEATHS.**

65.7 Whenever an active firefighter dies, whether or not the death is presumed to be in the  
 65.8 line of duty, the fire chief of the deceased firefighter must report, without undue delay,  
 65.9 the death to the state fire marshal. The notification shall identify the cause of death and  
 65.10 contain information concerning the circumstances of the death.

65.11 Sec. 17. Minnesota Statutes 2014, section 360.024, is amended to read:

65.12 **360.024 AIR TRANSPORTATION SERVICE CHARGE.**

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

65.18 Sec. 18. Minnesota Statutes 2014, section 473.167, is amended to read:

65.19 **473.167 HIGHWAY AND TRANSIT PROJECTS.**

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

65.30 (b) The council shall make loans only:

65.31 (1) to accelerate the acquisition of primarily undeveloped property when there  
 65.32 is a reasonable probability that the property will increase in value before highway or

66.1 transit-related construction, and to update an expired environmental impact statement on  
66.2 a project for which the right-of-way is being purchased;

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

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

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

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

66.16 (d) A private property owner may elect to receive the purchase price either in a  
66.17 lump sum or in not more than four annual installments without interest on the deferred  
66.18 installments. If the purchase agreement provides for installment payments, the council  
66.19 shall make the loan in installments corresponding to those in the purchase agreement. The  
66.20 recipient of an acquisition loan shall convey the property for the construction of the highway  
66.21 at the same price which the recipient paid for the property. The price may include the costs  
66.22 of preparing environmental documents that were required for the acquisition and that were  
66.23 paid for with money that the recipient received from the loan fund. Upon notification by  
66.24 the council that the plan to construct the highway or transit project has been abandoned or  
66.25 the anticipated location of the highway or transit project changed, the recipient shall sell  
66.26 the property at market value in accordance with the procedures required for the disposition  
66.27 of the property. All rents and other money received because of the recipient's ownership  
66.28 of the property and all proceeds from the conveyance or sale of the property shall be paid  
66.29 to the council. If a recipient is not permitted to include in the conveyance price the cost  
66.30 of preparing environmental documents that were required for the acquisition, then the  
66.31 recipient is not required to repay the council an amount equal to 40 percent of the money  
66.32 received from the loan fund and spent in preparing the environmental documents.

66.33 (e) The proceeds of the tax authorized by subdivision 3, all money paid to the  
66.34 council by recipients of loans, and all interest on the proceeds and payments shall be  
66.35 maintained as a separate fund. For administration of the loan program, the council may

67.1 expend from the fund each year an amount no greater than three percent of the amount of  
67.2 the proceeds for that year.

67.3 Subd. 2a. **Loans for acquisition and relocation.** (a) The council may make loans  
67.4 to acquiring authorities within the metropolitan area to purchase homestead property  
67.5 located in a proposed state trunk highway right-of-way or project or transit-related project,  
67.6 and to provide relocation assistance. Acquiring authorities are authorized to accept the  
67.7 loans and to acquire the property. Except as provided in this subdivision, the loans shall  
67.8 be made as provided in subdivision 2. Loans shall be in the amount of the fair market  
67.9 value of the homestead property plus relocation costs and less salvage value. Before  
67.10 construction of the highway or transit-related project begins, the acquiring authority shall  
67.11 convey the property to the commissioner of transportation or council at the same price it  
67.12 paid, plus relocation costs and less its salvage value. Acquisition and assistance under this  
67.13 subdivision must conform to sections 117.50 to 117.56.

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

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

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

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

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

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

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

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

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

68.1 Subd. 3. **Tax.** The council may levy a tax on all taxable property in the metropolitan  
68.2 area, as defined in section 473.121, to provide funds for loans made pursuant to  
68.3 subdivisions 2 and 2a. This tax for the right-of-way acquisition loan fund shall be certified  
68.4 by the council, levied, and collected in the manner provided by section 473.13. The tax  
68.5 shall be in addition to that authorized by section 473.249 and any other law and shall not  
68.6 affect the amount or rate of taxes which may be levied by the council or any metropolitan  
68.7 agency or local governmental unit. The amount of the levy shall be as determined and  
68.8 certified by the council, provided that the tax levied by the Metropolitan Council for the  
68.9 right-of-way acquisition loan fund shall not exceed ~~\$2,828,379 for taxes payable in 2004~~  
68.10 ~~and \$2,828,379 for taxes payable in 2005.~~ The amount of the levy for taxes payable in  
68.11 ~~2006 and subsequent years shall not exceed~~ the product of (1) the Metropolitan Council's  
68.12 property tax levy limitation under this subdivision for the previous year, multiplied by  
68.13 (2) one plus a percentage equal to the growth in the implicit price deflator as defined  
68.14 in section 275.70, subdivision 2.

68.15 Subd. 4. **State review.** The commissioner of revenue shall certify the council's levy  
68.16 limitation under this section to the council by August 1 of the levy year. The council must  
68.17 certify its proposed property tax levy to the commissioner of revenue by September 1 of  
68.18 the levy year. The commissioner of revenue shall annually determine whether the property  
68.19 tax for the right-of-way acquisition loan fund certified by the Metropolitan Council for  
68.20 levy following the adoption of its proposed budget is within the levy limitation imposed  
68.21 by this section. The determination must be completed prior to September 10 of each year.  
68.22 If current information regarding market valuation in any county is not transmitted to the  
68.23 commissioner in a timely manner, the commissioner may estimate the current market  
68.24 valuation within that county for purposes of making the calculation.

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

68.26 Sec. 19. Laws 2014, chapter 312, article 11, section 33, is amended to read:

68.27 Sec. 33. **TRANSPORTATION EFFICIENCIES.**

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

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

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

## 69.12 **ARTICLE 8**

### 69.13 **TRANSPORTATION POLICY**

69.14 Section 1. Minnesota Statutes 2014, section 168.053, subdivision 1, is amended to read:

69.15 Subdivision 1. **Application; fee; penalty.** Any person, firm, or corporation with  
 69.16 a business located in Minnesota engaged in the business of transporting motor vehicles  
 69.17 owned by another, by delivering, by drive-away or towing methods, either singly or by  
 69.18 means of the full mount method, the saddle mount method, the tow bar method, or any other  
 69.19 combination thereof, and under their own power, vehicles over the highways of the state  
 69.20 from the manufacturer or any other point of origin, to any point of destination, within or  
 69.21 without the state, shall make application to the registrar for a drive-away in-transit license.  
 69.22 This application for annual license shall be accompanied by a registration fee of \$250 and  
 69.23 contain information the registrar may require. Upon the filing of the application and the  
 69.24 payment of the fee, the registrar shall issue to each drive-away operator a drive-away  
 69.25 in-transit license plate, which must be carried and displayed on the power unit consistent  
 69.26 with section 169.79 and the plate shall remain on the vehicle while being ~~operated within~~  
 69.27 Minnesota transported. The license plate issued under this subdivision is not valid for the  
 69.28 purpose of permanent vehicle registration ~~and is not valid outside Minnesota~~. Additional  
 69.29 drive-away in-transit license plates desired by any drive-away operator may be secured  
 69.30 from the registrar of motor vehicles upon the payment of a fee of \$5 for each set of  
 69.31 additional license plates. Any person, firm, or corporation engaging in the business as a  
 69.32 drive-away operator, of transporting and delivering by means of full mount method, the  
 69.33 saddle mount method, the tow bar method, or any combination thereof, and under their  
 69.34 own power, motor vehicles, who fails or refuses to file or cause to be filed an application,  
 69.35 as is required by law, and to pay the fees therefor as the law requires, shall be found guilty

70.1 of violating the provisions of sections 168.053 to 168.057; and, upon conviction, fined  
 70.2 not less than \$50, and not more than \$100, and all costs of court. Each day so operating  
 70.3 without securing the license and plates as required shall constitute a separate offense.

70.4 Sec. 2. Minnesota Statutes 2014, section 168D.06, is amended to read:

70.5 **168D.06 FUEL LICENSE FEES.**

70.6 License fees paid to the commissioner under the International Fuel Tax Agreement  
 70.7 must be deposited in the vehicle services operating account in the special revenue fund  
 70.8 under section 299A.705. The commissioner shall charge an annual fuel license fee of  
 70.9 \$15, ~~and~~ an annual application filing fee of \$13 for quarterly reporting of fuel tax, and a  
 70.10 reinstatement fee of \$100 to reinstate a revoked International Fuel Tax Agreement license.

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

70.12 Sec. 3. Minnesota Statutes 2014, section 169.798, subdivision 4, is amended to read:

70.13 Subd. 4. ~~**Attestation of Insurance information required.**~~ Every owner, when  
 70.14 applying for motor vehicle or motorcycle registration, reregistration, or transfer of  
 70.15 ownership, must ~~attest~~ provide information showing that the motor vehicle or motorcycle  
 70.16 is covered by an insurance policy. Information required under this subdivision consists  
 70.17 of the insurance company's name, the policy number, and the policy expiration date for  
 70.18 the subject motor vehicle or motorcycle.

70.19 **EFFECTIVE DATE.** This section is effective January 1, 2016, and applies to  
 70.20 registrations, reregistrations, and transfers of ownership occurring on or after that date.

70.21 Sec. 4. **[174.38] ACTIVE TRANSPORTATION PROGRAMS.**

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

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

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

70.28 (1) expenditures under this section for acquisition of land or permanent easements,  
 70.29 predesign, design, preliminary and final engineering, environmental analysis, construction,  
 70.30 and reconstruction of publicly owned infrastructure in this state with a useful life of at  
 70.31 least ten years that provides for nonmotorized transportation;

71.1 (2) preparation of land for which a nonmotorized transportation route is established,  
71.2 including demolition of structures and remediation of any hazardous conditions on the  
71.3 land; and

71.4 (3) the unpaid principal on debt issued by a political subdivision for a nonmotorized  
71.5 transportation project.

71.6 (d) "Council" means the Metropolitan Council, as defined under section 473.121,  
71.7 subdivision 3.

71.8 Subd. 2. **Programs established.** (a) Upon availability of funds specifically provided  
71.9 to an administering authority for purposes of this section, the authority shall establish a  
71.10 program to support bicycling, pedestrian activities, and other forms of nonmotorized  
71.11 transportation as provided in this section.

71.12 (b) Subject to the requirements of this section, the authority may provide grants  
71.13 or other financial assistance for a project.

71.14 Subd. 3. **Active transportation accounts.** (a) An active transportation account  
71.15 is established in the bond proceeds fund. The account consists of state bond proceeds  
71.16 appropriated to the commissioner or the council. Money in the account may only be  
71.17 expended on bond-eligible costs of a project receiving financial assistance under this  
71.18 section. All uses of funds from the account must be for publicly owned property.

71.19 (b) A greater Minnesota active transportation account is established in the special  
71.20 revenue fund. The account consists of funds as provided by law, and any other money  
71.21 donated, allotted, transferred, or otherwise provided to the account. Money in the account  
71.22 may only be expended on a project that is primarily located outside of metropolitan  
71.23 counties, as defined in section 473.121, subdivision 4, and receiving financial assistance  
71.24 as provided under this section.

71.25 (c) A metropolitan area active transportation account is established in the special  
71.26 revenue fund. The account consists of funds as provided by law, and any other money  
71.27 donated, allotted, transferred, or otherwise provided to the account. Money in the account  
71.28 may only be expended on a project that is primarily located within metropolitan counties,  
71.29 as defined in section 473.121, subdivision 4, and receiving financial assistance as provided  
71.30 under this section.

71.31 Subd. 4. **Program administration.** (a) The authority shall establish program  
71.32 requirements, including:

71.33 (1) eligibility for assistance, subject to the requirements under paragraph (b);

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

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

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

72.1 (1) a political subdivision; and

72.2 (2) a tax-exempt organization under section 501(c)(3) of the Internal Revenue  
72.3 Code, as amended.

72.4 (c) The authority shall make reasonable efforts to publicize each solicitation  
72.5 for applications among all eligible recipients, and provide assistance in creating and  
72.6 submitting applications.

72.7 (d) The authority may expend no more than one percent of available funds in a fiscal  
72.8 year under this section on program administration.

72.9 Subd. 5. **State general obligation bond funds.** The legislature determines that  
72.10 many nonmotorized transportation infrastructure projects will constitute betterments and  
72.11 capital improvements within the meaning of Minnesota Constitution, article XI, section 5,  
72.12 paragraph (a), and capital expenditures under generally accepted accounting principles,  
72.13 and will be financed more efficiently and economically under this section than by direct  
72.14 appropriations for specific projects.

72.15 Subd. 6. **Use of funds.** (a) For a project funded through state bond proceeds under  
72.16 this section, financial assistance is limited solely to bond-eligible costs.

72.17 (b) Subject to paragraph (a), the authority shall determine permissible uses of  
72.18 financial assistance under this section, which must include:

72.19 (1) construction and maintenance of bicycle, trail, and pedestrian infrastructure,  
72.20 including but not limited to bicycle facilities and centers, and safe routes to school  
72.21 infrastructure; and

72.22 (2) noninfrastructure programming, including activities as specified in section  
72.23 174.40, subdivision 7a, paragraph (b).

72.24 Subd. 7. **Project evaluation and selection.** The authority shall establish a project  
72.25 evaluation and selection process under this section that is competitive, criteria-based, and  
72.26 objective. The process must include criteria and prioritization of projects based on:

72.27 (1) inclusion of the project in a municipal or regional nonmotorized transportation  
72.28 system plan;

72.29 (2) location of the project in a jurisdiction in which a complete streets policy, as  
72.30 provided under section 174.75, is in effect;

72.31 (3) the extent to which the project supports development of continuous and  
72.32 convenient safe routes to school;

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

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

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

73.4 Subd. 8. **Grant cancellation.** If, five years after execution of a grant agreement,  
73.5 the authority determines that the grantee has not proceeded in a timely manner with  
73.6 implementation of the project funded, the commissioner must cancel the grant and  
73.7 the grantee must repay to the commissioner all grant money paid to the grantee for  
73.8 deposit in the active transportation account from which the grant was originally paid.  
73.9 Section 16A.642 applies to any appropriations made from the bond proceeds fund to the  
73.10 commissioner under this section that have not been awarded as financial assistance.

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

73.12 Sec. 5. Minnesota Statutes 2014, section 174.42, is amended by adding a subdivision  
73.13 to read:

73.14 Subd. 3. **Funding requirement for greater Minnesota.** (a) In each federal fiscal  
73.15 year, the commissioner shall spend out of National Highway Performance Program funds  
73.16 a total amount in federal transportation funds for an active transportation competitive  
73.17 grant program in greater Minnesota that totals a minimum of \$16,000,000 in excess of  
73.18 the average annual spending on greater Minnesota transportation alternatives projects  
73.19 in federal fiscal years between October 2009 and September 2012. National Highway  
73.20 Performance Program funds may be converted to Surface Transportation Program funds  
73.21 or Transportation Alternative Program funds to fulfill the requirements of this section.  
73.22 This requirement must not reduce the amount of federal transportation funding for  
73.23 metropolitan projects.

73.24 (b) The commissioner of transportation shall create and implement the active  
73.25 transportation competitive grant program. The program must receive funds under this  
73.26 subdivision and may receive funds from any other source. The commissioner shall  
73.27 establish criteria for grant awards, in collaboration with experts in bicycle, pedestrian,  
73.28 trail, and safe routes to school infrastructure. The criteria must clarify statewide priorities,  
73.29 ensure that grant awards further these statewide priorities, and require grant recipients  
73.30 to be accountable for their use of program resources. Cities, counties, and townships in  
73.31 greater Minnesota are eligible to apply for grants for projects related to safe routes to  
73.32 school infrastructure and noninfrastructure activities, bicycle and pedestrian elements  
73.33 of a main street program, and planning activities and construction and maintenance of  
73.34 bicycle, trail, and pedestrian infrastructure.

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

74.2 Sec. 6. Minnesota Statutes 2014, section 174.50, is amended by adding a subdivision  
74.3 to read:

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

74.8 Sec. 7. **[219.016] RAILROAD COMPANY ASSESSMENT; ACCOUNT;**  
74.9 **APPROPRIATION.**

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

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

74.17 (c) The assessments must be deposited in the rail grade crossing safety improvement  
74.18 account, which is created in the special revenue fund. Money in the account is  
74.19 appropriated to the commissioner for the creation of a rail safety office within the  
74.20 Department of Transportation; the development, administration, and construction of  
74.21 highway-rail grade crossing improvements on rail corridors transporting crude oil; and  
74.22 other selected routes, including those carrying hazardous materials. Improvements may  
74.23 include upgrades to existing protection systems, the closing of crossings and necessary  
74.24 roadwork, and reconstruction of at-grade crossings to full grade separations. Funds in  
74.25 the account are available until expended.

74.26 Sec. 8. Minnesota Statutes 2014, section 222.50, subdivision 7, is amended to read:

74.27 Subd. 7. **Expenditures.** (a) The commissioner may expend money from the rail  
74.28 service improvement account for the following purposes:

74.29 (1) to make transfers as provided under section 222.57 or to pay interest adjustments  
74.30 on loans guaranteed under the state rail user and rail carrier loan guarantee program;

74.31 (2) to pay a portion of the costs of capital improvement projects designed to improve  
74.32 rail service of a rail user or a rail carrier;

75.1 (3) to pay a portion of the costs of rehabilitation projects designed to improve rail  
75.2 service of a rail user or a rail carrier;

75.3 (4) to acquire, maintain, manage, and dispose of railroad right-of-way pursuant to  
75.4 the state rail bank program;

75.5 (5) to provide for aerial photography survey of proposed and abandoned railroad  
75.6 tracks for the purpose of recording and reestablishing by analytical triangulation the  
75.7 existing alignment of the in-place track;

75.8 (6) to pay a portion of the costs of acquiring a rail line by a regional railroad  
75.9 authority established pursuant to chapter 398A;

75.10 (7) to pay the state matching portion of federal grants for rail-highway grade  
75.11 crossing improvement projects;

75.12 (8) for expenditures made before July 1, 2017, to pay the state matching portion  
75.13 of grants under the federal Transportation Investment Generating Economic Recovery  
75.14 (TIGER) program of the United States Department of Transportation; ~~and~~

75.15 (9) to fund rail planning studies; and

75.16 (10) to pay a portion of the costs of capital improvement projects designed to  
75.17 improve capacity or safety at rail yards.

75.18 (b) All money derived by the commissioner from the disposition of railroad  
75.19 right-of-way or of any other property acquired pursuant to sections 222.46 to 222.62 shall  
75.20 be deposited in the rail service improvement account.

75.21 Sec. 9. Minnesota Statutes 2014, section 360.305, subdivision 4, is amended to read:

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

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

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

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

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

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

76.13 ~~(e) Notwithstanding paragraph (b) or (c), the commissioner may pay all of the~~  
76.14 ~~project costs of a new landing strip, but not an intermediate airport or key airport, or may~~  
76.15 ~~pay an amount equal to the federal funds granted and used for a new landing strip plus~~  
76.16 ~~all of the remaining project costs; but the total amount paid by the commissioner for the~~  
76.17 ~~project costs of a new landing strip, unless specifically authorized by an act appropriating~~  
76.18 ~~funds for the new landing strip, shall not exceed \$200,000.~~

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

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

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

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

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

76.35 ~~(h) (e) The commissioner shall establish a hangar construction revolving account,~~  
76.36 ~~which shall be used for the purpose of financing the construction of hangar buildings to~~

77.1 be constructed by municipalities owning airports. All municipalities owning airports are  
 77.2 authorized to enter into contracts for the construction of hangars, and contracts with  
 77.3 the commissioner for the financing of hangar construction for an amount and period of  
 77.4 time as may be determined by the commissioner and municipality. All receipts from the  
 77.5 financing contracts shall be deposited in the hangar construction revolving account and  
 77.6 are reappropriated for the purpose of financing construction of hangar buildings. The  
 77.7 ~~commissioner may pay from the hangar construction revolving account 80 percent of the~~  
 77.8 ~~cost of financing construction of hangar buildings. For purposes of this paragraph, the~~  
 77.9 ~~construction of hangars shall include their design.~~ The commissioner shall transfer up to  
 77.10 \$4,400,000 from the state airports fund to the hangar construction revolving account.

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

77.17 ~~(g) (g) This subdivision applies only to project costs or acquisition costs of~~  
 77.18 ~~municipally owned airports incurred after June 1, 1971.~~

77.19 Sec. 10. **COMMUTER RAIL TRANSIT FEASIBILITY STUDY.**

77.20 Subdivision 1. Scope of study. The Metropolitan Council shall conduct a study of  
 77.21 the feasibility of the use of commuter rail transit in a corridor aligned on marked Interstate  
 77.22 Highway 394 or between marked Interstate Highway 394 and marked Trunk Highway  
 77.23 55, from downtown Minneapolis to Ridgedale Drive in Minnetonka, with the alternative  
 77.24 of extending to Wayzata. The study must include consideration of the feasibility of  
 77.25 connecting the Southwest Light Rail Transit Corridor with the Interstate Highway 394  
 77.26 Corridor between downtown Minneapolis and a point of divergence west of downtown.  
 77.27 The Metropolitan Council may hire a consultant to assist in the study and report under  
 77.28 subdivision 3.

77.29 Subd. 2. Elements of study. The commuter rail transit feasibility study must  
 77.30 include, without limitation:

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

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

- 78.1           (3) an evaluation of the interface of a rail transit system with other transportation  
78.2 systems in the corridor;
- 78.3           (4) an evaluation of the impact of a rail transit system on land use and urban  
78.4 development;
- 78.5           (5) an estimate of the cost and impact of necessary associated exercise of eminent  
78.6 domain;
- 78.7           (6) an evaluation of the impact of a rail transit system on energy and the environment;  
78.8           (7) an estimate of ridership potential;
- 78.9           (8) a cost-benefit analysis that compares the total cost of the project with the benefits  
78.10 of a commuter rail transit line to its users, other users of the highway, and adjacent  
78.11 property owners;
- 78.12           (9) an identification of potential sources of federal, state, local, private, and other  
78.13 funds;
- 78.14           (10) an identification of the conditions necessary for commuter rail transit to be  
78.15 feasible in the Interstate Highway 394 Corridor; and
- 78.16           (11) an evaluation of the feasibility of connecting the Southwest Light Rail Transit  
78.17 Corridor with the Interstate Highway 394 Corridor between downtown Minneapolis and  
78.18 a point of divergence west of downtown.

78.19           Subd. 3. **Report.** The Metropolitan Council shall prepare a written report of this  
78.20 study and submit it no later than December 15, 2015, to the legislature, in compliance  
78.21 with Minnesota Statutes, sections 3.195 and 3.197, and to the chairs and ranking minority  
78.22 members of the senate and house of representatives committees with jurisdiction over  
78.23 transportation.

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

78.25           Sec. 11. **ENVIRONMENTAL IMPACT STATEMENT; CERTAIN TRACK**  
78.26 **CONNECTION PROJECTS.**

78.27           Subdivision 1. **Definition.** For purposes of this section, "track connection project"  
78.28 means a rail construction project that:

- 78.29           (1) is in a county within which there is located a city of the first class, as provided in  
78.30 Minnesota Statutes, section 410.01;
- 78.31           (2) is located at or near the site of two intersecting tracks of rail; and
- 78.32           (3) establishes switches, turnouts, or other forms of connecting track between  
78.33 the two intersecting tracks, in which (i) the tracks are owned by two different railroad  
78.34 companies, and (ii) the project provides for alternative routing of unit trains, as defined

79.1 in Minnesota Statutes, section 115E.01, subdivision 11d, transported as of the effective  
79.2 date of this section on either of the intersecting tracks through a city of the first class  
79.3 identified in clause (1).

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

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

79.15 Sec. 12. **PUBLIC-PRIVATE PARTNERSHIP PILOT PROGRAM.**

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

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

80.1 (c) As part of the pilot program, the commissioner and council are directed to form  
80.2 an independent advisory and oversight office, the Joint Program Office for Economic  
80.3 Development and Alternative Finance. The office shall consist of the commissioner of  
80.4 management and budget, the commissioner of employment and economic development,  
80.5 the commissioner of administration, the commissioner of transportation, the Metropolitan  
80.6 Council, and one representative each from the American Council of Engineering  
80.7 Companies - Minnesota chapter, the Central Minnesota Transportation Alliance, the  
80.8 Counties Transit Improvement Board, and the Minnesota County Engineers Association.  
80.9 In addition, the commissioner and Metropolitan Council shall invite the Federal Highway  
80.10 Administration and the Federal Transit Administration to participate in the office's  
80.11 activities. The office's duties shall include, but are not limited to, reviewing and approving  
80.12 projects proposed under this section, reviewing any contractual or financial agreements  
80.13 to ensure program requirements are met, and ensuring that any proposed or executed  
80.14 agreement serves the public interest.

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

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

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

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

81.1 Subd. 3. Evaluation and selection of private entity and project. (a) The  
81.2 commissioner and council shall contract with one or more consultants to assist in proposal  
81.3 evaluation. The consultant must possess expertise and experience in public-private  
81.4 partnership project evaluation methodology, such as value for money, costs of  
81.5 public-private partnership compared with costs of public project delivery, and cost-benefit  
81.6 analysis.

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

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

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

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

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

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

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

81.18 (7) benefits to the public;

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

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

81.21 (c) The independent advisory and oversight office established under subdivision 1,  
81.22 paragraph (c), shall, in collaboration with authorized representatives of Department of  
81.23 Transportation workers, review proposals evaluated by the commissioner or council to  
81.24 ensure the requirements of this section are being met. The independent advisory and  
81.25 oversight office shall first determine whether the project, as proposed, serves the public  
81.26 interest. In making this determination, the office must identify and consider advantages  
81.27 and disadvantages for various stakeholders, including taxpayers, workers, transportation  
81.28 and transit providers and operators, transportation and transit users, commercial vehicle  
81.29 operators, and the general public, including the impact on the state's economy. If the  
81.30 proposed project serves the public interest, the office must evaluate the proposals  
81.31 according to the criteria specified in this section.

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

81.34 (1) the planning, acquisition, financing, development, design, construction,  
81.35 reconstruction, replacement, improvement, maintenance, management, repair, leasing, or  
81.36 operation of the project;

- 82.1 (2) the term of the public-private agreement;
- 82.2 (3) the type of property interest, if any, that the private entity will have in the project;
- 82.3 (4) a description of the actions the commissioner or council may take to ensure
- 82.4 proper maintenance of the project;
- 82.5 (5) whether user fees will be collected on the project and the basis by which the user
- 82.6 fees shall be determined and modified along with identification of the public agency that
- 82.7 will determine and modify fees;
- 82.8 (6) compliance with applicable federal, state, and local laws;
- 82.9 (7) grounds for termination of the public-private agreement by the commissioner
- 82.10 or council;
- 82.11 (8) adequate safeguards for the traveling public and residents of the state in event of
- 82.12 default on the contract;
- 82.13 (9) the extent and nature of involvement of public employees in the proposed project;
- 82.14 (10) financial protection for the state in the event of default; and
- 82.15 (11) procedures for amendment of the agreement.
- 82.16 (b) A public-private agreement between the commissioner or council and a private
- 82.17 entity may provide for:
- 82.18 (1) review and approval by the commissioner or council of the private entity's plans
- 82.19 for the development and operation of the project;
- 82.20 (2) inspection by the commissioner or council of construction and improvements
- 82.21 to the project;
- 82.22 (3) maintenance by the private entity of a liability insurance policy;
- 82.23 (4) filing of appropriate financial statements by the private entity on a periodic basis;
- 82.24 (5) filing of traffic reports by the private entity on a periodic basis;
- 82.25 (6) financing obligations of the commissioner or council and the private entity;
- 82.26 (7) apportionment of expenses between the commissioner or council and the private
- 82.27 entity;
- 82.28 (8) the rights and remedies available in the event of a default or delay;
- 82.29 (9) the rights and duties of the private entity, the commissioner or council, and other
- 82.30 state or local governmental entities with respect to the use of the project;
- 82.31 (10) the terms and conditions of indemnification of the private entity by the
- 82.32 commissioner or council;
- 82.33 (11) assignment, subcontracting, or other delegations of responsibilities of (i)
- 82.34 the private entity, or (ii) the commissioner or council under agreement to third parties,
- 82.35 including other private entities or state agencies;

83.1 (12) if applicable, sale or lease to the private entity of private property related to  
83.2 the project;  
83.3 (13) traffic enforcement and other policing issues; and  
83.4 (14) any other terms and conditions the commissioner or council deems appropriate.  
83.5 (c) The independent advisory and oversight office established under subdivision  
83.6 1, paragraph (c), shall review any proposed contractual agreement prior to execution  
83.7 in order to ensure that the contract serves the public interest and the requirements of  
83.8 this section are met.

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

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

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

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

83.26 **EFFECTIVE DATE.** This section is effective the day after an appropriation is  
83.27 effective to pay administrative expenses creating and operating the Joint Program Office  
83.28 for Economic Development and Alternative Finance, hiring a consultant, and preparing  
83.29 required reports.

83.30 Sec. 13. **TRANSPORTATION PROJECT SELECTION PROCESS.**

83.31 Subdivision 1. **Adoption of process and public input.** The commissioner of  
83.32 transportation shall, after consultation with metropolitan planning organizations, regional  
83.33 development commissions, area transportation partnerships, local governments, and the

84.1 Metropolitan Council, draft a proposed transportation project data-driven evaluation  
84.2 process to provide an objective and consistent analysis to assist in developing the  
84.3 statewide transportation plan and prioritization of highway construction, reconstruction,  
84.4 and improvement projects in the state transportation improvement program. No later than  
84.5 September 1, 2015, the proposed process must be reported to the chairs and ranking  
84.6 minority members of the senate and house of representatives committees on transportation  
84.7 policy and finance and publicized, along with a schedule for public hearings and additional  
84.8 opportunities for public input electronically and at locations throughout the state. No later  
84.9 than January 10, 2016, after public comment has been heard and incorporated into the  
84.10 proposed evaluation process, the commissioner shall adopt a final process for use in  
84.11 highway project investment decisions on and after March 1, 2016.

84.12 Subd. 2. **Factors in analysis.** The process must be based on objective, consistent,  
84.13 and quantifiable analysis. Factors in the analysis must include return on investment,  
84.14 benefit-cost, local rankings, safety, congestion mitigation, economic development,  
84.15 accessibility, environmental quality, regional and metropolitan-rural balance, and land  
84.16 use. The process may assign different weights to factors in evaluating projects on the  
84.17 trunk highway system, the county state-aid highway system, and the municipal state-aid  
84.18 street system.

84.19 Subd. 3. **Exemptions.** A proposed project is exempt from the process if it is:  
84.20 (1) funded by a grant from:  
84.21 (i) the corridors of commerce program under Minnesota Statutes, section 161.088;  
84.22 (ii) the transportation economic development program under Minnesota Statutes,  
84.23 section 174.12; and  
84.24 (iii) the joint powers board under Minnesota Statutes, section 297A.992, subdivision  
84.25 6; or  
84.26 (2) preservation, maintenance, capital preventive treatment or safety project that  
84.27 does not increase capacity of the infrastructure, or if subjecting it to the evaluation process  
84.28 would result in a loss of federal funds.

84.29 Subd. 4. **Information on department's Web site.** For each proposed project  
84.30 evaluated under this process, the applicable scoring process, the score for each factor,  
84.31 and the overall score are public information and must be publicized on the department's  
84.32 Web site.

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

85.1       Sec. 14. **ESTABLISHMENT OF ROAD-USER CHARGE WORKING GROUP.**

85.2             Subdivision 1. Road-user charge. The road-user charge working group is  
85.3 established to study and report to the legislature concerning issues related to designing  
85.4 and implementing a road-user charge in this state. The road-user charge working group  
85.5 consists of 15 members, as follows:

85.6             (1) the chairs and ranking minority members of the house of representatives and  
85.7 senate committees or divisions with jurisdiction over transportation policy and finance;

85.8             (2) the commissioner of transportation or a designee; and

85.9             (3) public members who have relevant expertise and interest, including members or  
85.10 representatives of transportation user groups; the telecommunications industry; the data  
85.11 security and privacy industry; privacy rights advocacy groups; and research and policy  
85.12 making bodies. Of these members, five must be appointed by the speaker of the house,  
85.13 and five must be appointed by the majority leader of the senate.

85.14            Subd. 2. Duties of road-user charge working group. The working group shall  
85.15 identify and consider policy and technical issues related to funding state transportation  
85.16 infrastructure through implementation of a road-user charge as an alternative to the motor  
85.17 fuels tax. The working group shall study and make recommendations concerning cost,  
85.18 privacy, jurisdictional issues, feasibility, complexity, public acceptance, use of revenues,  
85.19 possible constitutional dedication, security, compliance, data collection technology that  
85.20 includes privacy and user options, implementation, and related issues. In addition, the  
85.21 working group shall seek and facilitate collaboration with other states; review pilot project  
85.22 and implementation results from other states and countries; and explore federal funding  
85.23 opportunities.

85.24            Subd. 3. Report of working group. By January 15, 2017, the working group shall  
85.25 submit a report to the chairs of the committees in the senate and house of representatives  
85.26 with primary jurisdiction over transportation policy and transportation finance. The report  
85.27 must state findings and recommendations concerning a road-user charge. The report may  
85.28 recommend the development by the commissioner of transportation of an implementation  
85.29 plan that may:

85.30            (1) identify a project implementation timeline, which may include pilot programs,  
85.31 limited initial deployment, multiple fee structure options for road users, and phased  
85.32 implementation;

85.33            (2) identify a fee structure, which must include distance traveled and may include  
85.34 additional factors such as vehicle weight, vehicle impact on roadways, fuel type, and  
85.35 vehicle type;

- 86.1           (3) include a fiscal analysis that identifies costs, revenue projections, and any  
86.2 associated tax rate changes;
- 86.3           (4) establish a technological and operational architecture for the system;
- 86.4           (5) address program and system administration, including but not limited to data  
86.5 privacy, data integrity, and accuracy of information; and
- 86.6           (6) be based in surface transportation finance principles, including:
- 86.7           (i) efficiency, including impacts on road system use and land use;
- 86.8           (ii) equity across road system users and vehicles, including (A) user payment  
86.9 relative to user costs imposed; (B) the distribution of the burden of a fee structure that  
86.10 includes the factors required under Minnesota Statutes, section 270C.13, subdivision 1,  
86.11 clauses (1) to (3); and (C) identification of and possible fiscal offsets for any disparate  
86.12 impact on users based on geographic location of their residency;
- 86.13           (iii) revenue adequacy and long-term suitability of funding after complete  
86.14 implementation;
- 86.15           (iv) environmental impacts and sustainability;
- 86.16           (v) administrative and technical feasibility, including data privacy and protection;
- 86.17           (vi) transparency; and
- 86.18           (vii) accountability.

86.19           Subd. 4. **Administrative provisions.** (a) The commissioner of transportation or  
86.20 the commissioner's designee shall convene the initial meeting of the working group no  
86.21 later than September 1, 2015. Upon request of the working group, the commissioner shall  
86.22 provide meeting space and administrative services for the group. The members of the  
86.23 working group shall elect a chair or cochairs from the members of the working group at  
86.24 the initial meeting.

86.25           (b) Public members of the working group serve without compensation or payment of  
86.26 expenses.

86.27           (c) The working group expires May 1, 2017, or upon submission of the report  
86.28 required under section 3, whichever is earlier.

86.29           (d) The working group may accept gifts and grants, which are accepted on behalf of  
86.30 the state and constitute donations to the state. Funds received under this paragraph are  
86.31 appropriated to the commissioner of transportation for purposes of the working group.

86.32           Subd. 5. **Deadline for appointments and designations.** The appointments and  
86.33 designations for the road-user charge working group must be completed by August 1, 2015.

86.34           Sec. 15. **ACTIVE TRANSPORTATION PROGRAM DEVELOPMENT.**

87.1 (a) By October 1, 2015, the Advisory Committee on Nonmotorized Transportation  
87.2 under Minnesota Statutes, section 174.37, shall develop and submit recommendations to  
87.3 each administering authority under Minnesota Statutes, section 174.38, for developing  
87.4 project evaluation and selection processes under Minnesota Statutes, section 174.38,  
87.5 subdivision 7. The advisory committee may consult with representatives from the  
87.6 Bicycle Alliance of Minnesota, Minnesota Chamber of Commerce, Metropolitan  
87.7 Council Transportation Accessibility Advisory Committee, Minnesota Department of  
87.8 Transportation district area transportation partnerships, Minnesota State Council on  
87.9 Disability, organizations representing elderly populations, and public health organizations  
87.10 with experience in active transportation.

87.11 (b) In its next annual report under Minnesota Statutes, section 174.37, subdivision  
87.12 4, the advisory committee shall include a summary of the recommendations under this  
87.13 section and submit a copy to the chairs and ranking minority members of the legislative  
87.14 committees with jurisdiction over transportation policy and finance. The report is subject  
87.15 to Minnesota Statutes, section 3.195.

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

87.17 Sec. 16. **REPORT ON DEDICATED FUND EXPENDITURES.**

87.18 By January 15, 2016, the commissioner of management and budget shall submit  
87.19 a report to the chairs and ranking minority members of the legislative committees with  
87.20 jurisdiction over transportation finance. The report must list detailed expenditures and  
87.21 transfers from the trunk highway fund and highway user tax distribution fund for fiscal  
87.22 years 2010 through 2015, and shall include information on the purpose of each expenditure.

87.23 Sec. 17. **ROAD DESIGN STANDARDS.**

87.24 By August 15, 2016, the commissioner of transportation shall, in collaboration  
87.25 with city and county engineers, establish and adopt design standards and guidelines to  
87.26 be applied consistently to trunk highways, county state-aid highways, and municipal  
87.27 state-aid streets with similar characteristics. The standards and guidelines must align the  
87.28 state-aid standards with the Department of Transportation trunk highway standards and  
87.29 technical memoranda as appropriate. The commissioner shall report the adopted standards  
87.30 and guidelines to the chairs and ranking minority members of the senate and house of  
87.31 representatives committees with jurisdiction over transportation policy by August 15,  
87.32 2016, and present an interim report by March 15, 2016.

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

88.1 Amend the title accordingly