

1.1 A bill for an act

1.2 relating to transportation; establishing a budget for transportation; appropriating

1.3 money for transportation purposes, including Department of Transportation,

1.4 Department of Public Safety, and Metropolitan Council activities; modifying

1.5 various transportation finance and policy provisions; imposing and modifying

1.6 certain taxes, including to establish a per-kilowatt hour tax on public electric

1.7 vehicle charging, modify calculation of electric vehicle surcharge, and establish

1.8 surcharge on plug-in hybrid electric vehicles; establishing electricity as vehicle

1.9 fuel working group; requiring rulemaking; requiring various transportation and

1.10 transit-related studies; requiring reports; transferring money; making technical and

1.11 conforming changes; amending Minnesota Statutes 2024, sections 4.076,

1.12 subdivisions 4, 5, by adding a subdivision; 13.6905, subdivision 8; 16A.88,

1.13 subdivision 1a; 161.088, subdivision 4a; 161.115, subdivision 177; 161.14, by

1.14 adding subdivisions; 161.178, subdivision 4; 168.002, subdivision 6; 168.013,

1.15 subdivisions 1a, 1m, by adding a subdivision; 168.091; 168.27, subdivisions 8,

1.16 11, 16, 22; 168.33, by adding a subdivision; 168A.11, subdivision 1; 168E.01, by

1.17 adding subdivisions; 168E.05, subdivision 1; 169.011, subdivision 36; 169.06,

1.18 subdivision 5; 169.686, subdivision 1; 169.865, subdivisions 1a, 3; 169.974,

1.19 subdivision 5; 171.01, by adding subdivisions; 171.05, subdivision 1; 171.0605,

1.20 subdivision 2, by adding a subdivision; 171.061, by adding a subdivision; 171.0701,

1.21 by adding a subdivision; 171.0705, by adding a subdivision; 171.071, subdivision

1.22 2; 171.13, subdivisions 1, 7, 8; 171.17, subdivision 1; 171.2405, subdivision 1;

1.23 171.301, subdivisions 1, as amended, 5, 6; 171.306, subdivisions 1, as amended,

1.24 4, as amended, 8; 174.07, subdivision 3; 174.38, subdivision 4; 174.49, subdivision

1.25 6, by adding a subdivision; 174.634, subdivision 2; 289A.51, subdivisions 1, 3, 4;

1.26 296A.01, by adding subdivisions; 296A.02, subdivision 3; 296A.06, subdivision

1.27 2; 296A.061; 296A.19; 296A.22, subdivision 3; 297A.94; 297A.9915, subdivisions

1.28 1, 4; 297A.993, subdivision 2a; 299A.55, subdivisions 2, 4; 360.511, by adding

1.29 subdivisions; 360.55, subdivisions 4, 4a, 8, by adding a subdivision; 398A.04, by

1.30 adding a subdivision; 473.129, by adding a subdivision; 473.13, subdivisions 1,

1.31 6; 473.142; 473.1425; 473.386, subdivision 10; 473.39, subdivision 6, by adding

1.32 subdivisions; 473.408, by adding a subdivision; 473.412, subdivision 3; 473.4465,

1.33 subdivisions 1, 2, 4, by adding subdivisions; Laws 2021, First Special Session

1.34 chapter 5, article 1, section 2, subdivision 2, as amended; Laws 2021, First Special

1.35 Session chapter 14, article 11, section 45; Laws 2023, chapter 60, article 10, section

1.36 9; Laws 2023, chapter 68, article 1, sections 2, subdivisions 2, 3; 17, subdivision

1.37 13; article 2, section 2, subdivision 9, as amended; article 4, section 109; Laws

1.38 2024, chapter 127, article 1, section 2, subdivision 3; Laws 2025, chapter 29,

2.1 section 13, subdivisions 5, 6; proposing coding for new law in Minnesota Statutes,
2.2 chapters 137; 162; 168; 168A; 171; 174; 296A; repealing Minnesota Statutes 2024,
2.3 section 473.452.

2.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

ARTICLE 1

TRANSPORTATION APPROPRIATIONS

2.7 Section 1. **TRANSPORTATION APPROPRIATIONS.**

2.8 The sums shown in the columns marked "Appropriations" are appropriated to the agencies
2.9 and for the purposes specified in this article. The appropriations are from the trunk highway
2.10 fund, or another named fund, and are available for the fiscal years indicated for each purpose.
2.11 Amounts for "Total Appropriation" and sums shown in the corresponding columns marked
2.12 "Appropriations by Fund" are summary only and do not have legal effect. Unless specified
2.13 otherwise, the amounts in fiscal year 2027 under "Appropriations by Fund" show the base
2.14 within the meaning of Minnesota Statutes, section 16A.11, subdivision 3, by fund. The
2.15 figures "2026" and "2027" used in this article mean that the appropriations listed under them
2.16 are available for the fiscal year ending June 30, 2026, or June 30, 2027, respectively. "Each
2.17 year" is each of fiscal years 2026 and 2027. "The biennium" is fiscal years 2026 and 2027.
2.18 "C.S.A.H." is the county state-aid highway fund. "M.S.A.S." is the municipal state-aid street
2.19 fund. "H.U.T.D." is the highway user tax distribution fund.

2.20	<u>APPROPRIATIONS</u>
2.21	<u>Available for the Year</u>
2.22	<u>Ending June 30</u>
2.23	2026 2027

2.24 **Sec. 2. DEPARTMENT OF**
2.25 **TRANSPORTATION**

2.26	Subdivision 1. Total Appropriation	\$ 4,929,145,000	\$ 4,013,528,000
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2.27 Appropriations by Fund

2.28	2026	2027
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2.29	General	28,513,000	28,618,000
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2.30	Airports	35,318,000	35,168,000
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2.31	C.S.A.H.	1,112,067,000	1,144,590,000
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2.32	M.S.A.S.	282,281,000	288,852,000
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2.33	Trunk Highway	3,470,966,000	2,516,300,000
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2.34 The appropriations in this section are to the

2.35 commissioner of transportation.

3.1 The amounts that may be spent for each
3.2 purpose are specified in the following
3.3 subdivisions.

3.4 Subd. 2. **Multimodal Systems**

3.5 (a) **Aeronautics**

3.6 (1) **Airport Development and Assistance** 27,398,000 27,248,000

3.7 This appropriation is from the state airports
3.8 fund and must be spent according to
3.9 Minnesota Statutes, section 360.305,
3.10 subdivision 4.

3.11 \$5,000,000 in each year is for a grant to the
3.12 Duluth Airport Authority to design, construct,
3.13 furnish, and equip a new air traffic control
3.14 tower base building at the Duluth International
3.15 Airport, including associated site preparation,
3.16 building demolition, and utility and
3.17 stormwater retention system improvements.
3.18 Notwithstanding Minnesota Statutes, section
3.19 16B.98, subdivision 14, the commissioner
3.20 must not use any amount of this appropriation
3.21 for administrative costs. This is a onetime
3.22 appropriation and is available until June 30,
3.23 2028.

3.24 \$150,000 in fiscal year 2026 is for a grant to
3.25 the city of McGregor to relocate the automated
3.26 weather station at the McGregor Isedor
3.27 Iverson Airport. Notwithstanding Minnesota
3.28 Statutes, section 16B.98, subdivision 14, the
3.29 commissioner must not use any amount of this
3.30 appropriation for administrative costs.

3.31 Notwithstanding Minnesota Statutes, section
3.32 16A.28, subdivision 6, this appropriation is
3.33 available for five years after the year of the
3.34 appropriation. If the appropriation for either

4.1 year is insufficient, the appropriation for the
4.2 other year is available for it.

4.3 If the commissioner of transportation
4.4 determines that a balance remains in the state
4.5 airports fund following the appropriations
4.6 made in this article and that the appropriations
4.7 made are insufficient for advancing airport
4.8 development and assistance projects, an
4.9 amount necessary to advance the projects, not
4.10 to exceed the balance in the state airports fund,
4.11 is appropriated in each year to the
4.12 commissioner and must be spent according to
4.13 Minnesota Statutes, section 360.305,
4.14 subdivision 4. Within two weeks of a
4.15 determination under this contingent
4.16 appropriation, the commissioner of
4.17 transportation must notify the commissioner
4.18 of management and budget and the chairs and
4.19 ranking minority members of the legislative
4.20 committees with jurisdiction over
4.21 transportation finance concerning the funds
4.22 appropriated. Funds appropriated under this
4.23 contingent appropriation do not adjust the base
4.24 for fiscal years 2028 and 2029.

4.25 The base is \$22,248,000 in each of fiscal years
4.26 2028 and 2029.

4.27	<u>(2) Aviation Support Services</u>	<u>9,583,000</u>	<u>9,733,000</u>
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4.28	<u>Appropriations by Fund</u>		
4.29		<u>2026</u>	<u>2027</u>
4.30	<u>General</u>	<u>1,843,000</u>	<u>1,993,000</u>
4.31	<u>Airports</u>	<u>7,740,000</u>	<u>7,740,000</u>

4.32 The base from the state airports fund is
4.33 \$7,790,000 in each of fiscal years 2028 and
4.34 2029.

5.1	<u>(3) Civil Air Patrol</u>	<u>180,000</u>	<u>180,000</u>
5.2	<u>This appropriation is from the state airports</u>		
5.3	<u>fund for the Civil Air Patrol.</u>		
5.4	<u>(b) Transit and Active Transportation</u>	<u>7,421,000</u>	<u>7,376,000</u>
5.5	<u>This appropriation is from the general fund.</u>		
5.6	<u>\$45,000 in fiscal year 2026 is for a grant to</u>		
5.7	<u>the city of Chatfield for the next phase of</u>		
5.8	<u>development of a transportation management</u>		
5.9	<u>organization in southeastern Minnesota. This</u>		
5.10	<u>appropriation is for: (1) the development of</u>		
5.11	<u>organizational structure, including staffing,</u>		
5.12	<u>an oversight committee, and responsibilities</u>		
5.13	<u>of the host organization; and (2) community</u>		
5.14	<u>outreach and education. Up to \$1,000 of the</u>		
5.15	<u>appropriation is for related administrative costs</u>		
5.16	<u>for the city of Chatfield. Notwithstanding</u>		
5.17	<u>Minnesota Statutes, section 16B.98,</u>		
5.18	<u>subdivision 14, the commissioner must not</u>		
5.19	<u>use any amount of this appropriation for</u>		
5.20	<u>administrative costs. This is a onetime</u>		
5.21	<u>appropriation and is available until June 30,</u>		
5.22	<u>2027.</u>		
5.23	<u>The base is \$18,376,000 in each of fiscal years</u>		
5.24	<u>2028 and 2029.</u>		
5.25	<u>(c) Safe Routes to School</u>	<u>1,500,000</u>	<u>1,500,000</u>
5.26	<u>This appropriation is from the general fund</u>		
5.27	<u>for the safe routes to school program under</u>		
5.28	<u>Minnesota Statutes, section 174.40.</u>		
5.29	<u>If the appropriation for either year is</u>		
5.30	<u>insufficient, the appropriation for the other</u>		
5.31	<u>year is available for it.</u>		
5.32	<u>(d) Passenger Rail</u>	<u>5,743,000</u>	<u>5,743,000</u>

6.1 This appropriation is from the general fund
 6.2 for passenger rail activities under Minnesota
 6.3 Statutes, sections 174.632 to 174.636.

6.4 **(c) Freight** 9,115,000 9,184,000

6.5 Appropriations by Fund
 6.6 2026 2027
 6.7 General 2,303,000 2,303,000
 6.8 Trunk Highway 6,812,000 6,881,000

6.9 \$900,000 in each year is from the general fund
 6.10 for staff, operating costs, and maintenance
 6.11 related to weight and safety enforcement
 6.12 systems.

6.13 **Subd. 3. State Roads**

6.14 **(a) Operations and Maintenance** 441,805,000 445,274,000

6.15 The base is \$450,274,000 in each of fiscal
 6.16 years 2028 and 2029.

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

6.18 **(1) Planning and Research** 37,156,000 37,244,000

6.19 The commissioner may use any balance
 6.20 remaining in this appropriation for program
 6.21 delivery under clause (2).

6.22 \$3,000,000 in each year is for statewide trunk
 6.23 highway corridor planning.

6.24 \$150,000 in fiscal year 2026 is to conduct
 6.25 autonomous mowing research and to purchase
 6.26 an autonomous mower. The mower must be
 6.27 purchased from a company based in
 6.28 Minnesota.

6.29 \$134,000 in fiscal year 2026 and \$135,000 in
 6.30 fiscal year 2027 are for administrative costs
 6.31 of the targeted group business program.

7.1 \$300,000 in each year is for grants to
 7.2 metropolitan planning organizations outside
 7.3 the seven-county metropolitan area.

7.4 \$900,000 in each year is for grants for
 7.5 transportation studies outside the metropolitan
 7.6 area to identify critical concerns, problems,
 7.7 and issues. These grants are available: (i) to
 7.8 regional development commissions; (ii) in
 7.9 regions where no regional development
 7.10 commission is functioning, to joint powers
 7.11 boards established under agreement of two or
 7.12 more political subdivisions in the region to
 7.13 exercise the planning functions of a regional
 7.14 development commission; and (iii) in regions
 7.15 where no regional development commission
 7.16 or joint powers board is functioning, to the
 7.17 Department of Transportation district office
 7.18 for that region.

7.19 **(2) Program Delivery** 280,588,000 283,701,000

7.20	<u>Appropriations by Fund</u>		
7.21		<u>2026</u>	<u>2027</u>
7.22	<u>General</u>	<u>2,000,000</u>	<u>2,000,000</u>
7.23	<u>Trunk Highway</u>	<u>278,588,000</u>	<u>281,701,000</u>

7.24 This appropriation includes use of consultants
 7.25 to support development and management of
 7.26 projects.

7.27 \$2,000,000 in each year is from the general
 7.28 fund for implementation of climate-related
 7.29 programs as provided under the federal
 7.30 Infrastructure Investment and Jobs Act, Public
 7.31 Law 117-58, or any subsequent federal
 7.32 appropriations acts.

7.33 \$1,003,000 in fiscal year 2026 and \$1,005,000
 7.34 in fiscal year 2027 are from the trunk highway

8.1 fund for management of contaminated and
 8.2 regulated material on property owned by the
 8.3 Department of Transportation, including
 8.4 mitigation of property conveyances, facility
 8.5 acquisition or expansion, chemical release at
 8.6 maintenance facilities, and spills on the trunk
 8.7 highway system where there is no known
 8.8 responsible party. If the appropriation for
 8.9 either year is insufficient, the appropriation
 8.10 for the other year is available for it.

8.11	<u>(c) State Road Construction</u>	<u>2,247,807,000</u>	<u>1,264,407,000</u>
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8.12 This appropriation is for the actual
 8.13 construction, reconstruction, and improvement
 8.14 of trunk highways, including design-build
 8.15 contracts, internal department costs associated
 8.16 with delivering the construction program,
 8.17 consultant usage to support these activities,
 8.18 and the cost of actual payments to landowners
 8.19 for lands acquired for highway rights-of-way,
 8.20 payment to lessees, interest subsidies, and
 8.21 relocation expenses.

8.22 This appropriation includes federal highway
 8.23 aid. The commissioner of transportation must
 8.24 notify the chairs and ranking minority
 8.25 members of the legislative committees with
 8.26 jurisdiction over transportation finance of any
 8.27 significant events that cause the estimates of
 8.28 federal aid to change.

8.29 \$650,000,000 in fiscal year 2026 is for the
 8.30 John A. Blatnik Bridge between Duluth,
 8.31 Minnesota, and Superior, Wisconsin. The
 8.32 commissioner may use up to 17 percent of the
 8.33 amount for program delivery. This is a
 8.34 onetime appropriation and is available until
 8.35 June 30, 2033.

9.1 \$33,250,000 in each year is for priority trunk
 9.2 highway construction projects, which may
 9.3 include but are not limited to predesign;
 9.4 preliminary and final design; engineering;
 9.5 environmental analysis; right-of-way
 9.6 acquisition, including easements; construction;
 9.7 and associated infrastructure improvements.
 9.8 This is a onetime appropriation and is
 9.9 available until June 30, 2029.

9.10 The commissioner may expend up to one-half
 9.11 of one percent of the federal appropriations
 9.12 under this paragraph as grants to opportunity
 9.13 industrialization centers and other nonprofit
 9.14 job training centers for job training programs
 9.15 related to highway construction.

9.16 The commissioner may transfer up to
 9.17 \$15,000,000 in each year to the transportation
 9.18 revolving loan fund.

9.19 The commissioner may receive money
 9.20 covering other shares of the cost of partnership
 9.21 projects. These receipts are appropriated to
 9.22 the commissioner for these projects.

9.23 The base is \$1,286,546,000 in each of fiscal
 9.24 years 2028 and 2029.

9.25	<u>(d) Corridors of Commerce</u>	<u>25,000,000</u>	<u>25,000,000</u>
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9.26 This appropriation is for the corridors of
 9.27 commerce program under Minnesota Statutes,
 9.28 section 161.088. The commissioner may use
 9.29 up to 17 percent of the amount in each year
 9.30 for program delivery.

9.31 The base is \$20,000,000 in fiscal year 2028,
 9.32 \$20,000,000 in fiscal year 2029, and
 9.33 \$25,000,000 in fiscal year 2030 and each year
 9.34 thereafter.

10.1	<u>(e) Highway Debt Service</u>	<u>297,306,000</u>	<u>315,549,000</u>
10.2	<u>\$294,306,000 in fiscal year 2026 and</u>		
10.3	<u>\$312,549,000 in fiscal year 2027 are for</u>		
10.4	<u>transfer to the state bond fund. If this</u>		
10.5	<u>appropriation is insufficient to make all</u>		
10.6	<u>transfers required in the year for which it is</u>		
10.7	<u>made, the commissioner of management and</u>		
10.8	<u>budget must transfer the deficiency amount</u>		
10.9	<u>as provided under Minnesota Statutes, section</u>		
10.10	<u>16A.641, and notify the chairs and ranking</u>		
10.11	<u>minority members of the legislative</u>		
10.12	<u>committees with jurisdiction over</u>		
10.13	<u>transportation finance and the chairs of the</u>		
10.14	<u>senate Finance Committee and the house of</u>		
10.15	<u>representatives Ways and Means Committee</u>		
10.16	<u>of the amount of the deficiency. Any excess</u>		
10.17	<u>appropriation cancels to the trunk highway</u>		
10.18	<u>fund.</u>		
10.19	<u>(f) Statewide Radio Communications</u>	<u>7,052,000</u>	<u>7,121,000</u>
10.20	<u>Appropriations by Fund</u>		
10.21	<u>2026</u>	<u>2027</u>	
10.22	<u>General</u>	<u>3,000</u>	<u>3,000</u>
10.23	<u>Trunk Highway</u>	<u>7,049,000</u>	<u>7,118,000</u>
10.24	<u>\$3,000 in each year is from the general fund</u>		
10.25	<u>to equip and operate the Roosevelt signal</u>		
10.26	<u>tower for Lake of the Woods weather</u>		
10.27	<u>broadcasting.</u>		
10.28	<u>Subd. 4. Local Roads</u>		
10.29	<u>(a) County State-Aid Highways</u>	<u>1,112,067,000</u>	<u>1,144,590,000</u>
10.30	<u>This appropriation is from the county state-aid</u>		
10.31	<u>highway fund under Minnesota Statutes,</u>		
10.32	<u>sections 161.081, 174.49, and 297A.815,</u>		
10.33	<u>subdivision 3, and chapter 162, and is</u>		
10.34	<u>available until June 30, 2035.</u>		

11.1 If the commissioner of transportation
 11.2 determines that a balance remains in the
 11.3 county state-aid highway fund following the
 11.4 appropriations and transfers made in this
 11.5 paragraph and that the appropriations made
 11.6 are insufficient for advancing county state-aid
 11.7 highway projects, an amount necessary to
 11.8 advance the projects, not to exceed the balance
 11.9 in the county state-aid highway fund, is
 11.10 appropriated in each year to the commissioner.
 11.11 Within two weeks of a determination under
 11.12 this contingent appropriation, the
 11.13 commissioner of transportation must notify
 11.14 the commissioner of management and budget
 11.15 and the chairs and ranking minority members
 11.16 of the legislative committees with jurisdiction
 11.17 over transportation finance concerning funds
 11.18 appropriated. The governor must identify in
 11.19 the next budget submission to the legislature
 11.20 under Minnesota Statutes, section 16A.11, any
 11.21 amount that is appropriated under this
 11.22 paragraph.

11.23	<u>(b) Municipal State-Aid Streets</u>	<u>282,281,000</u>	<u>288,852,000</u>
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11.24 This appropriation is from the municipal
 11.25 state-aid street fund under Minnesota Statutes,
 11.26 chapter 162, and is available until June 30,
 11.27 2035.

11.28 If the commissioner of transportation
 11.29 determines that a balance remains in the
 11.30 municipal state-aid street fund following the
 11.31 appropriations and transfers made in this
 11.32 paragraph and that the appropriations made
 11.33 are insufficient for advancing municipal
 11.34 state-aid street projects, an amount necessary
 11.35 to advance the projects, not to exceed the

12.1 balance in the municipal state-aid street fund,
 12.2 is appropriated in each year to the
 12.3 commissioner. Within two weeks of a
 12.4 determination under this contingent
 12.5 appropriation, the commissioner of
 12.6 transportation must notify the commissioner
 12.7 of management and budget and the chairs and
 12.8 ranking minority members of the legislative
 12.9 committees with jurisdiction over
 12.10 transportation finance concerning funds
 12.11 appropriated. The governor must identify in
 12.12 the next budget submission to the legislature
 12.13 under Minnesota Statutes, section 16A.11, any
 12.14 amount that is appropriated under this
 12.15 paragraph.

12.16 **(c) Other Local Roads**

12.17 <u>(1) Local Transportation Disaster Support</u>	<u>1,000,000</u>	<u>1,000,000</u>
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12.18 This appropriation is from the general fund to
 12.19 provide:

12.20 (i) a cost-share for federal assistance from the
 12.21 Federal Highway Administration for the
 12.22 emergency relief program under United States
 12.23 Code, title 23, section 125; and

12.24 (ii) assistance for roadway damage on the
 12.25 state-aid or federal-aid system associated with
 12.26 state or federally declared disasters ineligible
 12.27 for assistance from existing state and federal
 12.28 disaster programs.

12.29 <u>(2) Traffic Calming Infrastructure</u>		
12.30 <u>Improvements</u>	<u>500,000</u>	<u>500,000</u>

12.31 This appropriation is from the general fund
 12.32 for grants to cities of the first class for traffic
 12.33 calming infrastructure improvements, which
 12.34 may include horizontal and vertical deflection

13.1 elements, intersection improvements, paint,
13.2 curb bump-outs, bollards, raised crosswalks,
13.3 and other improvements to improve traffic
13.4 safety in the right-of-way. Improvements made
13.5 on nonmunicipal state-aid streets do not need
13.6 to meet municipal state-aid streets standards.
13.7 These are onetime appropriations.
13.8 Notwithstanding Minnesota Statutes, section
13.9 16B.98, subdivision 14, the commissioner
13.10 must not use any amount of this appropriation
13.11 for administrative costs. The commissioner
13.12 must distribute the grant aid as follows:
13.13 (i) 50 percent of the funds proportionally based
13.14 on each city's share of population, according
13.15 to the last federal decennial census, compared
13.16 to the total population of all cities of the first
13.17 class; and
13.18 (ii) 50 percent of the funds proportionally
13.19 based on each city's share of money needs, as
13.20 determined under Minnesota Statutes, section
13.21 162.13, subdivision 2, compared to the total
13.22 money needs of all cities of the first class.

13.23 Subd. 5. **Agency Management**

13.24 (a) **Agency Services** 91,533,000 95,124,000

13.25 Appropriations by Fund

13.26	<u>2026</u>	<u>2027</u>
13.27 <u>General</u>	<u>6,200,000</u>	<u>6,200,000</u>
13.28 <u>Trunk Highway</u>	<u>85,333,000</u>	<u>88,924,000</u>

13.29 (b) **Buildings** 43,510,000 43,602,000

13.30 \$2,000,000 in each year is for maintenance,
13.31 improvements, and modernization of
13.32 Department of Transportation facilities,
13.33 including truck stations and excluding the
13.34 central office building.

14.1 Any money appropriated to the commissioner
 14.2 of transportation for building construction for
 14.3 any fiscal year before fiscal year 2026 is
 14.4 available to the commissioner during the
 14.5 biennium to the extent that the commissioner
 14.6 spends the money on the building construction
 14.7 projects for which the money was originally
 14.8 encumbered during the fiscal year for which
 14.9 it was appropriated. If the appropriation for
 14.10 either year is insufficient, the appropriation
 14.11 for the other year is available for it.

14.12	<u>(c) Tort Claims</u>	<u>600,000</u>	<u>600,000</u>
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14.13 If the appropriation for either year is
 14.14 insufficient, the appropriation for the other
 14.15 year is available for it.

14.16 Subd. 6. Transfers; General Authority

14.17 (a) With the approval of the commissioner of
 14.18 management and budget, the commissioner
 14.19 of transportation may transfer unencumbered
 14.20 balances among the appropriations from the
 14.21 trunk highway fund and the state airports fund
 14.22 made in this section. Transfers under this
 14.23 paragraph must not be made: (1) between
 14.24 funds; (2) from the appropriations for state
 14.25 road construction or debt service; or (3) from
 14.26 the appropriations for operations and
 14.27 maintenance or program delivery, except for
 14.28 a transfer to state road construction or debt
 14.29 service.

14.30 (b) The commissioner of transportation must
 14.31 immediately report transfers under paragraph
 14.32 (a) to the chairs and ranking minority members
 14.33 of the legislative committees with jurisdiction
 14.34 over transportation finance. The authority for

15.1 the commissioner of transportation to make
15.2 transfers under Minnesota Statutes, section
15.3 16A.285, is superseded by the authority and
15.4 requirements under this subdivision.

15.5 **Subd. 7. Transfers; Flexible Highway Account**

15.6 The commissioner of transportation must
15.7 transfer from the flexible highway account in
15.8 the county state-aid highway fund:

15.9 (1) \$21,800,000 in fiscal year 2026 to the
15.10 trunk highway fund;

15.11 (2) \$22,230,000 in fiscal year 2026 to the
15.12 municipal turnback account in the municipal
15.13 state-aid street fund; and

15.14 (3) the remainder in each year to the county
15.15 turnback account in the county state-aid
15.16 highway fund.

15.17 The money transferred under clause (1) is
15.18 appropriated in fiscal year 2026 from the trunk
15.19 highway fund for highway turnback purposes
15.20 as provided under Minnesota Statutes, section
15.21 161.081, subdivision 3.

15.22 **Subd. 8. Contingent Appropriations**

15.23 The commissioner of transportation, with the
15.24 approval of the governor and the written
15.25 approval of at least five members of a group
15.26 consisting of the members of the Legislative
15.27 Advisory Commission under Minnesota
15.28 Statutes, section 3.30, and the ranking minority
15.29 members of the legislative committees with
15.30 jurisdiction over transportation finance, may
15.31 transfer all or part of the unappropriated
15.32 balance in the trunk highway fund to an
15.33 appropriation: (1) for trunk highway design,

16.1 construction, or inspection in order to take
16.2 advantage of an unanticipated receipt of
16.3 income to the trunk highway fund or to take
16.4 advantage of federal advanced construction
16.5 funding; (2) for trunk highway maintenance
16.6 in order to meet an emergency; or (3) to pay
16.7 tort or environmental claims. Nothing in this
16.8 subdivision authorizes the commissioner to
16.9 increase the use of federal advanced
16.10 construction funding beyond amounts
16.11 specifically authorized. Any transfer as a result
16.12 of the use of federal advanced construction
16.13 funding must include an analysis of the effects
16.14 on the long-term trunk highway fund balance.
16.15 The amount transferred is appropriated for the
16.16 purpose of the account to which it is
16.17 transferred.

16.18 Sec. 3. **METROPOLITAN COUNCIL**

16.19	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>114,258,000</u>	<u>\$</u>	<u>120,091,000</u>
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16.20 The appropriations in this section are from the
16.21 general fund to the Metropolitan Council.

16.22	<u>Subd. 2. Transit System Operations</u>		<u>1,751,000</u>		<u>1,751,000</u>
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16.23 This appropriation is for transit system
16.24 operations under Minnesota Statutes, sections
16.25 473.371 to 473.449.

16.26 The base is \$20,014,000 in each of fiscal years
16.27 2028 and 2029.

16.28	<u>Subd. 3. Special Transportation Service</u>		<u>112,507,000</u>		<u>118,340,000</u>
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16.29 This appropriation is for special transportation
16.30 service under Minnesota Statutes, section
16.31 473.386, including Metro Mobility and Metro
16.32 Move.

16.33 Sec. 4. **DEPARTMENT OF PUBLIC SAFETY**

17.1	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>297,718,000</u>	<u>\$</u>	<u>299,229,000</u>
17.2	<u>Appropriations by Fund</u>				
17.3		<u>2026</u>	<u>2027</u>		
17.4	<u>General</u>	<u>37,129,000</u>	<u>37,163,000</u>		
17.5	<u>H.U.T.D.</u>	<u>1,382,000</u>	<u>1,395,000</u>		
17.6	<u>Special Revenue</u>	<u>81,287,000</u>	<u>80,754,000</u>		
17.7	<u>Trunk Highway</u>	<u>177,920,000</u>	<u>179,917,000</u>		
17.8	<u>The appropriations in this section are to the</u>				
17.9	<u>commissioner of public safety.</u>				
17.10	<u>The amounts that may be spent for each</u>				
17.11	<u>purpose are specified in the following</u>				
17.12	<u>subdivisions. The commissioner must spend</u>				
17.13	<u>appropriations from the trunk highway fund</u>				
17.14	<u>in subdivision 3 only for State Patrol purposes.</u>				
17.15	<u>Subd. 2. Administration and Related Services</u>				
17.16	<u>(a) Office of Communications</u>		<u>1,198,000</u>		<u>1,232,000</u>
17.17	<u>This appropriation is from the general fund.</u>				
17.18	<u>(b) Public Safety Support</u>		<u>11,429,000</u>		<u>11,473,000</u>
17.19	<u>Appropriations by Fund</u>				
17.20		<u>2026</u>	<u>2027</u>		
17.21	<u>General</u>	<u>6,001,000</u>	<u>6,001,000</u>		
17.22	<u>Trunk Highway</u>	<u>5,428,000</u>	<u>5,472,000</u>		
17.23	<u>(c) Public Safety Officer Survivor Benefits</u>		<u>1,640,000</u>		<u>1,640,000</u>
17.24	<u>This appropriation is from the general fund</u>				
17.25	<u>for payment of public safety officer survivor</u>				
17.26	<u>benefits under Minnesota Statutes, section</u>				
17.27	<u>299A.44. If the appropriation for either year</u>				
17.28	<u>is insufficient, the appropriation for the other</u>				
17.29	<u>year is available for it.</u>				
17.30	<u>(d) Public Safety Officer Reimbursements</u>		<u>1,367,000</u>		<u>1,367,000</u>
17.31	<u>This appropriation is from the general fund</u>				
17.32	<u>for transfer to the public safety officer's benefit</u>				
17.33	<u>account. This appropriation is available for</u>				

18.1 reimbursements under Minnesota Statutes,
 18.2 section 299A.465.

18.3 **(e) Soft Body Armor Reimbursements** 745,000 745,000

18.4 This appropriation is from the general fund
 18.5 for soft body armor reimbursements under
 18.6 Minnesota Statutes, section 299A.38.

18.7 **(f) Technology and Support Services** 7,130,000 7,130,000

18.8 Appropriations by Fund

18.9 2026 2027

18.10 General 1,743,000 1,743,000

18.11 Trunk Highway 5,387,000 5,387,000

18.12 Subd. 3. State Patrol

18.13 **(a) Patrolling Highways** 147,013,000 148,960,000

18.14 Appropriations by Fund

18.15 2026 2027

18.16 General 37,000 37,000

18.17 H.U.T.D. 92,000 92,000

18.18 Trunk Highway 146,884,000 148,831,000

18.19 \$1,045,000 in each year is from the trunk
 18.20 highway fund for recruitment and hiring
 18.21 initiatives. Of the base from the trunk highway
 18.22 fund, \$10,365,000 in each of fiscal years 2028
 18.23 and 2029 is for this purpose, which includes
 18.24 funding to conduct an additional annual
 18.25 trooper academy.

18.26 The base from the trunk highway fund is
 18.27 \$158,151,000 in each of fiscal years 2028 and
 18.28 2029.

18.29 **(b) Commercial Vehicle Enforcement** 18,861,000 18,861,000

18.30 **(c) Capitol Security** 19,243,000 19,243,000

18.31 This appropriation is from the general fund.

18.32 The commissioner must not:

19.1 (1) spend any money from the trunk highway
 19.2 fund for capitol security; or

19.3 (2) permanently transfer any state trooper from
 19.4 the patrolling highways activity to capitol
 19.5 security.

19.6 The commissioner must not transfer any
 19.7 money appropriated to the commissioner under
 19.8 this section:

19.9 (1) to capitol security; or

19.10 (2) from capitol security.

19.11 **(d) Vehicle Crimes Unit**

1,290,000

1,303,000

19.12 This appropriation is from the highway user
 19.13 tax distribution fund to investigate:

19.14 (1) registration tax and motor vehicle sales tax
 19.15 liabilities from individuals and businesses that
 19.16 currently do not pay all taxes owed; and

19.17 (2) illegal or improper activity related to the
 19.18 sale, transfer, titling, and registration of motor
 19.19 vehicles.

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

19.21 **(a) Driver Services**

47,665,000

47,132,000

19.22 This appropriation is from the driver and
 19.23 vehicle services operating account under
 19.24 Minnesota Statutes, section 299A.705.

19.25 \$317,000 in fiscal year 2026 is for rulemaking
 19.26 costs for the ignition interlock device program
 19.27 under Minnesota Statutes, section 171.306.

19.28 \$218,000 in fiscal year 2026 is for costs of
 19.29 adding work zone safety information into the
 19.30 driver's manual and written examination and
 19.31 related rulemaking.

19.32 **(b) Vehicle Services**

32,179,000

32,179,000

20.1 This appropriation is from the driver and
 20.2 vehicle services operating account under
 20.3 Minnesota Statutes, section 299A.705.

20.4 \$2,500,000 in each year is for payments to
 20.5 deputy registrars under Minnesota Statutes,
 20.6 section 168.33, subdivision 7a, and to driver's
 20.7 license agents under Minnesota Statutes,
 20.8 section 171.061, subdivision 4a.

20.9 **Subd. 5. Traffic Safety** 5,955,000 5,961,000

20.10 Appropriations by Fund

20.11 2026 2027

20.12 General 4,595,000 4,595,000

20.13 Trunk Highway 1,360,000 1,366,000

20.14 \$1,100,000 in each year is from the general
 20.15 fund for operations and traffic safety projects,
 20.16 grants, and other activities of the Advisory
 20.17 Council on Traffic Safety under Minnesota
 20.18 Statutes, section 4.076.

20.19 \$485,000 in each year is from the trunk
 20.20 highway fund for federal match funding
 20.21 related to planning and administration of
 20.22 highway safety activities.

20.23 \$2,000,000 in each year is from the general
 20.24 fund for the drug evaluation and classification
 20.25 program for drug recognition evaluator
 20.26 training; phlebotomists; drug recognition
 20.27 training for peace officers, as defined in
 20.28 Minnesota Statutes, section 626.84,
 20.29 subdivision 1, paragraph (c); required
 20.30 continuing education training for drug
 20.31 recognition experts; program administration;
 20.32 grants to local law enforcement divisions; and
 20.33 grants to eligible employers for drug
 20.34 evaluation and classification training costs of

21.1 their staff. The commissioner must make
 21.2 reasonable efforts to reflect the geographic
 21.3 diversity of the state in making expenditures.
 21.4 Any balance in the first year does not cancel
 21.5 but is available in the second year.

21.6 **Subd. 6. Pipeline Safety** 2,003,000 2,003,000

21.7	<u>Appropriations by Fund</u>		
21.8		<u>2026</u>	<u>2027</u>
21.9	<u>General</u>	<u>560,000</u>	<u>560,000</u>
21.10	<u>Special Revenue</u>	<u>1,443,000</u>	<u>1,443,000</u>

21.11 The appropriation from the special revenue
 21.12 fund is from the pipeline safety account under
 21.13 Minnesota Statutes, section 299J.18.
 21.14 \$560,000 in each year is from the general fund
 21.15 for staff and operating costs related to
 21.16 oversight of the excavation notice system
 21.17 under Minnesota Statutes, chapter 216D,
 21.18 including education, investigation, and
 21.19 enforcement activities.

21.20 **Sec. 5. APPROPRIATION; BOARD OF WATER AND SOIL RESOURCES.**

21.21 \$3,000,000 in fiscal year 2026 is appropriated from the general fund to the Board of
 21.22 Water and Soil Resources to acquire land or permanent easements and to restore, create,
 21.23 enhance, and preserve wetlands to replace those wetlands drained or filled as a result of the
 21.24 repair, reconstruction, replacement, or rehabilitation of existing public roads as required by
 21.25 Minnesota Statutes, section 103G.222, subdivision 1, paragraphs (l) and (m). The board
 21.26 may vary the priority order of Minnesota Statutes, section 103G.222, subdivision 3, paragraph
 21.27 (a), to implement an in-lieu fee agreement approved by the United States Army Corps of
 21.28 Engineers under section 404 of the federal Clean Water Act. The purchase price paid for
 21.29 acquisition of land or permanent easement must be a fair market value as determined by
 21.30 the board. The board may enter into agreements with the federal government, other state
 21.31 agencies, political subdivisions, nonprofit organizations, fee title owners, or other qualified
 21.32 private entities to acquire wetland replacement credits in accordance with Minnesota Rules,
 21.33 chapter 8420.

22.1 Sec. 6. **APPROPRIATION; DEPARTMENT OF ADMINISTRATION.**

22.2 \$48,513,000 in fiscal year 2026 and \$48,513,000 in fiscal year 2027 are appropriated
22.3 from the trunk highway fund to the commissioner of administration to design, construct,
22.4 remodel, equip, and furnish a central headquarters building and support facilities for the
22.5 State Patrol. This is a onetime appropriation and is available until June 30, 2030.

22.6 Sec. 7. **APPROPRIATION; DEPARTMENT OF EMPLOYMENT AND ECONOMIC**
22.7 **DEVELOPMENT.**

22.8 (a) For purposes of this section, unless otherwise specified, "commissioner" means the
22.9 commissioner of employment and economic development.

22.10 (b) \$250,000 in fiscal year 2026 is appropriated from the general fund to the commissioner
22.11 for a grant award as provided in this section.

22.12 (c) The commissioner, in consultation with the commissioner of transportation, must
22.13 award a grant to the East Side Neighborhood Development Company (ESNDC) to provide
22.14 onetime financial assistance in equal amounts of up to \$5,000 to qualified businesses
22.15 adversely affected by the Department of Transportation's redesign and construction project
22.16 along marked Trunk Highway 61, also known as Arcade Street, from East 7th Street to
22.17 Roselawn Avenue East. The ESNDC must consult with the East Side Area Business
22.18 Association when providing financial assistance under this section.

22.19 (d) A qualified business must:

22.20 (1) employ no more than 25 full-time equivalent employees;

22.21 (2) be located within 300 feet of the construction project under paragraph (c); and

22.22 (3) experience impairment of road access, parking, or visibility as a result of the project.

22.23 (e) The commissioner may establish requirements in addition to the qualifications under
22.24 paragraph (d) as necessary to efficiently and equitably provide financial assistance under
22.25 this section.

22.26 (f) Financial assistance provided under this section may be used for employee payroll
22.27 expenses, operating expenses, or facilities expenses and must not be used for bonuses; new
22.28 equipment, furniture, or capital improvements; or construction or expansion.

22.29 (g) Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, of the
22.30 appropriation in paragraph (b), the commissioner may use up to one percent for administrative
22.31 costs and the East Side Neighborhood Development Company may retain up to four percent
22.32 for administrative costs.

23.1 (h) By January 15, 2026, the commissioner must submit a report on the grants awarded
 23.2 under this section to the chairs and ranking minority members of the legislative committees
 23.3 with jurisdiction over transportation finance and policy. At a minimum, the report must
 23.4 include a complete list of grants awarded, including business names and addresses, types
 23.5 of businesses, and the amount of each award.

23.6 Sec. 8. **APPROPRIATION; UNIVERSITY OF MINNESOTA.**

23.7 \$2,000,000 in fiscal year 2026 and \$2,000,000 in fiscal year 2027 are appropriated from
 23.8 the general fund to the Board of Regents of the University of Minnesota for the empowering
 23.9 small Minnesota communities program under Minnesota Statutes, section 137.345. This is
 23.10 a onetime appropriation.

23.11 Sec. 9. **APPROPRIATION CANCELLATIONS.**

23.12 (a) \$3,130,000 of the appropriation in fiscal year 2023 from the general fund for rail
 23.13 corridor service analysis under Laws 2023, chapter 68, article 1, section 10, is canceled to
 23.14 the general fund.

23.15 (b) \$3,000,000 of the appropriation in fiscal year 2024 from the general fund for matching
 23.16 federal aid and related state investments for the electric vehicle infrastructure program under
 23.17 Laws 2023, chapter 68, article 1, section 2, subdivision 5, paragraph (a), is canceled to the
 23.18 general fund.

23.19 (c) \$45,000 of the appropriation in fiscal year 2024 from the general fund for grants to
 23.20 the city of Chatfield to develop a transportation management organization in southeastern
 23.21 Minnesota under Laws 2023, chapter 68, article 1, section 9, paragraph (d), is canceled to
 23.22 the general fund.

23.23 (d) \$3,250,000 of the appropriation in fiscal years 2024 and 2025 from the general fund
 23.24 for projects and activities of the Advisory Council on Traffic Safety under Laws 2023,
 23.25 chapter 68, article 1, section 4, subdivision 5, is canceled to the general fund.

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

23.27 Sec. 10. Laws 2021, First Special Session chapter 5, article 1, section 2, subdivision 2, as
 23.28 amended by Laws 2024, chapter 127, article 1, section 10, is amended to read:

23.29 Subd. 2. **Multimodal Systems**

23.30 (a) **Aeronautics**

23.31	(1) Airport Development and Assistance	24,198,000	18,598,000
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24.1	Appropriations by Fund		
24.2		2022	2023
24.3	General	5,600,000	-0-
24.4	Airports	18,598,000	18,598,000

24.5 This appropriation is from the state airports
24.6 fund and must be spent according to
24.7 Minnesota Statutes, section 360.305,
24.8 subdivision 4.

24.9 \$5,600,000 in fiscal year 2022 is from the
24.10 general fund for a grant to the city of Karlstad
24.11 for the acquisition of land, predesign, design,
24.12 engineering, and construction of a primary
24.13 airport runway. This appropriation is for Phase
24.14 1 of the project.

24.15 Notwithstanding Minnesota Statutes, section
24.16 16A.28, subdivision 6, this appropriation is
24.17 available for five years after the year of the
24.18 appropriation. If the appropriation for either
24.19 year is insufficient, the appropriation for the
24.20 other year is available for it.

24.21 If the commissioner of transportation
24.22 determines that a balance remains in the state
24.23 airports fund following the appropriations
24.24 made in this article and that the appropriations
24.25 made are insufficient for advancing airport
24.26 development and assistance projects, an
24.27 amount necessary to advance the projects, not
24.28 to exceed the balance in the state airports fund,
24.29 is appropriated in each year to the
24.30 commissioner and must be spent according to
24.31 Minnesota Statutes, section 360.305,
24.32 subdivision 4. Within two weeks of a
24.33 determination under this contingent
24.34 appropriation, the commissioner of
24.35 transportation must notify the commissioner

25.1 of management and budget and the chairs,
25.2 ranking minority members, and staff of the
25.3 legislative committees with jurisdiction over
25.4 transportation finance concerning the funds
25.5 appropriated. Funds appropriated under this
25.6 contingent appropriation do not adjust the base
25.7 for fiscal years 2024 and 2025.

25.8

(2) Aviation Support Services

8,332,000

8,340,000

25.9	Appropriations by Fund		
25.10		2022	2023
25.11	General	1,650,000	1,650,000
25.12	Airports	6,682,000	6,690,000

25.13 \$28,000 in fiscal year 2022 and \$36,000 in
25.14 fiscal year 2023 are from the state airports
25.15 fund for costs related to regulating unmanned
25.16 aircraft systems.

25.17

(3) Civil Air Patrol

80,000

80,000

25.18 This appropriation is from the state airports
25.19 fund for the Civil Air Patrol.

25.20

(b) Transit and Active Transportation

23,501,000

18,201,000

25.21 This appropriation is from the general fund.
25.22 \$5,000,000 in fiscal year 2022 is for the active
25.23 transportation program under Minnesota
25.24 Statutes, section 174.38. This is a onetime
25.25 appropriation and is available until June 30,
25.26 2025.

25.27 \$300,000 in fiscal year 2022 is for a grant to
25.28 the 494 Corridor Commission. The
25.29 commissioner must not retain any portion of
25.30 the funds appropriated under this section. The
25.31 commissioner must make grant payments in
25.32 full by December 31, 2021. Funds under this
25.33 grant are for programming and service

26.1 expansion to assist companies and commuters
26.2 in telecommuting efforts and promotion of
26.3 best practices. A grant recipient must provide
26.4 telework resources, assistance, information,
26.5 and related activities on a statewide basis. This
26.6 is a onetime appropriation.

26.7 (c) **Safe Routes to School**

5,500,000

500,000

26.8 This appropriation is from the general fund
26.9 for the safe routes to school program under
26.10 Minnesota Statutes, section 174.40.

26.11 If the appropriation for either year is
26.12 insufficient, the appropriation for the other
26.13 year is available for it.

26.14 (d) **Passenger Rail**

10,500,000

500,000

26.15 This appropriation is from the general fund
26.16 for passenger rail activities under Minnesota
26.17 Statutes, sections 174.632 to 174.636.

26.18 \$10,000,000 in fiscal year 2022 is for final
26.19 design and construction to provide for a
26.20 second daily Amtrak train service between
26.21 Minneapolis and St. Paul and Chicago. The
26.22 commissioner may expend funds for program
26.23 delivery and administration from this amount.

26.24 This is a onetime appropriation and is
26.25 available until June 30, ~~2025~~ 2028.

26.26 (e) **Freight**

8,342,000

7,323,000

26.27	Appropriations by Fund		
26.28		2022	2023
26.29	General	2,464,000	1,445,000
26.30	Trunk Highway	5,878,000	5,878,000

26.31 \$1,000,000 in fiscal year 2022 is from the
26.32 general fund for procurement costs of a
26.33 statewide freight network optimization tool.

27.1 This is a onetime appropriation and is
27.2 available until June 30, 2023.

27.3 \$350,000 in fiscal year 2022 and \$287,000 in
27.4 fiscal year 2023 are from the general fund for
27.5 two additional rail safety inspectors in the state
27.6 rail safety inspection program under
27.7 Minnesota Statutes, section 219.015. In each
27.8 year, the commissioner must not increase the
27.9 total assessment amount under Minnesota
27.10 Statutes, section 219.015, subdivision 2, from
27.11 the most recent assessment amount.

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

27.13 Sec. 11. Laws 2021, First Special Session chapter 14, article 11, section 45, is amended
27.14 to read:

27.15 Sec. 45. **APPROPRIATION; DEPARTMENT OF TRANSPORTATION.**

27.16 \$6,200,000 in fiscal year 2022 is appropriated from the general fund to the commissioner
27.17 of transportation for project development of a land bridge freeway lid over marked Interstate
27.18 Highway 94 in a portion of the segment from Lexington Avenue to Rice Street in St. Paul.
27.19 This amount is available to match federal funds and for project planning and development,
27.20 including area planning, community and land use planning, economic development planning,
27.21 design, and project management and analysis. From this amount, the commissioner may
27.22 make grants to Reconnect Rondo to perform any eligible project development activities.
27.23 This is a onetime appropriation and is available until June 30, ~~2025~~ 2026.

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

27.25 Sec. 12. Laws 2023, chapter 60, article 10, section 9, is amended to read:

27.26 Sec. 9. **DEPARTMENT OF**
27.27 **TRANSPORTATION**

\$ 310,000 \$ -0-

27.28 \$310,000 the first year is ~~for awarding grants~~
27.29 to assist manufacturers to obtain
27.30 environmental product declarations for certain
27.31 construction materials used to build roads and
27.32 other transportation infrastructure under

28.1 Minnesota Statutes, section 16B.312. Of this
28.2 amount, up to \$10,000 is for the reasonable
28.3 costs of the department to administer that
28.4 section. This appropriation is available until
28.5 June 30, 2027.

28.6 Sec. 13. Laws 2023, chapter 68, article 1, section 2, subdivision 2, is amended to read:

28.7 Subd. 2. **Multimodal Systems**

28.8 (a) **Aeronautics**

28.9	(1) Airport Development and Assistance	69,598,000	18,598,000
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28.10	Appropriations by Fund		
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28.11		2024	2025
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28.12	General	36,000,000	-0-
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28.13	Airports	33,598,000	18,598,000
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28.14 The appropriation from the state airports fund
28.15 must be spent according to Minnesota Statutes,
28.16 section 360.305, subdivision 4.

28.17 \$36,000,000 in fiscal year 2024 is from the
28.18 general fund for matches to federal aid and
28.19 state investments related to airport
28.20 infrastructure projects. This is a onetime
28.21 appropriation and is available until June 30,
28.22 2027.

28.23 \$15,000,000 in fiscal year 2024 is from the
28.24 state airports fund for system maintenance of
28.25 critical airport safety systems, equipment, and
28.26 essential airfield technology.

28.27 Notwithstanding Minnesota Statutes, section
28.28 16A.28, subdivision 6, the appropriation from
28.29 the state airports fund is available for five
28.30 years after the year of the appropriation. If the
28.31 appropriation for either year is insufficient,
28.32 the appropriation for the other year is available
28.33 for it.

29.1 If the commissioner of transportation
29.2 determines that a balance remains in the state
29.3 airports fund following the appropriations
29.4 made in this article and that the appropriations
29.5 made are insufficient for advancing airport
29.6 development and assistance projects, an
29.7 amount necessary to advance the projects, not
29.8 to exceed the balance in the state airports fund,
29.9 is appropriated in each year to the
29.10 commissioner and must be spent according to
29.11 Minnesota Statutes, section 360.305,
29.12 subdivision 4. Within two weeks of a
29.13 determination under this contingent
29.14 appropriation, the commissioner of
29.15 transportation must notify the commissioner
29.16 of management and budget and the chairs,
29.17 ranking minority members, and staff of the
29.18 legislative committees with jurisdiction over
29.19 transportation finance concerning the funds
29.20 appropriated. Funds appropriated under this
29.21 contingent appropriation do not adjust the base
29.22 for fiscal years 2026 and 2027.

29.23	(2) Aviation Support Services	15,397,000	8,431,000
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29.24	Appropriations by Fund		
29.25		2024	2025
29.26	General	8,707,000	1,741,000
29.27	Airports	6,690,000	6,690,000

29.28 \$7,000,000 in fiscal year 2024 is from the
29.29 general fund to purchase two utility aircraft
29.30 for the Department of Transportation.

29.31	(3) Civil Air Patrol	80,000	80,000
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29.32 This appropriation is from the state airports
29.33 fund for the Civil Air Patrol.

29.34	(b) Transit and Active Transportation	58,478,000	18,374,000
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30.1 This appropriation is from the general fund.

30.2 \$200,000 in fiscal year 2024 and \$50,000 in

30.3 fiscal year 2025 are for a grant to the city of

30.4 Rochester to implement demand response

30.5 transit service using electric transit vehicles.

30.6 The money is available for mobile software

30.7 application development; vehicles and

30.8 equipment, including accessible vehicles;

30.9 associated charging infrastructure; and capital

30.10 and operating costs.

30.11 \$40,000,000 in fiscal year 2024 is for matches

30.12 to federal aid and state investments related to

30.13 transit and active transportation projects. This

30.14 is a onetime appropriation and is available

30.15 until June 30, 2027.

30.16 **(c) Safe Routes to School**

15,297,000

10,500,000

30.17 This appropriation is from the general fund

30.18 for the safe routes to school program under

30.19 Minnesota Statutes, section 174.40.

30.20 If the appropriation for either year is

30.21 insufficient, the appropriation for the other

30.22 year is available for it. The appropriations in

30.23 each year are available until June 30, 2027.

30.24 The base for this appropriation is \$1,500,000

30.25 in each of fiscal years 2026 and 2027.

30.26 **(d) Passenger Rail**

197,521,000

4,226,000

30.27 This appropriation is from the general fund

30.28 for passenger rail activities under Minnesota

30.29 Statutes, sections 174.632 to 174.636.

30.30 \$194,700,000 in fiscal year 2024 is for capital

30.31 improvements and betterments for the

30.32 Minneapolis-Duluth Northern Lights Express

30.33 intercity passenger rail project, including

31.1 preliminary engineering, design, engineering,
31.2 environmental analysis and mitigation,
31.3 acquisition of land and right-of-way,
31.4 equipment and rolling stock, and construction.
31.5 From this appropriation, the amount necessary
31.6 is for: (1) Coon Rapids station improvements
31.7 to establish a joint station that provides for
31.8 Amtrak train service on the Empire Builder
31.9 line between Chicago and Seattle; and (2)
31.10 acquisition of equipment and rolling stock for
31.11 purposes of participation in the Midwest fleet
31.12 pool to provide for service on Northern Lights
31.13 Express and expanded Amtrak train service
31.14 between Minneapolis and St. Paul and
31.15 Chicago. The commissioner of transportation
31.16 must not approve additional stops or stations
31.17 beyond those included in the Federal Railroad
31.18 Administration's January 2018 Finding of No
31.19 Significant Impact and Section 4(f)
31.20 Determination if the commissioner determines
31.21 that the resulting speed reduction would
31.22 negatively impact total ridership. This
31.23 appropriation is onetime and is available until
31.24 June 30, 2028.

31.25 \$1,833,000 in fiscal year 2024 and \$3,238,000
31.26 in fiscal year 2025 are for a match to federal
31.27 aid for capital and operating costs for
31.28 expanded Amtrak train service between
31.29 Minneapolis and St. Paul and Chicago. These
31.30 amounts are available until June 30, 2028.

31.31 The base from the general fund is \$5,742,000
31.32 in each of fiscal years 2026 and 2027.

31.33	(e) Freight	14,650,000	9,066,000
31.34	Appropriations by Fund		
31.35	2024	2025	

32.1	General	8,283,000	2,400,000
32.2	Trunk Highway	6,367,000	6,666,000

32.3 \$5,000,000 in fiscal year 2024 is from the
32.4 general fund for matching federal aid grants
32.5 for improvements, engineering, and
32.6 administrative costs for the Stone Arch Bridge
32.7 in Minneapolis. This is a onetime
32.8 appropriation and is available until June 30,
32.9 2027.

32.10 \$1,000,000 in each year is from the general
32.11 fund for staff, operating costs, and
32.12 maintenance related to weight and safety
32.13 enforcement systems.

32.14 \$974,000 in fiscal year 2024 is from the
32.15 general fund for procurement costs of a
32.16 statewide freight network optimization tool
32.17 under Laws 2021, First Special Session
32.18 chapter 5, article 4, section 133. This is a
32.19 onetime appropriation and is available until
32.20 June 30, 2025.

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

32.22 Sec. 14. Laws 2023, chapter 68, article 1, section 2, subdivision 3, is amended to read:

32.23 Subd. 3. **State Roads**

32.24	(a) Operations and Maintenance	414,220,000	425,341,000
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32.25	Appropriations by Fund		
32.26		2024	2025
32.27	General	2,000,000	-0-
32.28	Trunk Highway	412,220,000	425,341,000

32.29 \$1,000,000 in fiscal year 2024 is from the
32.30 general fund for the highways for habitat
32.31 program under Minnesota Statutes, section
32.32 160.2325. This amount is available until June
32.33 30, 2027.

33.1 \$248,000 in each year is from the trunk
33.2 highway fund for living snow fence
33.3 implementation and maintenance activities.

33.4 \$1,000,000 in fiscal year 2024 is from the
33.5 general fund for safe road zones under
33.6 Minnesota Statutes, section 169.065, including
33.7 development and delivery of public awareness
33.8 and education campaigns about safe road
33.9 zones.

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

33.11 (1) Planning and Research	32,679,000	33,465,000
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33.12 The commissioner may use any balance
33.13 remaining in this appropriation for program
33.14 delivery under clause (2).

33.15 \$130,000 in each year is available for
33.16 administrative costs of the targeted group
33.17 business program.

33.18 \$266,000 in each year is available for grants
33.19 to metropolitan planning organizations outside
33.20 the seven-county metropolitan area.

33.21 \$900,000 in each year is available for grants
33.22 for transportation studies outside the
33.23 metropolitan area to identify critical concerns,
33.24 problems, and issues. These grants are
33.25 available: (i) to regional development
33.26 commissions; (ii) in regions where no regional
33.27 development commission is functioning, to
33.28 joint powers boards established under
33.29 agreement of two or more political
33.30 subdivisions in the region to exercise the
33.31 planning functions of a regional development
33.32 commission; and (iii) in regions where no
33.33 regional development commission or joint

34.1 powers board is functioning, to the Department
34.2 of Transportation district office for that region.

34.3	(2) Program Delivery	274,451,000	273,985,000
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34.4	Appropriations by Fund		
34.5		2024	2025
34.6	General	2,250,000	2,000,000
34.7	Trunk Highway	272,201,000	271,985,000

34.8 This appropriation includes use of consultants
34.9 to support development and management of
34.10 projects.

34.11 \$10,000,000 in fiscal year 2024 is from the
34.12 trunk highway fund for roadway design and
34.13 related improvements that reduce speeds and
34.14 eliminate intersection interactions on rural
34.15 high-risk roadways. The commissioner must
34.16 identify roadways based on crash information
34.17 and in consultation with the Advisory Council
34.18 on Traffic Safety under Minnesota Statutes,
34.19 section 4.076, and local traffic safety partners.

34.20 This is a onetime appropriation and is
34.21 available until June 30, 2026.

34.22 \$2,000,000 in each year is from the general
34.23 fund for implementation of climate-related
34.24 programs as provided under the federal
34.25 Infrastructure Investment and Jobs Act, Public
34.26 Law 117-58.

34.27 \$1,193,000 in fiscal year 2024 is from the
34.28 trunk highway fund for costs related to the
34.29 property conveyance to the Upper Sioux
34.30 Community of state-owned land within the
34.31 boundaries of Upper Sioux Agency State Park,
34.32 including fee purchase, property purchase,
34.33 appraisals, and road and bridge demolition

35.1 and related engineering. This amount is
35.2 available until June 30, 2027.

35.3 \$250,000 in fiscal year 2024 is from the
35.4 general fund for costs related to the Clean
35.5 Transportation Fuel Standard Working Group
35.6 established under article 4, section 124.

35.7 \$1,000,000 in each year is available from the
35.8 trunk highway fund for management of
35.9 contaminated and regulated material on
35.10 property owned by the Department of
35.11 Transportation, including mitigation of
35.12 property conveyances, facility acquisition or
35.13 expansion, chemical release at maintenance
35.14 facilities, and spills on the trunk highway
35.15 system where there is no known responsible
35.16 party. If the appropriation for either year is
35.17 insufficient, the appropriation for the other
35.18 year is available for it.

35.19	(c) State Road Construction	1,207,013,000	1,174,045,000
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35.20	Appropriations by Fund		
35.21		2024	2025
35.22	General	1,800,000	-0-
35.23	Trunk Highway	1,205,213,000	1,174,045,000

35.24 This appropriation is for the actual
35.25 construction, reconstruction, and improvement
35.26 of trunk highways, including design-build
35.27 contracts, internal department costs associated
35.28 with delivering the construction program,
35.29 consultant usage to support these activities,
35.30 and the cost of actual payments to landowners
35.31 for lands acquired for highway rights-of-way,
35.32 payment to lessees, interest subsidies, and
35.33 relocation expenses.

36.1 This appropriation includes federal highway
36.2 aid. The commissioner of transportation must
36.3 notify the chairs, ranking minority members,
36.4 and staff of the legislative committees with
36.5 jurisdiction over transportation finance of any
36.6 significant events that cause the estimates of
36.7 federal aid to change.

36.8 \$1,500,000 in fiscal year 2024 is from the
36.9 general fund for living snow fence
36.10 implementation, including: acquiring and
36.11 planting trees, shrubs, native grasses, and
36.12 wildflowers that are climate adaptive to
36.13 Minnesota; improvements; contracts;
36.14 easements; rental agreements; and program
36.15 delivery.

36.16 \$300,000 in fiscal year 2024 is from the
36.17 general fund for additions and modifications
36.18 to work zone design or layout to reduce
36.19 vehicle speeds in a work zone. This
36.20 appropriation is available following a
36.21 determination by the commissioner that the
36.22 initial work zone design or layout
36.23 insufficiently provides for reduced vehicle
36.24 speeds.

36.25 The commissioner may expend up to one-half
36.26 of one percent of the federal appropriations
36.27 under this paragraph as grants to opportunity
36.28 industrialization centers and other nonprofit
36.29 job training centers for job training programs
36.30 related to highway construction.

36.31 The commissioner may transfer up to
36.32 \$15,000,000 in each year to the transportation
36.33 revolving loan fund.

37.1 The commissioner may receive money
37.2 covering other shares of the cost of partnership
37.3 projects. These receipts are appropriated to
37.4 the commissioner for these projects.

37.5 The base from the trunk highway fund is
37.6 \$1,161,813,000 in each of fiscal years 2026
37.7 and 2027.

37.8	(d) Corridors of Commerce	25,000,000	25,000,000
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37.9 This appropriation is for the corridors of
37.10 commerce program under Minnesota Statutes,
37.11 section 161.088. The commissioner may use
37.12 up to 17 percent of the amount in each year
37.13 for program delivery.

37.14	(e) Highway Debt Service	268,336,000	291,394,000
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37.15 \$265,336,000 in fiscal year 2024 and
37.16 \$288,394,000 in fiscal year 2025 are for
37.17 transfer to the state bond fund. If this
37.18 appropriation is insufficient to make all
37.19 transfers required in the year for which it is
37.20 made, the commissioner of management and
37.21 budget must transfer the deficiency amount
37.22 as provided under Minnesota Statutes, section
37.23 16A.641, and notify the chairs, ranking
37.24 minority members, and staff of the legislative
37.25 committees with jurisdiction over
37.26 transportation finance and the chairs of the
37.27 senate Finance Committee and the house of
37.28 representatives Ways and Means Committee
37.29 of the amount of the deficiency. Any excess
37.30 appropriation cancels to the trunk highway
37.31 fund.

37.32	(f) Statewide Radio Communications	8,653,000	6,907,000
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37.33	Appropriations by Fund		
37.34	2024	2025	

38.1	General	2,003,000	3,000
38.2	Trunk Highway	6,650,000	6,904,000

38.3 \$3,000 in each year is from the general fund
38.4 to equip and operate the Roosevelt signal
38.5 tower for Lake of the Woods weather
38.6 broadcasting.

38.7 \$2,000,000 in fiscal year 2024 is from the
38.8 general fund for Allied Radio Matrix for
38.9 Emergency Response (ARMER) tower
38.10 building improvements and replacement.

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

38.12 Sec. 15. Laws 2023, chapter 68, article 1, section 17, subdivision 13, is amended to read:

38.13 Subd. 13. **Trunk Highway 5; Chanhassen and Victoria.** \$20,000,000 in fiscal year
38.14 2024 is appropriated from the general fund to the commissioner of transportation for a grant
38.15 to Carver County to complete the preliminary engineering, environmental documentation,
38.16 final design, right-of-way acquisition, and construction of improvements to marked Trunk
38.17 Highway 5 from ~~Minnewashta Parkway to marked Trunk Highway 41~~ 80th Street in the
38.18 city of Victoria to Century Boulevard in the city of Chanhassen, including mainline highway
38.19 expansion, cross streets, off-street trails, a bridge over Lake Minnewashta wetlands, utility
38.20 relocations, and installations. This is a onetime appropriation and is available until June 30,
38.21 2027.

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

38.23 Sec. 16. Laws 2023, chapter 68, article 2, section 2, subdivision 9, as amended by Laws
38.24 2024, chapter 104, article 1, section 105, is amended to read:

38.25 Subd. 9. **U.S. Highway 8; Chisago County** 42,000,000

38.26 This appropriation is for predesign, design,
38.27 engineering, and reconstruction of marked
38.28 U.S. Highway 8 from Karmel Avenue in
38.29 Chisago City to marked Interstate Highway
38.30 35, including pedestrian and bike trails along
38.31 and crossings of this segment of marked U.S.
38.32 Highway 8. The reconstruction project may

39.1 include expanding segments of marked U.S.
39.2 Highway 8 to four lanes, constructing or
39.3 reconstructing frontage roads and backage
39.4 roads, and realigning local roads to
39.5 consolidate, remove, and relocate access onto
39.6 and off of U.S. Highway 8. This appropriation
39.7 is for the portion of the project that is eligible
39.8 for use of proceeds of trunk highway bonds.
39.9 Notwithstanding Minnesota Statutes, section
39.10 16A.642, the bond sale authorization and
39.11 appropriation of bond sale proceeds for this
39.12 project are available until December 31, 2029.

39.13 Sec. 17. Laws 2024, chapter 127, article 1, section 2, subdivision 3, is amended to read:

39.14 Subd. 3. **State Roads**

39.15 (a) Operations and Maintenance	-0-	2,405,000
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39.16 \$300,000 in fiscal year 2025 is for rumble
39.17 strips under Minnesota Statutes, section
39.18 161.1258.

39.19 \$1,000,000 in fiscal year 2025 is for
39.20 landscaping improvements located within
39.21 trunk highway rights-of-way ~~under the~~
39.22 ~~Department of Transportation's community~~
39.23 ~~roadside landscape partnership program~~, with
39.24 prioritization of tree planting as feasible.

39.25 \$1,000,000 is from the general fund for the
39.26 traffic safety camera pilot program under
39.27 Minnesota Statutes, section 169.147, and the
39.28 evaluation and legislative report under article
39.29 3, sections 116 and 117. With the approval of
39.30 the commissioner of transportation, any
39.31 portion of this appropriation is available to the
39.32 commissioner of public safety. This is a
39.33 onetime appropriation and is available until
39.34 June 30, 2029.

40.1 \$105,000 in fiscal year 2025 is for the cost of
40.2 staff time to coordinate with the Public
40.3 Utilities Commission relating to placement of
40.4 high voltage transmission lines along trunk
40.5 highways.

40.6 **(b) Program Planning and Delivery** -0- 5,800,000

40.7 \$3,000,000 in fiscal year 2025 is for
40.8 implementation and development of statewide
40.9 and regional travel demand modeling related
40.10 to the requirements under Minnesota Statutes,
40.11 section 161.178. This is a onetime
40.12 appropriation and is available until June 30,
40.13 2026.

40.14 \$800,000 in fiscal year 2025 is for one or more
40.15 grants to metropolitan planning organizations
40.16 outside the metropolitan area, as defined in
40.17 Minnesota Statutes, section 473.121,
40.18 subdivision 2, for modeling activities related
40.19 to the requirements under Minnesota Statutes,
40.20 section 161.178. Notwithstanding Minnesota
40.21 Statutes, section 16B.98, subdivision 14, the
40.22 commissioner must not use any amount of this
40.23 appropriation for administrative costs. This is
40.24 a onetime appropriation and is available until
40.25 June 30, 2026.

40.26 \$2,000,000 in fiscal year 2025 is to complete
40.27 environmental documentation and for
40.28 preliminary engineering and design for the
40.29 reconstruction of marked Trunk Highway 55
40.30 from Hennepin County State-Aid Highway
40.31 19, north of the city of Loretto to Hennepin
40.32 County Road 118 near the city of Medina.
40.33 This is a onetime appropriation and is
40.34 available until June 30, 2027.

41.1	(c) State Road Construction	-0-	10,900,000
41.2	\$8,900,000 in fiscal year 2025 is for the		
41.3	acquisition, environmental analysis, predesign,		
41.4	design, engineering, construction,		
41.5	reconstruction, and improvement of trunk		
41.6	highway bridges, including design-build		
41.7	contracts, program delivery, consultant usage		
41.8	to support these activities, and the cost of		
41.9	payments to landowners for lands acquired		
41.10	for highway rights-of-way. Projects under this		
41.11	appropriation must follow eligible investment		
41.12	priorities identified in the Minnesota state		
41.13	highway investment plan under Minnesota		
41.14	Statutes, section 174.03, subdivision 1c. The		
41.15	commissioner may use up to 17 percent of this		
41.16	appropriation for program delivery. This is a		
41.17	onetime appropriation and is available until		
41.18	June 30, 2028.		
41.19	\$1,000,000 in fiscal year 2025 is for predesign		
41.20	and design of intersection safety improvements		
41.21	along marked Trunk Highway 65 from the		
41.22	interchange with marked U.S. Highway 10 to		
41.23	99th Avenue Northeast in the city of Blaine.		
41.24	This is a onetime appropriation <u>and is</u>		
41.25	<u>available until June 30, 2028.</u>		
41.26	\$1,000,000 in fiscal year 2025 is to design and		
41.27	construct trunk highway improvements		
41.28	associated with an interchange at U.S.		
41.29	Highway 169, marked Trunk Highway 282,		
41.30	and Scott County State-Aid Highway 9 in the		
41.31	city of Jordan, including accommodations for		
41.32	bicycles and pedestrians and for bridge and		
41.33	road construction. This is a onetime		
41.34	appropriation and is available until June 30,		
41.35	2027.		

42.1 (d) **Highway Debt Service** -0- 468,000

42.2 This appropriation is for transfer to the state
 42.3 bond fund. If this appropriation is insufficient
 42.4 to make all transfers required in the year for
 42.5 which it is made, the commissioner of
 42.6 management and budget must transfer the
 42.7 deficiency amount as provided under
 42.8 Minnesota Statutes, section 16A.641, and
 42.9 notify the chairs and ranking minority
 42.10 members of the legislative committees with
 42.11 jurisdiction over transportation finance and
 42.12 the chairs of the senate Finance Committee
 42.13 and the house of representatives Ways and
 42.14 Means Committee of the amount of the
 42.15 deficiency. Any excess appropriation cancels
 42.16 to the trunk highway fund.

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

42.18 Sec. 18. **TRANSFERS.**

42.19 (a) \$2,655,000 in fiscal year 2026 and \$2,784,000 in fiscal year 2027 are transferred
 42.20 from the general fund to the active transportation account under Minnesota Statutes, section
 42.21 174.38. In each forecast prepared under Minnesota Statutes, section 16A.103, from the
 42.22 effective date of this section through the February 2027 forecast, the commissioner of
 42.23 management and budget must include a transfer of \$8,284,000 in fiscal year 2028 and in
 42.24 each fiscal year thereafter from the general fund to the active transportation account.

42.25 (b) \$250,000 in fiscal year 2026 is transferred from the general fund to the local
 42.26 government road funding gap assistance account under Minnesota Statutes, section 162.175.

42.27 Sec. 19. **ALLOCATION; RUM RIVER DAM PEDESTRIAN BRIDGE.**

42.28 (a) Of the allocation otherwise apportioned to Anoka County under Minnesota Statutes,
 42.29 section 297A.9915, subdivision 4, paragraph (a), clause (2), and available under Minnesota
 42.30 Statutes, section 174.49, subdivision 6, paragraph (a), clause (1), the commissioner of
 42.31 transportation must provide one or more grants that total \$6,200,000 to the city of Anoka.
 42.32 The amount under this paragraph is in fiscal year 2026 and, to the extent necessary, in fiscal
 42.33 year 2027.

(b) The grant under paragraph (a) is for predesign, design, engineering, environmental analysis, right-of-way acquisition including easements, and construction of a pedestrian bridge over the Rum River Dam and associated Rum River Dam improvements in the city of Anoka.

(c) Notwithstanding internal Department of Transportation guidelines, policies, or documents relating to grant management, the commissioner must disburse the grant under this section directly to the city of Anoka and may do so without complying with Minnesota laws and policies regarding grant management, including but not limited to the requirement to have an agreement.

(d) This section applies notwithstanding the provisions of Minnesota Statutes, section 297A.9915, subdivision 4.

(e) Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner of transportation must not use any of the amount distributed under paragraph (a) for grant administrative costs.

Sec. 20. ALLOCATIONS; METROPOLITAN COUNCIL; HENNEPIN COUNTY; WASHINGTON AVENUE PEDESTRIAN BRIDGE.

(a) Of the money allocated to the Metropolitan Council under Minnesota Statutes, section 473.4465, subdivision 2, paragraph (a), clause (1), the Metropolitan Council must provide a grant of \$2,000,000 in fiscal year 2026 to the Board of Regents of the University of Minnesota. This paragraph applies notwithstanding the provisions of Minnesota Statutes, section 473.4465, subdivision 3.

(b) Of the money apportioned to Hennepin County under Minnesota Statutes, section 297A.9915, subdivision 4, paragraph (a), clause (2), and available under Minnesota Statutes, section 174.49, subdivision 6, paragraph (a), clause (1), Hennepin County must provide a grant of \$6,000,000 in fiscal year 2026 to the Board of Regents of the University of Minnesota. This paragraph applies notwithstanding the provisions of Minnesota Statutes, section 473.4465, subdivision 4.

(c) The grants under paragraphs (a) and (b) must be used to design and construct pedestrian enclosure and suicide deterrent barriers on the Washington Avenue pedestrian bridge on the Twin Cities campus, which may include a new railing system, improved integrated lighting, surveillance, signage, and related site and utility improvements. The board must consult with persons affected by suicide at this bridge, suicide prevention

organizations, and experts in the field of suicide prevention in designing the project. This money may also be used for improvements to existing temporary barriers on the bridge.

(d) Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the council must not use any amount of the grant award under paragraph (a) for grant administrative costs.

APPLICATION. Paragraph (a) applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 21. **ALLOCATION; METROPOLITAN COUNCIL; TRANSPORTATION MANAGEMENT ORGANIZATIONS.**

(a) Of the money allocated to the Metropolitan Council under Minnesota Statutes, section 473.4465, subdivision 2, paragraph (a), clause (2), the Metropolitan Council must provide grants that total \$1,400,000 in fiscal year 2026 to transportation management organizations in the metropolitan area. This section applies notwithstanding the provisions of Minnesota Statutes, section 473.4465, subdivision 2.

(b) The grants must be allocated as follows:

(1) \$350,000 to the I-494 Corridor Commission;

(2) \$350,000 to the St. Paul transportation management organization;

(3) \$350,000 to the downtown Minneapolis transportation management organization; and

(4) \$350,000 to the Anoka County transportation management organization.

(c) Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the council must not use any amount of the grant awards under this section for grant administrative costs.

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

ARTICLE 2
TRANSPORTATION FINANCE AND POLICY

Section 1. Minnesota Statutes 2024, section 4.076, subdivision 4, is amended to read:

Subd. 4. **Duties.** The advisory council must:

45.1 (1) advise the governor and heads of state departments and agencies on policies, programs,
45.2 and services affecting traffic safety;

45.3 (2) advise the appropriate representatives of state departments on the activities of the
45.4 Toward Zero Deaths program, including but not limited to educating the public about traffic
45.5 safety;

45.6 (3) encourage state departments and other agencies to conduct needed research in the
45.7 field of traffic safety;

45.8 (4) review recommendations of the subcommittees and working groups;

45.9 (5) review and comment on ~~all grants dealing with traffic safety and on the development~~
45.10 ~~and implementation of state and local traffic safety plans; and~~

45.11 (6) advise the commissioner of public safety on grant agreements for projects under
45.12 subdivision 6, paragraph (b); and

45.13 (7) make recommendations on safe road zone safety measures under section 169.065.

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

45.15 Sec. 2. Minnesota Statutes 2024, section 4.076, subdivision 5, is amended to read:

45.16 Subd. 5. **Administration.** (a) The Office of Traffic Safety in the Department of Public
45.17 Safety, in cooperation with the Departments of Transportation and Health, must serve as
45.18 the host agency for the advisory council and must manage the administrative and operational
45.19 aspects of the advisory council's activities. The commissioner of public safety must perform
45.20 financial management on behalf of the council.

45.21 (b) The advisory council must meet no less than four times per year, or more frequently
45.22 as determined by the chair, a vice chair, or a majority of the council members. The advisory
45.23 council is subject to chapter 13D. The advisory council may host an annual state traffic
45.24 safety conference.

45.25 (c) The chair must regularly report to the respective commissioners on the activities of
45.26 the advisory council and on the state of traffic safety in Minnesota.

45.27 (d) The terms, compensation, and appointment of members are governed by section
45.28 15.059.

45.29 (e) The advisory council may appoint subcommittees and working groups. Subcommittees
45.30 must consist of council members. Working groups may include nonmembers. Nonmembers

46.1 on working groups must be compensated pursuant to section 15.059, subdivision 3, only
46.2 for expenses incurred for working group activities.

46.3 (f) The commissioner of public safety may enter into contracts and interagency
46.4 agreements for data, expertise, and research projects to inform the advisory council.

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

46.6 Sec. 3. Minnesota Statutes 2024, section 4.076, is amended by adding a subdivision to
46.7 read:

46.8 Subd. 6. **Grant agreements for safety projects.** (a) For purposes of this section, "projects
46.9 that reduce serious and fatal injury crashes" include but are not limited to the following:

46.10 (1) improvements to rural high-risk roads;

46.11 (2) traffic safety training for law enforcement;

46.12 (3) safe and sober rides home programming;

46.13 (4) the study of motorcycle operation rules under the circumstances specified in section
46.14 169.974, subdivision 5, paragraph (g);

46.15 (5) work zone safety and work zone redesign activities; and

46.16 (6) safe work zones.

46.17 (b) The commissioner of public safety, in consultation with the advisory council, may
46.18 enter into grant agreements for projects that reduce serious and fatal injury crashes. Eligible
46.19 recipients of a grant award are a local traffic safety coalition, local unit of government,
46.20 nonprofit organization, law enforcement agency, or an educational institution. The
46.21 commissioner must give priority to local traffic safety coalitions.

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

46.23 Sec. 4. Minnesota Statutes 2024, section 13.6905, subdivision 8, is amended to read:

46.24 Subd. 8. **Driver's license photograph; exceptions.** Allowing headwear or a medically
46.25 required covering in a driver's license photograph or allowing driver's license identification
46.26 other than a photograph, under certain circumstances, are governed under section 171.071.

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

47.1 Sec. 5. Minnesota Statutes 2024, section 16A.88, subdivision 1a, is amended to read:

47.2 Subd. 1a. **Greater Minnesota transit account.** The greater Minnesota transit account
47.3 is established within the transit assistance fund in the state treasury. Money in the account
47.4 is annually appropriated to the commissioner of transportation for assistance to transit
47.5 systems outside the metropolitan area under section 174.24. The commissioner may use up
47.6 to two percent of the available revenues in the account in each fiscal year for administration
47.7 of the transit program. The commissioner ~~shall~~ must use the account for transit operations
47.8 as provided in section 174.24 and related program administration. The commissioner may
47.9 maintain a reserved balance in the account of no more than five percent of the total annual
47.10 transit assistance fund balance forward from the previous fiscal year.

47.11 Sec. 6. **[137.345] EMPOWERING SMALL MINNESOTA COMMUNITIES**
47.12 **PROGRAM.**

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

47.15 (b) "Program" means the empowering small Minnesota communities program established
47.16 by the Board of Regents of the University of Minnesota.

47.17 (c) "Small community" means a local unit of government having a population of fewer
47.18 than 15,000 or a collaboration of more than one local unit of government each having a
47.19 population of fewer than 15,000.

47.20 Subd. 2. **Program assistance.** (a) An appropriation under the program is for small
47.21 community partnerships on infrastructure project analysis and development as provided in
47.22 this section.

47.23 (b) Support and assistance under the program must be prioritized for political subdivisions
47.24 and federally recognized Tribal governments based on insufficient capacity to undertake
47.25 project development and apply for state or federal infrastructure grants.

47.26 Subd. 3. **Uses.** (a) An appropriation under the program is available for:

47.27 (1) project partnership activities in the Regional Sustainable Development Partnerships,
47.28 the Center for Transportation Studies, the Minnesota Design Center, the Humphrey School
47.29 of Public Affairs, the Center for Urban and Regional Affairs, or other related entities; and

47.30 (2) support and assistance to small communities that includes:

47.31 (i) methods to incorporate consideration of sustainability, resiliency, and adaptation to
47.32 the impacts of climate change; and

(ii) identification and cross-sector analysis of any potential associated projects and efficiencies through coordinated investments in other infrastructure or assets.

(b) An agreement with a small community may provide for infrastructure project analysis and development activities that include but are not limited to planning, scoping, analysis, predesign, and design.

Subd. 4. **Program information.** From an appropriation under the program, the regents must maintain information about the program on a website that, at a minimum, must include:

(1) a review of the program and implementation;

(2) a summary of projects under the program;

(3) financial information that identifies sources and uses of funds; and

(4) direction on applications for partnership assistance.

Sec. 7. Minnesota Statutes 2024, section 161.088, subdivision 4a, is amended to read:

Subd. 4a. **Project funding; regional balance.** ~~(a)~~ To ensure regional balance throughout the state, the commissioner must distribute all available funds under the program in each project selection round according to the following regional allocations:

(1) Metro Projects: at least 25 percent and no more than 27.5 percent of the funds are for projects that are located within, on, or directly adjacent to an area bounded by marked Interstate Highways 494 and 694;

(2) Metro Connector Projects: at least 35 percent and no more than 37.5 percent of the funds are for projects that:

(i) are not included in clause (1); and

(ii) are located wholly or primarily within a greater metropolitan county; and

(3) Regional Center Projects: at least 35 percent and no more than 40 percent of the funds are for projects that are not included in clause (1) or (2).

~~(b) The commissioner must calculate the percentages under paragraph (a) using total funds under the program over the current and prior two consecutive project selection rounds. The calculations must include readiness development projects funded under subdivision 4b.~~

EFFECTIVE DATE. This section is effective the day following final enactment and applies to funds awarded on or after that date regardless of the date of a solicitation.

49.1 Sec. 8. Minnesota Statutes 2024, section 161.115, subdivision 177, is amended to read:

49.2 Subd. 177. **Route No. 246.** Beginning at a point in or adjacent to Nerstrand; thence
49.3 extending in a general northerly direction to a point westerly of Dennison; thence continuing
49.4 in a general northwesterly direction to a point ~~on Route No. 1 at or~~ near 110th Street East
49.5 near Northfield.

49.6 **EFFECTIVE DATE.** This section is effective the day after the commissioner of
49.7 transportation notifies the revisor of statutes electronically or in writing of the effective
49.8 date.

49.9 Sec. 9. Minnesota Statutes 2024, section 161.14, is amended by adding a subdivision to
49.10 read:

49.11 Subd. 108. **Officer Jason B. Meyer Memorial Highway.** The segment of marked U.S.
49.12 Highway 63 from the intersection with marked Trunk Highway 16 to the southerly city
49.13 limit of Racine is designated as "Officer Jason B. Meyer Memorial Highway." Subject to
49.14 section 161.139, the commissioner must adopt a suitable design to mark this highway and
49.15 erect appropriate signs.

49.16 Sec. 10. Minnesota Statutes 2024, section 161.14, is amended by adding a subdivision to
49.17 read:

49.18 Subd. 109. **Elmstrand * Finseth * Ruge Heroes Memorial Bridge.** The bridge on
49.19 Burnsville Parkway over marked Interstate Highway 35W in the city of Burnsville is
49.20 designated as "Elmstrand * Finseth * Ruge Heroes Memorial Bridge." Subject to section
49.21 161.139, the commissioner must adopt a suitable design to mark this highway and erect
49.22 appropriate signs.

49.23 Sec. 11. Minnesota Statutes 2024, section 161.14, is amended by adding a subdivision to
49.24 read:

49.25 Subd. 110. **Sergeant Joshua A. Schmit Memorial Highway.** That segment of marked
49.26 Trunk Highway 23 in Kandiyohi County from the interchange with marked U.S. Highway
49.27 71 north of Willmar to Lake Avenue South in Spicer is designated as "Sergeant Joshua A.
49.28 Schmit Memorial Highway." Subject to section 161.139, the commissioner must adopt a
49.29 suitable design to mark this highway and erect appropriate signs.

50.1 Sec. 12. Minnesota Statutes 2024, section 161.178, subdivision 4, is amended to read:

50.2 Subd. 4. **Impact mitigation; interlinking.** (a) To provide for impact mitigation, the
50.3 applicable entity must interlink the project or portfolio as provided in this subdivision.

50.4 (b) Impact mitigation is sufficient under subdivision 2, paragraph (b), if the project or
50.5 portfolio is interlinked to offset actions such that the total greenhouse gas emissions reduction
50.6 from the offset actions, after accounting for the greenhouse gas emissions otherwise resulting
50.7 from the project or portfolio, is consistent with meeting the targets specified under subdivision
50.8 2, paragraph (a). Each comparison under this paragraph must be performed over equal
50.9 comparison periods.

50.10 (c) An offset action consists of a project, program, operations modification, or mitigation
50.11 plan in one or more of the following areas:

50.12 (1) transit expansion, including but not limited to regular route bus, arterial bus rapid
50.13 transit, highway bus rapid transit, rail transit, and intercity passenger rail;

50.14 (2) transit service improvements, including but not limited to increased service level,
50.15 transit fare reduction, and transit priority treatments;

50.16 (3) active transportation infrastructure;

50.17 (4) micromobility infrastructure and service, including but not limited to shared vehicle
50.18 services;

50.19 (5) transportation demand management, including but not limited to vanpool and shared
50.20 vehicle programs, remote work, and broadband access expansion;

50.21 (6) parking management, including but not limited to parking requirements reduction
50.22 or elimination and parking cost adjustments;

50.23 (7) land use, including but not limited to residential and other density increases, mixed-use
50.24 development, and transit-oriented development;

50.25 (8) infrastructure improvements related to traffic operations, including but not limited
50.26 to roundabouts and reduced conflict intersections;

50.27 (9) natural systems improvements, including but not limited to ecosystem restoration,
50.28 prairie restoration, reforestation, afforestation, wetland conservation, restorative agriculture
50.29 practices, and urban green space; ~~and~~

50.30 (10) land acquisition including easements, restoration, and enhancement for: (i) the
50.31 outdoor recreation system under section 86A.04, excluding state rest areas; and (ii) regional
50.32 parks; and

51.1 (11) as specified by the commissioner in the manner provided under paragraph (e).

51.2 (d) An offset action may be identified as interlinked to the project or portfolio if:

51.3 (1) there is a specified project, program, modification, or mitigation plan;

51.4 (2) the necessary funding sources are identified and sufficient amounts are committed;

51.5 (3) the mitigation is localized as provided in subdivision 5; and

51.6 (4) procedures are established to ensure that the mitigation action remains in substantially

51.7 the same form or a revised form that continues to meet the calculation under paragraph (b).

51.8 (e) The commissioner may authorize additional offset actions under paragraph (c) if:

51.9 (1) the offset action is reviewed and recommended by the technical advisory committee

51.10 under section 161.1782; and

51.11 (2) the commissioner determines that the offset action is directly related to reduction in

51.12 the transportation sector of greenhouse gas emissions or vehicle miles traveled.

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

51.14 Sec. 13. **[162.175] LOCAL GOVERNMENT ROAD FUNDING GAP ASSISTANCE.**

51.15 Subdivision 1. **Definitions.** For purposes of this section, "eligible recipient" or "recipient"

51.16 means a political subdivision that:

51.17 (1) has a directly elected governing board;

51.18 (2) maintains sole jurisdiction over a roadway system;

51.19 (3) does not receive direct dedicated funding under section 16A.88, 162.07, 162.13,

51.20 162.145, 162.146, or 297A.9915; and

51.21 (4) either:

51.22 (i) has a population greater than 10,000 according to the last two federal decennial

51.23 censuses; or

51.24 (ii) is contained within a city of the first class.

51.25 Subd. 2. **Local government road funding gap assistance account.** A local government

51.26 road funding gap assistance account is created in the special revenue fund. The account

51.27 consists of money donated, allotted, transferred, or otherwise provided to the account. Money

51.28 in the account is annually appropriated to the commissioner of transportation and may only

51.29 be expended as provided under this section. Notwithstanding section 16B.98, subdivision

51.30 14, the commissioner must not use any amount of this appropriation for administrative costs.

52.1 Subd. 3. **Distribution.** The commissioner must annually distribute, transfer, or grant
52.2 the available money in the local government road funding gap assistance account equally
52.3 among all eligible recipients.

52.4 Subd. 4. **Use of funds.** Money distributed under this section is available only for design,
52.5 engineering, construction, reconstruction, and maintenance of roads solely under the
52.6 jurisdiction of the recipient.

52.7 Sec. 14. Minnesota Statutes 2024, section 168.002, subdivision 6, is amended to read:

52.8 Subd. 6. **Dealer.** "Dealer" means any person, firm, or corporation regularly engaged in
52.9 the business of manufacturing, or selling, purchasing, and generally dealing in new and
52.10 unused motor vehicles having an established place of business for the sale, trade, and display
52.11 of new and unused motor vehicles and having in possession new and unused motor vehicles
52.12 for the purposes of sale or trade. "Dealer" also includes any person, firm or corporation
52.13 regularly engaged in the business of manufacturing or selling, purchasing, and generally
52.14 dealing in new and unused motor vehicle bodies, chassis mounted or not, and having an
52.15 established place of business for the sale, trade and display of such new and unused motor
52.16 vehicle bodies, and having in possession new and unused motor vehicle bodies for the
52.17 purposes of sale or trade. For the purposes of sections 168.27, subdivision 28; 168.33,
52.18 subdivision 8a; 168.345; and 168.346, the commissioner may designate a motor vehicle
52.19 dealer licensed under the laws of a contiguous state as a dealer or licensed dealer.

52.20 **EFFECTIVE DATE.** This section is effective October 1, 2025.

52.21 Sec. 15. Minnesota Statutes 2024, section 168.013, subdivision 1a, is amended to read:

52.22 Subd. 1a. **Passenger automobile; hearse.** (a) On passenger automobiles as defined in
52.23 section 168.002, subdivision 24, and hearses, except as otherwise provided, the registration
52.24 tax is calculated as \$10 plus:

52.25 (1) for a vehicle initially registered in Minnesota prior to November 16, 2020, 1.54
52.26 percent of the manufacturer's suggested retail price of the vehicle and the destination charge,
52.27 subject to the adjustments in paragraphs (e) and (f); or

52.28 (2) for a vehicle initially registered in Minnesota on or after November 16, 2020, 1.575
52.29 percent of the manufacturer's suggested retail price of the vehicle, subject to the adjustments
52.30 in paragraphs (e) and (f).

52.31 (b) The registration tax calculation must not include the cost of each accessory or item
52.32 of optional equipment separately added to the vehicle and the manufacturer's suggested

53.1 retail price. The registration tax calculation must not include a destination charge, except
53.2 for a vehicle previously registered in Minnesota prior to November 16, 2020.

53.3 (c) The registrar must determine the manufacturer's suggested retail price:

53.4 (1) using list price information published by the manufacturer or any nationally
53.5 recognized firm or association compiling such data for the automotive industry;

53.6 (2) if a dealer does not determine the amount, using the retail price label as provided by
53.7 the manufacturer under United States Code, title 15, section 1232; or

53.8 (3) if the retail price label is not available, using the actual sales price of the vehicle.

53.9 If the registrar is unable to ascertain the manufacturer's suggested retail price of any registered
53.10 vehicle in the foregoing manner, the registrar may use any other available source or method.

53.11 (d) The registrar must calculate the registration tax using information available to dealers
53.12 and deputy registrars at the time the initial application for registration is submitted.

53.13 (e) The amount under paragraph (a), clauses (1) and (2), must be calculated based on a
53.14 percentage of the manufacturer's suggested retail price, as follows:

53.15 (1) during the first year of vehicle life, upon 100 percent of the price;

53.16 (2) for the second year, 95 percent of the price;

53.17 (3) for the third year, 90 percent of the price;

53.18 (4) for the fourth year, 80 percent of the price;

53.19 (5) for the fifth year, 70 percent of the price;

53.20 (6) for the sixth year, 60 percent of the price;

53.21 (7) for the seventh year, 50 percent of the price;

53.22 (8) for the eighth year, 40 percent of the price;

53.23 (9) for the ninth year, 25 percent of the price; and

53.24 (10) for the tenth year, ten percent of the price.

53.25 (f) For the 11th and each succeeding year, the amount under paragraph (a), clauses (1)
53.26 and (2), must be calculated as \$20.

53.27 (g) Except as provided in subdivision 23, for any vehicle previously registered in
53.28 Minnesota and regardless of prior ownership, the total amount due under this subdivision
53.29 ~~and subdivision 1m~~ must not exceed the smallest total amount previously paid or due on
53.30 the vehicle.

54.1 **EFFECTIVE DATE.** This section is effective the day following final enactment, and
54.2 applies to taxes payable for a registration period starting on or after January 1, 2026.

54.3 Sec. 16. Minnesota Statutes 2024, section 168.013, subdivision 1m, is amended to read:

54.4 Subd. 1m. **Electric vehicle.** ~~In addition to the tax under subdivision 1a,~~ (a) A surcharge
54.5 ~~of \$75~~ as provided in paragraph (b) or (c) is imposed for an all-electric vehicle, as defined
54.6 in section 169.011, subdivision 1a. The surcharge is in addition to the tax under subdivision
54.7 1a.

54.8 (b) The surcharge is calculated as the greater of the minimum amount specified in
54.9 paragraph (c) or:

54.10 (1) 0.5 percent of the manufacturer's suggested retail price, as determined under
54.11 subdivision 1a, paragraph (c); multiplied by

54.12 (2) the percentage specified under subdivision 1a, paragraph (e), clauses (1) to (10), for
54.13 the vehicle's year of life, or ten percent for a vehicle in its 11th and each succeeding year
54.14 of life.

54.15 (c) The minimum amount is:

54.16 (1) \$150 for a registration period beginning on or after January 1, 2026, and on or before
54.17 June 30, 2027; or

54.18 (2) \$100 for a registration period beginning on or after July 1, 2027.

54.19 (d) Notwithstanding subdivision 8, revenue from the fee imposed collected under this
54.20 subdivision must be deposited in the highway user tax distribution fund.

54.21 **EFFECTIVE DATE.** This section is effective the day following final enactment and
54.22 applies to taxes payable for a registration period beginning on or after January 1, 2026.

54.23 Sec. 17. Minnesota Statutes 2024, section 168.013, is amended by adding a subdivision
54.24 to read:

54.25 Subd. 1n. **Plug-in hybrid electric vehicle.** (a) A surcharge as provided in paragraph (b)
54.26 or (c) is imposed for a plug-in hybrid electric vehicle, as defined in section 169.011,
54.27 subdivision 54a. The surcharge is in addition to the tax under subdivision 1a.

54.28 (b) The surcharge is calculated as the greater of the minimum amount specified under
54.29 paragraph (c) or:

55.1 (1) 0.25 percent of the manufacturer's suggested retail price, as determined under
55.2 subdivision 1a, paragraph (c); multiplied by

55.3 (2) the percentage specified under subdivision 1a, paragraph (e), clauses (1) to (10), for
55.4 the vehicle's year of life, or ten percent for a vehicle in its 11th and each succeeding year
55.5 of life.

55.6 (c) The minimum amount is:

55.7 (1) \$75 for a registration period beginning on or after January 1, 2026, and on or before
55.8 June 30, 2027; or

55.9 (2) \$50 for a registration period beginning on or after July 1, 2027.

55.10 (d) Notwithstanding subdivision 8, revenue collected under this subdivision must be
55.11 deposited in the highway user tax distribution fund.

55.12 **EFFECTIVE DATE.** This section is effective the day following final enactment and
55.13 applies to taxes payable for a registration period beginning on or after January 1, 2026.

55.14 Sec. 18. Minnesota Statutes 2024, section 168.091, is amended to read:

55.15 **168.091 ~~31-DAY~~ 60-DAY TEMPORARY VEHICLE PERMIT.**

55.16 Subdivision 1. **Nonresident buyer.** (a) Upon payment of a fee of \$1, the commissioner
55.17 may issue a permit to a nonresident purchasing a vehicle in this state for the sole purpose
55.18 of allowing the vehicle to be removed from this state.

55.19 (b) The permit is in lieu of any other registration or taxation for use of the highways and
55.20 is valid for a period of ~~31~~ 60 days from the date of sale, trade, or gift.

55.21 (c) The permit must be available in an electronic format as determined by the
55.22 commissioner.

55.23 (d) If the sale, gift, or trade information is electronically transmitted to the commissioner
55.24 by a dealer or deputy registrar of motor vehicles, the \$1 fee is waived.

55.25 (e) The permit must be affixed to the rear of the vehicle where it is plainly visible. Each
55.26 permit is valid only for the vehicle for which the permit was issued.

55.27 Subd. 2. **Dealer.** The registrar may issue permits to licensed dealers upon payment of
55.28 the proper fee for each permit.

55.29 Subd. 3. **Proceeds to highway user fund.** All payments received for such permits ~~shall~~
55.30 must be paid into the state treasury and credited to the highway user tax distribution fund.

56.1 **EFFECTIVE DATE.** This section is effective October 1, 2025, for permits issued on
56.2 or after that date.

56.3 Sec. 19. **[168.1289] RENTAL MOTOR VEHICLE PLATES.**

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

56.6 (b) "Auto rental company" means a corporation, partnership, individual, or other person
56.7 that is engaged primarily in the renting of at least 50 rental motor vehicles at per diem rates.

56.8 (c) "Rental motor vehicle" means a passenger automobile, noncommercial one-ton pickup
56.9 truck, motorcycle, motorized bicycle, or recreational vehicle made available for rental by
56.10 an auto rental company.

56.11 Subd. 2. **Issuance of plates.** (a) An auto rental company may, but is not required to,
56.12 apply for rental motor vehicle plates under this section.

56.13 (b) Upon proper application, the commissioner must issue rental motor vehicle plates
56.14 or a single motorcycle plate to an auto rental company that:

56.15 (1) is a registered owner of a rental motor vehicle;

56.16 (2) pays license plate fees under section 168.12, subdivision 5, for each set of plates for
56.17 each rental motor vehicle, along with any other fees required by this chapter;

56.18 (3) pays the registration tax for each rental motor vehicle as required under section
56.19 168.013;

56.20 (4) pays the fees required under this chapter; and

56.21 (5) complies with section 168.017 and rules governing registration of rental motor
56.22 vehicles.

56.23 (c) Rental motor vehicle plates issued under this section are issued for a seven-year
56.24 period and must be replaced as required under section 168.12, subdivision 1, paragraph (f),
56.25 clause (2), except that rental motor vehicle plates issued for a motorcycle or motorized
56.26 bicycle are for the life of the vehicle.

56.27 (d) Each set of rental motor vehicle plates issued under this section is only valid if the
56.28 plates are registered to a single rental motor vehicle.

56.29 Subd. 3. **Design.** The commissioner must adopt a suitable plate design that includes the
56.30 phrase "RENTAL MOTOR VEHICLE."

57.1 Subd. 4. **Plates transfer.** (a) On application to the commissioner and payment of a
57.2 transfer fee of \$5 for each set of plates, rental motor vehicle plates may be transferred to
57.3 another qualified rental motor vehicle that is registered to the same auto rental company to
57.4 which the rental motor vehicle plates were originally issued.

57.5 (b) A deputy registrar who collects the \$5 transfer fee under paragraph (a) must retain
57.6 the fee.

57.7 (c) Rental motor vehicle plates issued under this section must be removed from the rental
57.8 motor vehicle if the vehicle is held for resale under section 168A.11.

57.9 Subd. 5. **Exemptions.** (a) Rental motor vehicle plates issued under this section are not
57.10 subject to section 168.1293, subdivision 2.

57.11 (b) Notwithstanding sections 168.09, subdivision 4, and 169.79, subdivision 8, rental
57.12 motor vehicle plates issued under this section are not required to display validation stickers
57.13 issued pursuant to section 168.12, subdivision 1.

57.14 Subd. 6. **Application.** This section applies on the earlier of July 1, 2026, or the date the
57.15 commissioner makes rental motor vehicle plates available.

57.16 Sec. 20. Minnesota Statutes 2024, section 168.27, subdivision 8, is amended to read:

57.17 Subd. 8. **Exemptions.** (a) Salespeople and other employees of licensed dealers under
57.18 this section are not required to obtain individual licenses. For purposes of this subdivision,
57.19 independent contractors are not employees.

57.20 (b) Isolated or occasional sales or leases of new or used motor vehicles are exempt from
57.21 this section. A person who makes only isolated or occasional sales or leases is not required
57.22 to be licensed under this section, is not considered to be in the business of selling or leasing
57.23 motor vehicles, and does not qualify to receive dealer plates under subdivision 16. "Isolated
57.24 or occasional sales or leases" means: (1) the sale or lease of a motor vehicle with an actual
57.25 cash value of \$1,000 or less made by a charitable organization; (2) the sale, purchase, or
57.26 lease of not more than five motor vehicles in a 12-month period, other than pioneer or classic
57.27 motor vehicles as defined in section 168.10, subdivisions 1a and 1b₂; or (3) sales by a
57.28 licensed auctioneer selling motor vehicles at an auction if, in the ordinary course of the
57.29 auctioneer's business, the sale of motor vehicles is incidental to the sale of other real or
57.30 personal property. For purposes of this subdivision, charitable organization means a nonprofit
57.31 charitable organization that qualifies for tax exemption under section 501(c)(3) of the Internal
57.32 Revenue Code.

(c) A person whose sales of new and used motor vehicles consist solely of sales to political subdivisions and their agencies of vehicles used solely as firefighting equipment is not required to obtain a license under this section. The person may apply for and receive in-transit plates under subdivision 17 in the same manner as licensed motor vehicle dealers for the purpose of allowing firefighting equipment to be transported from the dealer's source of supply or other place of storage to the dealer's place of business, to another place of storage, or directly to the purchaser.

EFFECTIVE DATE. This section is effective January 1, 2026.

Sec. 21. Minnesota Statutes 2024, section 168.27, subdivision 11, is amended to read:

Subd. 11. Dealers' licenses; location change notice; fee. (a) Application for a dealer's license or notification of a change of location of the place of business on a dealer's license must include a street address, not a post office box, and is subject to the commissioner's approval.

(b) Upon the filing of an application for a dealer's license and the proper fee, unless the application on its face appears to be invalid, the commissioner ~~shall~~ must grant a 90-day temporary license. During the 90-day period following issuance of the temporary license, the commissioner ~~shall~~ must inspect the place of business site and insure compliance with this section and rules adopted under this section.

(c) The commissioner may extend the temporary license 30 days to allow the temporarily licensed dealer to come into full compliance with this section and rules adopted under this section.

(d) In no more than 180 days following issuance of the temporary license, the dealer license must either be granted or denied.

(e) A license must be denied under the following conditions:

(1) if ~~within the previous ten years~~ the applicant was enjoined due to a violation of section 325F.69 or convicted of violating section 325E.14, 325E.15, 325E.16, or 325F.69, or convicted under section 609.53 of receiving or selling stolen vehicles, or convicted of violating United States Code, title 49, sections 32701 to 32711 or pleaded guilty, entered a plea of nolo contendere or no contest, or has been found guilty in a court of competent jurisdiction of any charge of failure to pay state or federal income or sales taxes or felony charge of forgery, embezzlement, obtaining money under false pretenses, theft by swindle, extortion, conspiracy to defraud, ~~or~~ bribery, or similar offenses committed in another state; or

59.1 (2) if the applicant has had a dealer license revoked within the previous ten years.

59.2 (f) A license may be denied if a dealer is not in compliance with location requirements
59.3 under subdivision 10 or has intentionally misrepresented any information on the dealer
59.4 license application that would be grounds for suspension or revocation under subdivision
59.5 12.

59.6 (g) If the application is approved, the commissioner ~~shall~~ must license the applicant as
59.7 a dealer for one year from the date the temporary license is granted and issue a certificate
59.8 of license that must include a distinguishing number of identification of the dealer. The
59.9 license must be displayed in a prominent place in the dealer's licensed place of business.

59.10 (h) Each initial application for a license must be accompanied by a fee of \$100 in addition
59.11 to the annual fee. The annual fee is \$150. The initial fees and annual fees must be paid into
59.12 the state treasury and credited to the general fund except that \$50 of each initial and annual
59.13 fee must be paid into the driver and vehicle services operating account under section
59.14 299A.705.

59.15 (i) An applicant for a dealer's license under this section must submit to a criminal history
59.16 records check of state data completed by the Bureau of Criminal Apprehension and a national
59.17 criminal history records check, including a search of the records of the Federal Bureau of
59.18 Investigation. The results of the background check must be returned to the commissioner.

59.19 (j) An applicant for a dealer's license must consent to a fingerprint-based criminal history
59.20 background check as required under paragraph (i), pay all required fees, and cooperate with
59.21 all requests for information. An applicant must complete a new criminal history background
59.22 check if more than one year has elapsed since the applicant last applied for a license.

59.23 (k) Section 13.87 applies to data collected, created, maintained, and disseminated under
59.24 paragraphs (i) and (j).

59.25 **EFFECTIVE DATE.** This section is effective January 1, 2026.

59.26 Sec. 22. Minnesota Statutes 2024, section 168.27, subdivision 16, is amended to read:

59.27 Subd. 16. **Dealer plates: distinguishing number, fee, tax, use.** (a) The registrar ~~shall~~
59.28 must issue to every motor vehicle dealer, upon a request from the motor vehicle dealer
59.29 licensed as provided in subdivision 2 or 3, one or more plates displaying a general
59.30 distinguishing number. This subdivision does not apply to a scrap metal processor, a used
59.31 vehicle parts dealer, or a vehicle salvage pool.

60.1 (b) At any point in time, a dealer must not possess more than 50 plates issued under this
60.2 subdivision.

60.3 (c) The fee for each of the first four plates is \$75 per registration year, of which \$60
60.4 must be paid to the registrar and the remaining \$15 is payable as sales tax on motor vehicles
60.5 under section 297B.035. For each additional plate, the dealer ~~shall~~ must pay the registrar a
60.6 fee of \$25 and a sales tax on motor vehicles of \$15 per registration year. The registrar ~~shall~~
60.7 must deposit the tax in the state treasury to be credited as provided in section 297B.09.
60.8 Replacement plates are subject to the fees in section 168.12.

60.9 (d) Motor vehicles, new or used, owned by the motor vehicle dealership and bearing the
60.10 number plate, except vehicles leased to the user who is not an employee of the dealer during
60.11 the term of the lease, held for hire, or used by the dealer as a tow truck, service truck, or
60.12 parts vehicle, may be driven upon the streets and highways of this state:

60.13 (1) by the motor vehicle dealer or dealer's spouse, or any full-time employee of the motor
60.14 vehicle dealer for either private or business purposes;

60.15 (2) by a part-time employee when the use is directly related to a particular business
60.16 transaction of the dealer;

60.17 (3) for use as a courtesy vehicle provided to a customer of the dealership while the
60.18 customer's vehicle is being repaired;

60.19 (4) for demonstration purposes by any prospective buyer for a period of ~~48 hours or in~~
60.20 ~~the case of a truck, truck tractor, or semitrailer, for a period of seven~~ 14 days; or

60.21 ~~(4)~~ (5) in a promotional event that lasts no longer than four days in which at least three
60.22 motor vehicles are involved.

60.23 ~~(b)~~ (e) A new or used motor vehicle sold by the motor vehicle dealer and bearing the
60.24 motor vehicle dealer's number plate may be driven upon the public streets and highways
60.25 for a period of 72 hours by the buyer for either of the following purposes: (1) removing the
60.26 vehicle from this state for registration in another state; or (2) permitting the buyer to use
60.27 the motor vehicle before the buyer receives number plates pursuant to registration. Use of
60.28 a motor vehicle by the buyer under clause (2) before the buyer receives number plates
60.29 pursuant to registration constitutes a use of the public streets or highways for the purpose
60.30 of the time requirements for registration of motor vehicles. The requirements under this
60.31 paragraph do not apply to a courtesy vehicle used as provided under paragraph (d), clause
60.32 (3).

61.1 (f) A vehicle displaying a dealer plate issued under this subdivision must carry written
61.2 documentation within the vehicle that includes:

61.3 (1) a valid driver's license;

61.4 (2) proof of insurance;

61.5 (3) the reason for use; and

61.6 (4) if the vehicle is for use as a courtesy vehicle under paragraph (d), clause (3), a courtesy
61.7 vehicle user agreement that includes a list of authorized drivers for the vehicle and their
61.8 driver's license numbers and the start and end dates of use.

61.9 (g) For purposes of this subdivision, "courtesy vehicle" means a passenger-class motor
61.10 vehicle that a motor vehicle dealer temporarily provides at no or minimal cost to customers
61.11 for customer service or mobility purposes while the customer's vehicle is serviced, repaired,
61.12 or maintained.

61.13 Sec. 23. Minnesota Statutes 2024, section 168.27, subdivision 22, is amended to read:

61.14 Subd. 22. **Dealer license for trailers, motorized bicycles; plates, fees; exemptions.** (a)
61.15 Any person, copartnership, or corporation having a permanent enclosed commercial building
61.16 or structure either owned in fee or leased and engaged in the business, either exclusively or
61.17 in addition to any other occupation, of selling motorized bicycles, boat trailers, horse trailers,
61.18 or snowmobile trailers, may apply to the registrar for a dealer's license. Upon payment of
61.19 a \$10 fee the registrar ~~shall~~ must license the applicant as a dealer for the remainder of the
61.20 calendar year in which the application was received. The license may be renewed on or
61.21 before the second day of January of each succeeding year by payment of a fee of \$10.

61.22 (b) The registrar ~~shall~~ must issue to each dealer, upon request of the dealer, up to 50
61.23 dealer plates as provided in subdivision 16 upon payment of \$5 for each plate, and. The
61.24 plates may be used in the same manner and for the same purposes as is provided in
61.25 subdivision 16. Except for motorized bicycle dealers, the registrar ~~shall~~ must also issue to
61.26 the dealer, upon request of the dealer, "in-transit" plates as provided in subdivision 17 upon
61.27 payment of a fee of \$5 for each plate.

61.28 (c) This subdivision does not abrogate any of the provisions of this section relating to
61.29 the duties, responsibilities, and requirements of persons, copartnerships, or corporations
61.30 engaged in the business, either exclusively or in addition to other occupations, of selling
61.31 motor vehicles or manufactured homes, except that a seller of boat trailers, utility trailers,
61.32 or snowmobile trailers who is licensed under this subdivision is not required to have a
61.33 contract or franchise with a manufacturer or distributor of new boat trailers, utility trailers,

62.1 or new snowmobile trailers the seller proposes to sell, broker, wholesale, or auction. This
62.2 section does not require a manufacturer of snowmobile trailers whose manufacturing facility
62.3 is located outside of the metropolitan area as defined in section 473.121 to have a dealer's
62.4 license to transport the snowmobile trailers to dealers or retail outlets in the state.

62.5 Sec. 24. Minnesota Statutes 2024, section 168.33, is amended by adding a subdivision to
62.6 read:

62.7 Subd. 7a. **Reimbursements.** (a) The commissioner must issue payment to a deputy
62.8 registrar as follows:

62.9 (1) \$2 for paying an account balance;

62.10 (2) \$4 for the following transactions:

62.11 (i) updating a vehicle's address or the county in which the vehicle is kept;

62.12 (ii) changing or verifying an address related to the International Registration Plan or the
62.13 International Fuel Tax Agreement;

62.14 (iii) updating contact information for the International Registration Plan or the
62.15 International Fuel Tax Agreement;

62.16 (iv) processing a vehicle that has been sold, donated, or removed from the state; and

62.17 (v) marking a vehicle as junked;

62.18 (3) \$8 for the following transactions:

62.19 (i) changing a customer's personal identification number;

62.20 (ii) adding or removing liens for veterans with a total service-connected disability;

62.21 (iii) providing a duplicate title;

62.22 (iv) issuing International Fuel Tax Agreement decals;

62.23 (v) managing an International Fuel Tax Agreement license; and

62.24 (vi) administrative review requests; and

62.25 (4) an amount that equals the fee established under subdivision 7, paragraph (a), clause
62.26 (2), for the following transactions:

62.27 (i) vehicle renewal for veterans with a total service-connected disability;

62.28 (ii) plate change for veterans with a total service-connected disability;

62.29 (iii) correcting or changing title and vehicle details;

- 63.1 (iv) issuing a new disability parking certificate;
- 63.2 (v) new title and registration for veterans with a total service-connected disability;
- 63.3 (vi) transferring title and registration for veterans with a total service-connected disability;
- 63.4 and
- 63.5 (vii) replacing plates, stickers, or registration cards.
- 63.6 (b) The following transactions for which no filing fee under subdivision 7 is collected
- 63.7 are not eligible for payment of any kind:
- 63.8 (1) collection of another fee type, including but not limited to a record request fee or a
- 63.9 fast track fee;
- 63.10 (2) voluntary waiver of a fee by the deputy registrar; and
- 63.11 (3) ancillary to a transaction for which a filing fee may be imposed.
- 63.12 (c) If the amount appropriated for payments under this subdivision is insufficient, the
- 63.13 commissioner must prorate the payments.
- 63.14 **EFFECTIVE DATE.** This section is effective August 1, 2025.

63.15 Sec. 25. Minnesota Statutes 2024, section 168A.11, subdivision 1, is amended to read:

63.16 Subdivision 1. **Requirements upon subsequent transfer; service fee.** (a) A dealer who

63.17 buys a vehicle and holds it for resale need not apply for a certificate of title. Upon transferring

63.18 the vehicle to another person, other than by the creation of a security interest, the dealer

63.19 must promptly execute the assignment and warranty of title by a dealer, showing the names

63.20 and addresses of the transferee and of any secured party holding a security interest created

63.21 or reserved at the time of the resale, and the date of the security agreement in the spaces

63.22 provided on the certificate of title or secure reassignment.

63.23 (b) If a dealer elects to apply for a certificate of title on a vehicle held for resale, the

63.24 dealer need not register the vehicle but must pay one month's registration tax. If a dealer

63.25 elects to apply for a certificate of title on a vehicle held for resale, the commissioner must

63.26 not place any legend on the title that no motor vehicle sales tax was paid by the dealer but

63.27 may indicate on the title whether the vehicle is a new or used vehicle.

63.28 (c) With respect to motor vehicles subject to the provisions of section 325E.15, the dealer

63.29 must also, in the space provided on the certificate of title or secure reassignment, state the

63.30 true cumulative mileage registered on the odometer or that the exact mileage is unknown

63.31 if the odometer reading is known by the transferor to be different from the true mileage.

(d) The transferee must complete the application for title section on the certificate of title or separate title application form prescribed by the commissioner. The dealer must mail or deliver the certificate to the commissioner or deputy registrar with the transferee's application for a new certificate and appropriate taxes and fees, within the period specified under section 168A.10, subdivision 2.

(e) With respect to vehicles sold to buyers who will remove the vehicle from this state, the dealer must remove any license plates from the vehicle, issue a ~~31-day~~ 60-day temporary permit pursuant to section 168.091, and notify the commissioner within 48 hours of the sale that the vehicle has been removed from this state. The notification must be made in an electronic format prescribed by the commissioner. The dealer may contract with a deputy registrar for the notification of sale to an out-of-state buyer. The deputy registrar may charge a fee of \$7 per transaction to provide this service.

EFFECTIVE DATE. This section is effective October 1, 2025, for permits issued on or after that date.

Sec. 26. **[168A.1502] INSURER APPLICATION FOR TITLE.**

Subdivision 1. Authorization. When an insurer licensed to conduct business in Minnesota acquires ownership of a vehicle through payment of damages and the owner fails to deliver the vehicle's title to the insurer within 15 days of payment of the claim, the insurer or a designated agent may apply to the commissioner for a certificate of title as provided in this section. This section only applies to vehicles with a title issued by this state.

Subd. 2. Notice. At least 15 days prior to applying for a certificate of title under this section, the insurer or a designated agent must notify the owner and any lienholders of record of the insurer's intent to apply for a title. The notice must be sent to the last known address of the owner and any lienholders by certified mail or by a commercial delivery service that provides evidence of delivery.

Subd. 3. Application; issuance. (a) At least 15 days after notifying the owner and any lienholders under subdivision 2, the insurer may apply for a certificate of title from the commissioner. The application must attest that the insurer or a designated agent:

(1) paid the claim;

(2) requested the title or other necessary transfer documents from the owner; and

(3) provided notice to the owner and any lienholders as required under subdivision 2.

(b) If the insurer or a designated agent does not attest to completing the requirements under paragraph (a), clauses (1) to (3), the commissioner must reject the application.

(c) Notwithstanding any outstanding liens, upon proper application and payment of applicable fees, the commissioner must issue a certificate of title in the name of the insurer. Issuance of a certificate of title extinguishes all existing liens against the vehicle. If the vehicle is sold, the insurer or a designated agent must assign the title to the buyer, and the vehicle is transferred without any liens.

EFFECTIVE DATE. This section is effective September 1, 2025.

Sec. 27. [168A.1503] REQUIREMENTS UPON UNPAID INSURANCE VEHICLE CLAIM.

Subdivision 1. **Definition.** For purposes of this section, "salvage vehicle auction company" or "auction company" means a business, organization, or individual that sells salvage vehicles on behalf of insurers.

Subd. 2. **Notice to auction company.** (a) If an insurance company licensed to conduct business in Minnesota requests an auction company to take possession of a salvage vehicle that is subject to an insurance claim and the insurance company does not subsequently take ownership of the vehicle, the insurance company may direct the auction company to release the vehicle to the owner or lienholder.

(b) The insurance company must provide the auction company notice by commercial delivery service, email, or a proprietary electronic system accessible by both the insurance company and the auction company authorizing the auction company to release the vehicle to the vehicle's owner or lienholder.

Subd. 3. **Notice to owner or lienholder.** (a) Upon receiving notice from an insurance company under subdivision 2, the auction company must send two notices a minimum of 14 days apart to the owner of the vehicle and any lienholders stating that the vehicle is available to be recovered from the auction company within 30 days of the date the first notice was sent. Each notice must include an invoice for any outstanding charges owed to the auction company that must be paid before the vehicle may be recovered.

(b) Notice under this subdivision must be sent to the address of the owner and any lienholder on record with the commissioner by certified mail or a commercially available delivery service that provides proof of delivery.

66.1 Subd. 4. **Vehicle deemed abandoned.** (a) If the owner or any lienholder does not recover
66.2 the vehicle within 30 days of the date on which the first notice was sent under subdivision
66.3 3:

66.4 (1) the vehicle is considered abandoned;

66.5 (2) the vehicle's certificate of title is deemed assigned to the auction company; and

66.6 (3) without surrendering the certificate of title, the auction company may request, on a
66.7 form provided by the commissioner, that the commissioner issue a certificate of title that
66.8 is free of liens.

66.9 (b) A request under paragraph (a) must be accompanied by a copy of (1) the notice sent
66.10 by the insurance company required under subdivision 2, and (2) evidence of delivery of the
66.11 notices sent to the owner and any lienholders required under subdivision 3 or evidence that
66.12 the notices were undeliverable.

66.13 (c) Notwithstanding any outstanding liens against the vehicle, upon proper application
66.14 and receipt of any fees charged under section 168A.29, the commissioner must issue a
66.15 certificate of title that is free of liens to the auction company in possession of the vehicle.

66.16 **EFFECTIVE DATE.** This section is effective September 1, 2025.

66.17 Sec. 28. Minnesota Statutes 2024, section 168E.01, is amended by adding a subdivision
66.18 to read:

66.19 Subd. 8a. **Fuel products.** "Fuel products" means liquefied natural gas or liquefied
66.20 petroleum gas, as defined in section 296A.01, subdivisions 30 and 31.

66.21 **EFFECTIVE DATE.** This section is effective the day following final enactment for
66.22 retail deliveries made after June 30, 2025.

66.23 Sec. 29. Minnesota Statutes 2024, section 168E.01, is amended by adding a subdivision
66.24 to read:

66.25 Subd. 15a. **Road construction materials.** "Road construction materials" has the meaning
66.26 given in section 169.869, subdivision 1.

66.27 **EFFECTIVE DATE.** This section is effective the day following final enactment for
66.28 retail deliveries made after June 30, 2025.

67.1 Sec. 30. Minnesota Statutes 2024, section 168E.05, subdivision 1, is amended to read:

67.2 Subdivision 1. **Transactions.** The following retail deliveries are exempt from the fee
67.3 imposed by this chapter:

67.4 (1) a retail delivery to a purchaser who is exempt from tax under chapter 297A;

67.5 (2) a retail delivery on a motor vehicle for which a permit issued by the commissioner
67.6 of transportation or a road authority is required under chapter 169 or 221 and the retailer
67.7 has maintained books and records through reasonable and verifiable standards that the retail
67.8 delivery was on a qualifying vehicle;

67.9 (3) a retail delivery resulting from a retail sale of food and food ingredients or prepared
67.10 food;

67.11 (4) a retail delivery resulting from a retail sale by a food and beverage service
67.12 establishment, regardless of whether the retail delivery is made by a third party other than
67.13 the food and beverage service establishment; ~~and~~

67.14 (5) a retail delivery resulting from a retail sale of drugs and medical devices, accessories
67.15 and supplies, or baby products;

67.16 (6) a retail delivery resulting from a retail sale of fuel products purchased by and delivered
67.17 to a political subdivision or a trade or business; and

67.18 (7) a retail delivery resulting from a retail sale of road construction materials purchased
67.19 by and delivered to a political subdivision or a trade or business.

67.20 **EFFECTIVE DATE.** This section is effective the day following final enactment for
67.21 retail deliveries made after June 30, 2025.

67.22 Sec. 31. Minnesota Statutes 2024, section 169.011, subdivision 36, is amended to read:

67.23 Subd. 36. **Intersection.** ~~(a)~~ "Intersection" means the area embraced within the
67.24 prolongation or connection of the lateral curb lines or, if none, then the lateral boundary
67.25 lines of the roadways of two highways which join one another at, or approximately at, right
67.26 angles or the area within which vehicles traveling upon different highways joining at any
67.27 other angle may come in conflict.

67.28 ~~(b) Where a highway includes two roadways 30 feet or more apart, then every crossing~~
67.29 ~~of each roadway of such divided highway by an intersecting highway shall be regarded as~~
67.30 ~~a separate intersection. In the event such intersecting highway also includes two roadways~~
67.31 ~~30 feet or more apart, then every crossing of two roadways of such highways shall be~~
67.32 ~~regarded as a separate intersection.~~

68.1 Sec. 32. Minnesota Statutes 2024, section 169.06, subdivision 5, is amended to read:

68.2 Subd. 5. **Traffic-control signal.** (a) Whenever traffic is controlled by traffic-control
68.3 signals exhibiting different colored lights, or colored lighted arrows, successively one at a
68.4 time or in combination, only the colors Green, Red, and Yellow ~~shall~~ are permitted to be
68.5 used, except for special pedestrian signals carrying a word or ~~legend~~ symbol. The
68.6 traffic-control signal lights or colored lighted arrows indicate and apply to drivers of vehicles
68.7 and pedestrians as follows:

68.8 (1) Green indication:

68.9 (i) Vehicular traffic facing a circular green signal may proceed straight through or turn
68.10 right or left unless a sign prohibits either turn. But vehicular traffic, including vehicles
68.11 turning right or left, ~~shall~~ must yield the right-of-way to other vehicles and to pedestrians
68.12 lawfully within the intersection or adjacent crosswalk at the time this signal is exhibited.
68.13 Vehicular traffic turning left or making a U-turn to the left ~~shall~~ must yield the right-of-way
68.14 to other vehicles approaching from the opposite direction so closely as to constitute an
68.15 immediate hazard.

68.16 (ii) Vehicular traffic facing a green arrow signal, shown alone or in combination with
68.17 another indication, may cautiously enter the intersection only to make the movement indicated
68.18 by the arrow, or other movement as permitted by other indications shown at the same time.
68.19 Vehicular traffic ~~shall~~ must yield the right-of-way to pedestrians lawfully within an adjacent
68.20 crosswalk and to other traffic lawfully using the intersection.

68.21 (iii) Unless otherwise directed by a pedestrian-control signal as provided in subdivision
68.22 6, pedestrians facing any green signal, except when the sole green signal is a turn arrow,
68.23 may proceed across the roadway within any marked or unmarked crosswalk. Every driver
68.24 of a vehicle ~~shall~~ must yield the right-of-way to such pedestrian, except that the pedestrian
68.25 ~~shall~~ must yield the right-of-way to vehicles lawfully within the intersection at the time that
68.26 the green signal indication is first shown.

68.27 (2) Steady yellow indication:

68.28 (i) Vehicular traffic facing a steady circular yellow or yellow arrow signal is thereby
68.29 warned that the related green movement or flashing yellow movement is being terminated
68.30 or that a red indication will be exhibited immediately thereafter when vehicular traffic must
68.31 not enter the intersection, except for the continued movement allowed by any green arrow
68.32 indication simultaneously exhibited.

(ii) Pedestrians facing a circular yellow signal, unless otherwise directed by a pedestrian-control signal as provided in subdivision 6, are thereby advised that there is insufficient time to cross the roadway before a red indication is shown and ~~no~~ a pedestrian ~~shall~~ must not then start to cross the roadway.

(3) Steady red indication:

(i) Vehicular traffic facing a circular red signal alone must stop at a clearly marked stop line but, if none, before entering the crosswalk on the near side of the intersection or, if none, then before entering the intersection and ~~shall~~ must remain standing until a green indication is shown, except as follows:

(A) the driver of a vehicle stopped as close as practicable at the entrance to the crosswalk on the near side of the intersection or, if none, then at the entrance to the intersection in obedience to a red or stop signal, and with the intention of making a right turn may make the right turn, after stopping, unless an official sign has been erected prohibiting such movement, but ~~shall~~ must yield the right-of-way to pedestrians and other traffic lawfully proceeding as directed by the signal at that intersection; or

(B) the driver of a vehicle on a one-way street intersecting another one-way street on which traffic moves to the left ~~shall~~ must stop in obedience to a red or stop signal and may then make a left turn into the one-way street, unless an official sign has been erected prohibiting the movement, but ~~shall~~ must yield the right-of-way to pedestrians and other traffic lawfully proceeding as directed by the signal at that intersection.

(ii) Unless otherwise directed by a pedestrian-control signal as provided in subdivision 6, pedestrians facing a steady red signal alone ~~shall~~ must not enter the roadway.

(iii) Vehicular traffic facing a steady red arrow signal, with the intention of making a movement indicated by the arrow, must stop at a clearly marked stop line but, if none, before entering the crosswalk on the near side of the intersection or, if none, then before entering the intersection and must remain standing until a permissive signal indication permitting the movement indicated by the red arrow is displayed, except as follows: when an official sign has been erected permitting a turn on a red arrow signal, the vehicular traffic facing a red arrow signal indication is permitted to enter the intersection to turn right, or to turn left from a one-way street into a one-way street on which traffic moves to the left, after stopping, but must yield the right-of-way to pedestrians and other traffic lawfully proceeding as directed by the signal at that intersection.

(b) In the event an official traffic-control signal is erected and maintained at a place other than an intersection, the provisions of this section are applicable except those which

70.1 can have no application. Any stop required must be made at a sign or marking on the
70.2 pavement indicating where the stop must be made, but in the absence of any such sign or
70.3 marking the stop must be made at the signal.

70.4 (c) When a traffic-control signal indication or indications placed to control a certain
70.5 movement or lane are so identified by placing a sign near the indication or indications, no
70.6 other traffic-control signal indication or indications within the intersection controls vehicular
70.7 traffic for that movement or lane.

70.8 **EFFECTIVE DATE.** This section is effective August 1, 2025.

70.9 Sec. 33. Minnesota Statutes 2024, section 169.686, subdivision 1, is amended to read:

70.10 Subdivision 1. **Seat belt requirement.** (a) Except as provided in section 169.685, a
70.11 properly adjusted and fastened seat belt, including both the shoulder and lap belt when the
70.12 vehicle is so equipped, ~~shall~~ must be worn by the driver and passengers of a passenger
70.13 vehicle, commercial motor vehicle, type III vehicle, and type III Head Start vehicle.
70.14 Notwithstanding the equipment exemption in section 169.685, subdivision 1, this paragraph
70.15 applies to the driver and passengers of an autocycle equipped with seat belts. This paragraph
70.16 applies to the operator and passengers of a class 2 all-terrain vehicle, as defined in section
70.17 84.92, subdivision 10, when operated on or within the right-of-way of a public road when
70.18 the all-terrain vehicle is factory-equipped with seat belts.

70.19 (b) A person who is 15 years of age or older and who violates paragraph (a) is subject
70.20 to a fine of \$25. The driver of the vehicle in which a violation occurs is subject to a \$25
70.21 fine for each violation of paragraph (a) by the driver or by a passenger under the age of 15,
70.22 but the court may not impose more than one surcharge under section 357.021, subdivision
70.23 6, on the driver. The Department of Public Safety ~~shall~~ must not record a violation of this
70.24 subdivision on a person's driving record.

70.25 (c) The driver of a bus is not subject to the fine under paragraph (b) for a violation of
70.26 paragraph (a) by a passenger under the age of 15. This paragraph does not apply to: (1) a
70.27 school bus, including a type III vehicle; and (2) a Head Start bus, including a type III Head
70.28 Start vehicle.

70.29 **EFFECTIVE DATE.** This section is effective July 1, 2025, for violations committed
70.30 on or after that date.

71.1 Sec. 34. Minnesota Statutes 2024, section 169.865, subdivision 1a, is amended to read:

71.2 Subd. 1a. **Definition.** For purposes of this section, "qualifying agricultural products"
71.3 means:

71.4 (1) agricultural crops, including but not limited to corn, soybeans, oats, grain, and
71.5 by-products of agricultural crops;

71.6 (2) livestock, including but not limited to cattle, hogs, and poultry;

71.7 (3) food crops, including but not limited to sugar beets, potatoes, carrots, and onions;

71.8 (4) fluid milk;

71.9 (5) seed and material used for or in livestock and poultry feed;

71.10 (6) livestock manure; ~~and~~

71.11 (7) raw or processed grass seed; and

71.12 (8) before January 1, 2031, crude soybean oil.

71.13 **EFFECTIVE DATE.** This section is effective January 1, 2026.

71.14 Sec. 35. Minnesota Statutes 2024, section 169.865, subdivision 3, is amended to read:

71.15 Subd. 3. **Requirements; restrictions.** (a) A vehicle or combination of vehicles operating
71.16 under this section:

71.17 (1) is subject to axle weight limitations under section 169.824, subdivision 1;

71.18 (2) is subject to seasonal load restrictions under section 169.87;

71.19 (3) is subject to bridge load limits posted under section 169.84;

71.20 (4) may only be operated on paved streets and highways other than interstate highways;

71.21 (5) may not be operated with loads that exceed the manufacturer's gross vehicle weight
71.22 rating as affixed to the vehicle, or other certification of gross vehicle weight rating complying
71.23 with Code of Federal Regulations, title 49, sections 567.4 to 567.7;

71.24 (6) must be issued a permit from each road authority having jurisdiction over a road on
71.25 which the vehicle is operated, if required;

71.26 (7) must comply with the requirements of section 169.851, subdivision 4; and

71.27 (8) must have brakes on all wheels.

71.28 (b) The percentage allowances for exceeding gross weights if transporting unfinished
71.29 forest products under section 168.013, subdivision 3, paragraph (b), or for the first haul of

72.1 unprocessed or raw farm products or unfinished forest products under section 168.013,
72.2 subdivision 3, paragraph (d), clause (3), do not apply to a vehicle or combination of vehicles
72.3 operated under this section.

72.4 (c) Notwithstanding paragraph (a), clause (4), a vehicle or combination of vehicles
72.5 hauling fluid milk under a permit issued by the commissioner of transportation may also
72.6 operate on interstate highways as provided under United States Code, title 23, section 127.

72.7 (d) A vehicle or combination of vehicles hauling crude soybean oil under this section
72.8 may only be operated in this state to perform transportation between soybean processing
72.9 facilities located in Mankato and Fairmont on:

72.10 (1) a route on a county highway or county state-aid highway as approved by the county;

72.11 (2) marked Trunk Highways 15, 30, and 60; and

72.12 (3) marked U.S. Highway 169.

72.13 **EFFECTIVE DATE.** This section is effective January 1, 2026.

72.14 Sec. 36. Minnesota Statutes 2024, section 169.974, subdivision 5, is amended to read:

72.15 Subd. 5. **Driving rules.** (a) An operator of a motorcycle must ride only upon a permanent
72.16 and regular seat which is attached to the vehicle for that purpose. No other person may ride
72.17 on a motorcycle, except that passengers may ride (1) upon a permanent and regular operator's
72.18 seat if designed for two persons, (2) upon additional seats attached to or in the vehicle, or
72.19 (3) in a sidecar attached to the vehicle. The operator of a motorcycle is prohibited from
72.20 carrying passengers in a number in excess of the designed capacity of the motorcycle or
72.21 sidecar attached to it. A passenger is prohibited from being carried in a position that interferes
72.22 with the safe operation of the motorcycle or the view of the operator.

72.23 (b) No person may ride upon a motorcycle as a passenger unless the person can reach
72.24 the footrests or floorboards with both feet.

72.25 (c) Except for passengers of sidecars, drivers and passengers of three-wheeled
72.26 motorcycles, and persons in an autocycle, no person may operate or ride upon a motorcycle
72.27 except while sitting astride the seat, facing forward, with one leg on either side of the
72.28 motorcycle.

72.29 (d) No person may operate a motorcycle while carrying animals, packages, bundles, or
72.30 other cargo that prevent the person from keeping both hands on the handlebars.

73.1 (e) Motorcycles may, with the consent of both drivers, be operated not more than two
73.2 abreast in a single traffic lane if the vehicles fit safely within the designated space of the
73.3 lane.

73.4 (f) Except under the conditions specified in paragraph (g), no person may operate a
73.5 motorcycle:

73.6 (1) between lanes of moving or stationary vehicles headed in the same direction of travel;

73.7 (2) abreast of moving or stationary vehicles within the same traffic lane; or

73.8 (3) to overtake or pass another vehicle within the same traffic lane.

73.9 (g) A person may operate a motorcycle and overtake and pass another vehicle in the
73.10 same direction of travel and within the same traffic lane if the motorcycle is operated:

73.11 (1) at not more than 25 miles per hour; and

73.12 (2) no more than 15 miles per hour over the speed of traffic in the relevant traffic lanes.

73.13 (h) For the purposes of paragraph (g), traffic lane does not include:

73.14 (1) the approach, drive-through, or exit of a roundabout;

73.15 (2) a school zone established under section 169.14, subdivision 5a;

73.16 (3) a work zone where only a single travel lane is available for use; or

73.17 (4) an on-ramp to a freeway or expressway with or without an active control device

73.18 where moving or stationary vehicles are queued in one or more traffic lanes.

73.19 ~~(h)~~ (i) Motor vehicles including motorcycles are entitled to the full use of a traffic lane
73.20 and no motor vehicle may be driven or operated in a manner so as to deprive a motorcycle
73.21 of the full use of a traffic lane.

73.22 ~~(i)~~ (j) A person operating a motorcycle upon a roadway must be granted the rights and
73.23 is subject to the duties applicable to a motor vehicle as provided by law, except as to those
73.24 provisions which by their nature can have no application.

73.25 ~~(j)~~ (k) Paragraphs (e) and (f) of this subdivision do not apply to police officers in the
73.26 performance of their official duties.

73.27 ~~(k)~~ (l) No person may operate a motorcycle on a street or highway unless the headlight
73.28 or headlights are lighted at all times the motorcycle is so operated.

73.29 ~~(l)~~ (m) A person parking a motorcycle on the roadway of a street or highway must:

74.1 (1) if parking in a marked parking space, park the motorcycle completely within the
74.2 marked space; and

74.3 (2) park the motorcycle in such a way that the front of the motorcycle is pointed or
74.4 angled toward the nearest lane of traffic to the extent practicable and necessary to allow the
74.5 operator to (i) view any traffic in both directions of the street or highway without having
74.6 to move the motorcycle into a lane of traffic and without losing balance or control of the
74.7 motorcycle, and (ii) ride the motorcycle forward and directly into a lane of traffic when the
74.8 lane is sufficiently clear of traffic.

74.9 **EFFECTIVE DATE.** This section is effective July 1, 2025.

74.10 Sec. 37. Minnesota Statutes 2024, section 171.01, is amended by adding a subdivision to
74.11 read:

74.12 **Subd. 45e. Road test.** "Road test" means the actual physical demonstration of skills and
74.13 ability to exercise ordinary and reasonable control in the operation of a motor vehicle. As
74.14 appropriate, a road test includes demonstration of ability to perform an inspection of a
74.15 vehicle and equipment.

74.16 Sec. 38. Minnesota Statutes 2024, section 171.01, is amended by adding a subdivision to
74.17 read:

74.18 **Subd. 52. Work zone.** "Work zone" has the meaning given in section 169.011,
74.19 subdivision 95.

74.20 Sec. 39. Minnesota Statutes 2024, section 171.05, subdivision 1, is amended to read:

74.21 Subdivision 1. **Person 18 or more years of age.** (a) Any person who is 18 or more years
74.22 of age and who, except for a lack of instruction in operating a motor vehicle, would otherwise
74.23 be qualified to obtain a class D driver's license under this chapter, may apply for an
74.24 instruction permit, and the ~~department shall~~ commissioner must issue the permit. The
74.25 instruction permit entitles the applicant to drive a motor vehicle for which a class D license
74.26 is valid upon the highways for a period of two years if the permit holder:

74.27 (1) has the permit in immediate possession; and

74.28 (2) is driving the vehicle while accompanied by an adult licensed driver who is actually
74.29 occupying a seat beside the driver.

74.30 (b) Any license of a lower class may be used as an instruction permit to operate a vehicle
74.31 requiring a higher class license for a period of ~~six months~~ one year after passage of the

75.1 written test or tests required for the higher class and when the licensee is accompanied by
75.2 and receiving instruction from a holder of the appropriate higher class license. A copy of
75.3 the record of examination taken for the higher class license must be carried by the driver
75.4 while using the lower class license as an instruction permit.

75.5 Sec. 40. Minnesota Statutes 2024, section 171.0605, subdivision 2, is amended to read:

75.6 Subd. 2. **Evidence; identity; date of birth.** (a) Only the following is satisfactory evidence
75.7 of an applicant's identity and date of birth under section 171.06, subdivision 3, paragraph
75.8 (b):

75.9 (1) a driver's license or identification card that:

75.10 (i) complies with all requirements of the REAL ID Act;

75.11 (ii) is not designated as temporary or limited term; and

75.12 (iii) is current or has been expired for five years or less;

75.13 (2) a valid, unexpired United States passport, including a passport booklet or passport
75.14 card, issued by the United States Department of State;

75.15 (3) a certified copy of a birth certificate issued by a government bureau of vital statistics
75.16 or equivalent agency in the applicant's state of birth, which must bear the raised or authorized
75.17 seal of the issuing government entity;

75.18 (4) a consular report of birth abroad, certification of report of birth, or certification of
75.19 birth abroad, issued by the United States Department of State, Form FS-240, Form DS-1350,
75.20 or Form FS-545;

75.21 (5) a valid, unexpired permanent resident card issued by the United States Department
75.22 of Homeland Security or the former Immigration and Naturalization Service of the United
75.23 States Department of Justice, Form I-551. If the Form I-551 validity period has been
75.24 automatically extended by the United States Department of Homeland Security, it is deemed
75.25 unexpired, regardless of the expiration date listed;

75.26 (6) a foreign passport with an unexpired temporary I-551 stamp or a temporary I-551
75.27 printed notation on a machine-readable immigrant visa with a United States Department of
75.28 Homeland Security admission stamp within the validity period;

75.29 (7) a United States Department of Homeland Security Form I-94 or Form I-94A with a
75.30 photograph and an unexpired temporary I-551 stamp;

76.1 (8) a United States Department of State Form DS-232 with a United States Department
76.2 of Homeland Security admission stamp and validity period;

76.3 (9) a certificate of naturalization issued by the United States Department of Homeland
76.4 Security, Form N-550 or Form N-570;

76.5 (10) a certificate of citizenship issued by the United States Department of Homeland
76.6 Security, Form N-560 or Form N-561;

76.7 (11) an unexpired employment authorization document issued by the United States
76.8 Department of Homeland Security, Form I-766 or Form I-688B. If the Form I-766 validity
76.9 period has been automatically extended by the United States Department of Homeland
76.10 Security, it is deemed unexpired, regardless of the expiration date listed;

76.11 (12) a valid, unexpired passport issued by a foreign country and a valid, unexpired United
76.12 States visa accompanied by documentation of the applicant's most recent lawful admittance
76.13 into the United States; or

76.14 (13) a document as designated by the United States Department of Homeland Security
76.15 under Code of Federal Regulations, title 6, part 37.11 (c)(1)(x);.

76.16 ~~(14) a copy of the applicant's certificate of marriage certified by the issuing government~~
76.17 ~~jurisdiction;~~

76.18 ~~(15) a certified copy of a court order that specifies the applicant's name change; or~~

76.19 ~~(16) a certified copy of a divorce decree or dissolution of marriage that specifies the~~
76.20 ~~applicant's name change, issued by a court.~~

76.21 (b) A document under paragraph (a) must be legible and unaltered.

76.22 Sec. 41. Minnesota Statutes 2024, section 171.0605, is amended by adding a subdivision
76.23 to read:

76.24 Subd. 7. Evidence of name change. The following is satisfactory evidence of an
76.25 applicant's name change:

76.26 (1) a copy of the applicant's certificate of marriage certified by the issuing government
76.27 jurisdiction;

76.28 (2) a certified copy of a court order that specifies the applicant's name change; or

76.29 (3) a certified copy of a court-issued divorce decree or dissolution of marriage that
76.30 specifies the applicant's name change.

77.1 Sec. 42. Minnesota Statutes 2024, section 171.061, is amended by adding a subdivision
77.2 to read:

77.3 Subd. 4a. **Reimbursements.** (a) The commissioner must issue payment to a driver's
77.4 license agent as follows:

77.5 (1) \$2 for paying an account balance;

77.6 (2) \$4 for the following transactions:

77.7 (i) correcting credentials for veterans with a total service-connected disability, homeless
77.8 fee, and those with reduced-fee credentials; and

77.9 (ii) payment of reinstatement fees for veterans with a total service-connected disability
77.10 and homeless youth;

77.11 (3) \$8 for the following transactions:

77.12 (i) changing a customer's personal identification number; and

77.13 (ii) mail-in application photograph renewal; and

77.14 (4) an amount that equals the fee established under subdivision 4, paragraph (a), clause
77.15 (2), for the following transactions:

77.16 (i) addition of court order review;

77.17 (ii) paper temporary receipt of application permit for veterans with a total
77.18 service-connected disability; and

77.19 (iii) issuing a credential for veterans with a total service-connected disability, homeless
77.20 youth, and those with reduced-fee credentials.

77.21 (b) The following transactions for which no filing fee under subdivision 4 is collected
77.22 are not eligible for payment of any kind:

77.23 (1) collection of another fee type, including but not limited to a record request fee or a
77.24 fast track fee;

77.25 (2) voluntary waiver of a fee by the driver's license agent; and

77.26 (3) ancillary to a transaction for which a filing fee may be imposed.

77.27 (c) If the amount appropriated for payments under this subdivision is insufficient, the
77.28 commissioner must prorate the payments.

77.29 **EFFECTIVE DATE.** This section is effective August 1, 2025.

78.1 Sec. 43. Minnesota Statutes 2024, section 171.0701, is amended by adding a subdivision
78.2 to read:

78.3 Subd. 1c. **Driver education; work zone safety.** (a) The commissioner must adopt rules
78.4 for persons enrolled in driver education programs offered at public schools, private schools,
78.5 and commercial driver training schools to require inclusion of a section on work zone and
78.6 road construction worker safety in the course of instruction. The instruction must include
78.7 information on:

78.8 (1) safe speeds in work zones, including speeds when workers are present;

78.9 (2) the duties of a driver when encountering, entering, traveling through, and exiting a
78.10 work zone;

78.11 (3) the dangers of distracted driving through work zones;

78.12 (4) the legal markings of a work zone, including flagging, traffic control devices, barrels,
78.13 lights, or other signage that indicate the segment of street or highway under construction,
78.14 reconstruction, or maintenance; and

78.15 (5) the safe merger into travel lanes when a lane is closed due to construction,
78.16 reconstruction, or maintenance.

78.17 (b) This subdivision applies beginning on July 1, 2026.

78.18 Sec. 44. Minnesota Statutes 2024, section 171.0705, is amended by adding a subdivision
78.19 to read:

78.20 Subd. 2a. **Driver's manual; work zone safety.** The commissioner must include in each
78.21 edition of the driver's manual published by the department a section relating to work zone
78.22 safety and road construction worker safety that, at a minimum, includes:

78.23 (1) traffic laws related to work zone safety, including work zone speed limits and the
78.24 surcharge imposed for a person convicted of speeding in a work zone;

78.25 (2) commonly used work zone markings and traffic control devices;

78.26 (3) traffic laws related to distracted driving, with an emphasis on the dangers of distracted
78.27 driving in work zones; and

78.28 (4) lane merger benefits and best practices, including information on motorists safely
78.29 merging from two lanes into a single lane of traffic when a lane is closed due to construction,
78.30 reconstruction, or maintenance.

79.1 **EFFECTIVE DATE.** This section is effective the day following final enactment and
79.2 applies to each edition of the driver's manual published on or after that date.

79.3 Sec. 45. Minnesota Statutes 2024, section 171.071, subdivision 2, is amended to read:

79.4 Subd. 2. **Certain head wear permitted.** If an accident involving a head injury, serious
79.5 illness, or treatment of the illness has resulted in hair loss or the need to maintain continuous
79.6 coverage of the head or scalp with a medical covering by an applicant for a driver's license
79.7 or identification card, the commissioner ~~shall~~ must permit the applicant to wear a hat or
79.8 similar head wear or the covering in the photograph or electronically produced image. The
79.9 hat, medically required covering, or head wear must be of an appropriate size and type to
79.10 allow identification of the holder of the license or card and must not obscure the holder's
79.11 face.

79.12 **EFFECTIVE DATE.** This section is effective the day following final enactment and
79.13 applies to images produced on or after that date.

79.14 Sec. 46. Minnesota Statutes 2024, section 171.13, subdivision 1, is amended to read:

79.15 Subdivision 1. **Examination subjects and locations; provisions for color blindness,**
79.16 **disabled veterans.** (a) Except as otherwise provided in this section, the commissioner must
79.17 examine each applicant for a driver's license by such agency as the commissioner directs.
79.18 This examination must include:

79.19 (1) a test of the applicant's eyesight, provided that this requirement is met by submission
79.20 of a vision examination certificate under section 171.06, subdivision 7;

79.21 (2) a test of the applicant's ability to read and understand highway signs regulating,
79.22 warning, and directing traffic;

79.23 (3) a test of the applicant's knowledge of:

79.24 (i) traffic laws;

79.25 (ii) the effects of alcohol and drugs on a driver's ability to operate a motor vehicle safely
79.26 and legally, and of the legal penalties and financial consequences resulting from violations
79.27 of laws prohibiting the operation of a motor vehicle while under the influence of alcohol
79.28 or drugs;

79.29 (iii) railroad grade crossing safety;

79.30 (iv) slow-moving vehicle safety;

80.1 (v) laws relating to pupil transportation safety, including the significance of school bus
80.2 lights, signals, stop arm, and passing a school bus;

80.3 (vi) traffic laws related to bicycles; ~~and~~

80.4 (vii) the circumstances and dangers of carbon monoxide poisoning; and

80.5 (viii) work zone and road construction worker safety, including work zone speed limits,
80.6 work zone markings, vehicle operation requirements in work zones, and the dangers of
80.7 distracted driving in work zones;

80.8 (4) an actual demonstration of ability to exercise ordinary and reasonable control in the
80.9 operation of a motor vehicle; and

80.10 (5) other physical and mental examinations as the commissioner finds necessary to
80.11 determine the applicant's fitness to operate a motor vehicle safely upon the highways.

80.12 (b) Notwithstanding paragraph (a), the commissioner must not deny an application for
80.13 a driver's license based on the exclusive grounds that the applicant's eyesight is deficient in
80.14 color perception or that the applicant has been diagnosed with diabetes mellitus. War veterans
80.15 operating motor vehicles especially equipped for disabled persons, if otherwise entitled to
80.16 a license, must be granted such license.

80.17 (c) The commissioner must ensure that an applicant may take an exam either in the
80.18 county where the applicant resides or in an adjacent county at a reasonably convenient
80.19 location. The schedule for each exam station must be posted on the department's website.

80.20 (d) The commissioner ~~shall~~ must ensure that an applicant is able to obtain an appointment
80.21 for an examination to demonstrate ability under paragraph (a), clause (4), within 14 days
80.22 of the applicant's request if, under the applicable statutes and rules of the commissioner,
80.23 the applicant is eligible to take the examination.

80.24 (e) The commissioner must provide real-time information on the department's website
80.25 about the availability and location of exam appointments. The website must show the next
80.26 available exam dates and times for each exam station. The website must also provide an
80.27 option for a person to enter an address to see the date and time of the next available exam
80.28 at each exam station sorted by distance from the address provided.

80.29 (f) The requirements under paragraph (a), clause (3), item (viii), apply on January 1,
80.30 2027, for examinations administered on or after that date.

81.1 Sec. 47. Minnesota Statutes 2024, section 171.13, subdivision 7, is amended to read:

81.2 Subd. 7. **Examination fees.** (a) A fee of \$10 must be paid by an individual to take a
81.3 third and any subsequent knowledge test administered by the department if the individual
81.4 has failed two previous consecutive knowledge tests on the subject.

81.5 (b) A fee of \$20 must be paid by an individual to take a third and any subsequent skills
81.6 or road test administered by the department if the individual has previously failed two
81.7 consecutive skill or road tests in a specified class of motor vehicle.

81.8 (c) A fee of ~~\$20~~ \$40 must be paid by an individual who fails to appear for a scheduled
81.9 ~~skills or road test or who cancels a skills or road test within less than 24 hours of before the~~
81.10 appointment time. A fee of \$20 must be paid by an individual who cancels a scheduled road
81.11 test between 24 hours and 72 hours before the appointment time.

81.12 (d) All fees received under this subdivision must be paid into the state treasury and
81.13 credited to the driver and vehicle services operating account under section 299A.705.

81.14 **EFFECTIVE DATE.** This section is effective August 1, 2025, and applies to
81.15 cancellations and failures to appear on or after that date.

81.16 Sec. 48. Minnesota Statutes 2024, section 171.13, subdivision 8, is amended to read:

81.17 Subd. 8. **Test scheduling.** The commissioner must not schedule or reserve recurring
81.18 time with a public, private, or commercial driver education program for purposes of
81.19 administering ~~skills or road tests to a class D or commercial driver's license applicant.~~

81.20 Sec. 49. Minnesota Statutes 2024, section 171.17, subdivision 1, is amended to read:

81.21 Subdivision 1. **Offenses.** (a) ~~The department shall~~ commissioner must immediately
81.22 revoke the license of a driver upon receiving a record of the driver's conviction of:

81.23 (1) manslaughter resulting from the operation of a motor vehicle ~~or~~ under section 609.20
81.24 or 609.205;

81.25 (2) criminal vehicular homicide or injury under section 609.2112, 609.2113, or 609.2114,
81.26 or Minnesota Statutes 2012, section 609.21;

81.27 ~~(2)~~ (3) a violation of section 169A.20 or 609.487;

81.28 ~~(3)~~ (4) a felony in the commission of which a motor vehicle was used;

82.1 ~~(4)~~ (5) failure to stop and disclose identity and render aid, as required under section
82.2 169.09, in the event of a motor vehicle accident, resulting in the death or personal injury of
82.3 another;

82.4 ~~(5)~~ (6) perjury or the making of a false affidavit or statement to the ~~department~~
82.5 commissioner under any law relating to the application, ownership, or operation of a motor
82.6 vehicle, including on the certification required under section 171.05, subdivision 2, paragraph
82.7 (a), clause (1), item (ii), subitem (C), to issue an instruction permit to a homeschool student;

82.8 ~~(6)~~ (7) except as this section otherwise provides, three charges of violating within a
82.9 period of 12 months any of the provisions of chapter 169 or of the rules or municipal
82.10 ordinances enacted in conformance with chapter 169, for which the accused may be punished
82.11 upon conviction by imprisonment;

82.12 ~~(7)~~ (8) two or more violations, within five years, of the misdemeanor offense described
82.13 in section 169.444, subdivision 2, paragraph (a);

82.14 ~~(8)~~ (9) the gross misdemeanor offense described in section 169.444, subdivision 2,
82.15 paragraph (b);

82.16 ~~(9)~~ (10) an offense in another state that, if committed in this state, would be grounds for
82.17 revoking the driver's license; or

82.18 ~~(10)~~ (11) a violation of an applicable speed limit by a person driving in excess of 100
82.19 miles per hour. The person's license must be revoked for six months for a violation of this
82.20 clause, or for a longer minimum period of time applicable under section 169A.53, 169A.54,
82.21 or 171.174.

82.22 (b) The ~~department shall~~ commissioner must immediately revoke the school bus
82.23 endorsement of a driver upon receiving a record of the driver's conviction of the misdemeanor
82.24 offense described in section 169.443, subdivision 7.

82.25 Sec. 50. Minnesota Statutes 2024, section 171.2405, subdivision 1, is amended to read:

82.26 Subdivision 1. **Establishment.** (a) A city or county may establish a license reinstatement
82.27 diversion program for holders of class D drivers' licenses who have been charged with
82.28 violating section 171.24, subdivision 1 or 2. An individual charged with driving after
82.29 revocation under section 171.24, subdivision 2, is eligible for diversion only if the revocation
82.30 was due to a violation of section 169.791; 169.797; 169A.52; 169A.54; 171.17, subdivision
82.31 1, paragraph (a), clause ~~(6)~~ (7); or 171.177. An individual who is a holder of a commercial
82.32 driver's license or who has committed an offense in a commercial motor vehicle is not
82.33 eligible to participate in the diversion program. Nothing in this section authorizes the issuance

83.1 of a driver's license to a diversion program participant during the underlying suspension or
83.2 revocation period at issue in the violation of section 171.24, subdivision 1 or 2.

83.3 (b) Notwithstanding any law or ordinance to the contrary, a city or county may contract
83.4 with a third party to create and administer the diversion program under this section. Any
83.5 participating city or county, at its own expense, may request an audit of the administrator.

83.6 (c) For purposes of this section, "administrator" means the city, county, or administrator
83.7 of the program.

83.8 Sec. 51. Minnesota Statutes 2024, section 171.301, subdivision 1, as amended by Laws
83.9 2025, chapter 20, section 174, is amended to read:

83.10 Subdivision 1. **Conditions of issuance.** (a) The commissioner may issue a reintegration
83.11 driver's license to any person:

83.12 (1) who is 18 years of age or older;

83.13 (2) who has been released from a period of at least 180 consecutive days of confinement
83.14 or incarceration in:

83.15 (i) an adult correctional facility under the control of the commissioner of corrections or
83.16 licensed by the commissioner of corrections under section 241.021;

83.17 (ii) a federal correctional facility for adults; or

83.18 (iii) an adult correctional facility operated under the control or supervision of any other
83.19 state; and

83.20 (3) whose license has been suspended or revoked under the circumstances listed in
83.21 section 171.30, subdivision 1, paragraph (a), clauses (1) to (4), for a violation that occurred
83.22 before the individual was incarcerated for the period described in clause (2).

83.23 (b) If the person's driver's license or permit to drive has been revoked under section
83.24 169.792 or 169.797, the commissioner may only issue a reintegration driver's license to the
83.25 person after the person has presented an insurance identification card, policy, or written
83.26 statement indicating that the driver or owner has insurance coverage satisfactory to the
83.27 commissioner.

83.28 (c) If the person's driver's license or permit to drive has been suspended under section
83.29 171.186, the commissioner may only issue a reintegration driver's license to the person after
83.30 the commissioner receives notice of a court order provided pursuant to section 518A.65,
83.31 paragraph (h), showing that the person's driver's license or operating privileges should no
83.32 longer be suspended.

84.1 (d) If the person's driver's license has been revoked under section 171.17, subdivision
84.2 1, paragraph (a), clause (1) or (2), the commissioner may only issue a reintegration driver's
84.3 license to the person after the person has completed the applicable revocation period.

84.4 (e) The commissioner must not issue a reintegration driver's license:

84.5 (1) to any person described in section 171.04, subdivision 1, clause (7), (8), (10), or
84.6 (11);

84.7 (2) to any person described in section 169A.55, subdivision 5;

84.8 (3) if the person has committed a violation after the person was released from custody
84.9 that results in the suspension, revocation, or cancellation of a driver's license, including
84.10 suspension for nonpayment of child support or maintenance payments as described in section
84.11 171.186, subdivision 1; or

84.12 (4) if the issuance would conflict with the requirements of the nonresident violator
84.13 compact.

84.14 (f) The commissioner must not issue a class A, class B, or class C reintegration driver's
84.15 license.

84.16 Sec. 52. Minnesota Statutes 2024, section 171.301, subdivision 5, is amended to read:

84.17 Subd. 5. **Expiration.** A reintegration driver's license expires ~~15~~ 24 months from the date
84.18 of issuance of the license. A reintegration driver's license may not be renewed.

84.19 **EFFECTIVE DATE.** This section is effective the day following final enactment and
84.20 applies to reintegration licenses issued on or after that date.

84.21 Sec. 53. Minnesota Statutes 2024, section 171.301, subdivision 6, is amended to read:

84.22 Subd. 6. **Issuance of regular driver's license.** (a) Notwithstanding any statute or rule
84.23 to the contrary, the commissioner must issue a REAL ID-compliant or noncompliant license
84.24 to a person who possesses a reintegration driver's license if:

84.25 (1) the person has possessed the reintegration driver's license for at least one full year;

84.26 (2) the reintegration driver's license has not been canceled under subdivision 4 and has
84.27 not been expired for more than 90 days from the date under subdivision 5;

84.28 (3) the person meets the application requirements under section 171.06, including payment
84.29 of the applicable fees, surcharge, and filing fee under sections 171.06, subdivisions 2 and
84.30 2a, and 171.061, subdivision 4; and

85.1 (4) issuance of the license does not conflict with the requirements of the nonresident
85.2 violator compact.

85.3 (b) The commissioner must forgive any outstanding balance due on a reinstatement fee
85.4 or surcharge under sections 171.20, subdivision 4, and 171.29, subdivision 2, for a person
85.5 who is eligible and applies for a license under paragraph (a).

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

85.7 Sec. 54. Minnesota Statutes 2024, section 171.306, subdivision 1, as amended by Laws
85.8 2025, chapter 29, section 17, is amended to read:

85.9 Subdivision 1. **Definitions.** (a) For purposes of this section, the terms in this subdivision
85.10 have the meanings given.

85.11 (b) "Ignition interlock device" or "device" means equipment that is designed to measure
85.12 breath alcohol concentration and to prevent a motor vehicle's ignition from being started
85.13 by a person whose breath alcohol concentration measures 0.02 or higher on the equipment.

85.14 (c) "Location tracking capabilities" means the ability of an electronic or wireless device
85.15 to identify and transmit its geographic location through the operation of the device.

85.16 (d) "Program participant" means a person who has qualified to take part in the ignition
85.17 interlock program under this section, and whose driver's license has been:

85.18 (1) revoked, canceled, or denied under section 169A.52; 169A.54; 171.04, subdivision
85.19 1, clause (10); 171.17, subdivision 1, paragraph (a), clause ~~(9)~~ (10), for conviction of an
85.20 offense in another state that would be grounds for revocation in this state under section
85.21 169A.54, subdivision 1; or 171.177; or

85.22 (2) revoked under section 171.17, subdivision 1, paragraph (a), clause ~~(1)~~ (2), or
85.23 suspended under section 171.187, for a violation of section 609.2112, subdivision 1,
85.24 paragraph (a), clause (2), item (i) or (iv), (3), or (4); 609.2113, subdivision 1, clause (2),
85.25 item (i) or (iv), (3), or (4); subdivision 2, clause (2), item (i) or (iv), (3), or (4); or subdivision
85.26 3, clause (2), item (i) or (iv), (3), or (4); or 609.2114, subdivision 1, paragraph (a), clause
85.27 (2), item (i) or (iv), (3), or (4); or subdivision 2, clause (2), item (i) or (iv), (3), or (4),
85.28 resulting in bodily harm, substantial bodily harm, great bodily harm, or death.

85.29 (e) "Qualified prior impaired driving incident" has the meaning given in section 169A.03,
85.30 subdivision 22.

86.1 Sec. 55. Minnesota Statutes 2024, section 171.306, subdivision 4, as amended by Laws
86.2 2025, chapter 29, section 19, is amended to read:

86.3 Subd. 4. **Issuance of restricted license.** (a) The commissioner shall issue a class D
86.4 driver's license, subject to the applicable limitations and restrictions of this section, to a
86.5 program participant who meets the requirements of this section and the program guidelines.
86.6 Notwithstanding any law to the contrary, the commissioner must not require a program
86.7 participant to pay the reinstatement fee and surcharge described in section 171.29, subdivision
86.8 2, before issuing a restricted license under this section. A program participant is not eligible
86.9 for full reinstatement of driving privileges until the person pays the full reinstatement fee
86.10 and surcharge. The commissioner shall not issue a license unless the program participant
86.11 has provided satisfactory proof that:

86.12 (1) a certified ignition interlock device has been installed on the participant's motor
86.13 vehicle at an installation service center designated by the device's manufacturer; and

86.14 (2) the participant has insurance coverage on the vehicle equipped with the ignition
86.15 interlock device. If the participant has previously been convicted of violating section 169.791,
86.16 169.793, or 169.797 or the participant's license has previously been suspended, revoked, or
86.17 canceled under section 169.792 or 169.797, the commissioner shall require the participant
86.18 to present an insurance identification card that is certified by the insurance company to be
86.19 noncancelable for a period not to exceed 12 months.

86.20 (b) A license issued under authority of this section must contain a restriction prohibiting
86.21 the program participant from driving, operating, or being in physical control of any motor
86.22 vehicle not equipped with a functioning ignition interlock device certified by the
86.23 commissioner. A participant may drive an employer-owned vehicle not equipped with an
86.24 interlock device while in the normal course and scope of employment duties pursuant to
86.25 the program guidelines established by the commissioner and with the employer's written
86.26 consent.

86.27 (c) A program participant may apply for conditional reinstatement of the driver's license,
86.28 subject to the ignition interlock restriction, if the program participant's driver's license was:

86.29 (1) revoked, canceled, or denied under section:

86.30 (i) 169A.52, subdivision 3, paragraph (a), or subdivision 4, paragraph (a);

86.31 (ii) 169A.54, subdivision 1;

87.1 (iii) 171.17, subdivision 1, paragraph (a), clause ~~(9)~~ (10), for conviction of an offense
87.2 in another state that would be grounds for revocation in this state under section 169A.54,
87.3 subdivision 1; or

87.4 (iv) 171.177, subdivision 4, paragraph (a), or subdivision 5, paragraph (a);

87.5 (2) revoked under section 171.17, subdivision 1, paragraph (a), clause ~~(1)~~ (2), for a
87.6 violation of section:

87.7 (i) 609.2112, subdivision 1, paragraph (a), clause (2), item (i) or (iv), (3), or (4);

87.8 (ii) 609.2113, subdivision 1, clause (2), item (i) or (iv), (3), or (4); subdivision 2, clause
87.9 (2), item (i) or (iv), (3), or (4); or subdivision 3, clause (2), item (i) or (iv), (3), or (4); or

87.10 (iii) 609.2114, subdivision 1, paragraph (a), clause (2), item (i) or (iv), (3), or (4); or
87.11 subdivision 2, clause (2), item (i) or (iv), (3), or (4); or

87.12 (3) suspended under section 171.187, for a violation of section:

87.13 (i) 609.2112, subdivision 1, paragraph (a), clause (2), item (i) or (iv), (3), or (4);

87.14 (ii) 609.2113, subdivision 1, clause (2), item (i) or (iv), (3), or (4); subdivision 2, clause
87.15 (2), item (i) or (iv), (3), or (4); or subdivision 3, clause (2), item (i) or (iv), (3), or (4); or

87.16 (iii) 609.2114, subdivision 1, paragraph (a), clause (2), item (i) or (iv), (3), or (4); or
87.17 subdivision 2, clause (2), item (i) or (iv), (3), or (4).

87.18 (d) As a prerequisite to eligibility for eventual reinstatement of full driving privileges,
87.19 a participant who either had one qualified prior impaired driving incident within the past
87.20 20 years, or two or more qualified prior impaired driving incidents when the person's driver's
87.21 license was revoked, canceled, or denied under the conditions described in paragraph (c),
87.22 clause (1), or whose driver's license was revoked or suspended under the conditions described
87.23 in paragraph (c), clause (2) or (3), and whose chemical use assessment recommended
87.24 treatment or rehabilitation shall complete a licensed substance use disorder treatment or
87.25 rehabilitation program. If the program participant's ignition interlock device subsequently
87.26 registers a positive breath alcohol concentration of 0.02 or higher, the commissioner shall
87.27 extend the time period that the participant must participate in the program until the participant
87.28 has reached the required abstinence period described in section 171.178, subdivision 8.

87.29 (e) Notwithstanding any statute or rule to the contrary, the commissioner has authority
87.30 to determine when a program participant is eligible for restoration of full driving privileges,
87.31 except that the commissioner shall not reinstate full driving privileges until the program
87.32 participant has met all applicable prerequisites for reinstatement under sections 169A.55

88.1 and 171.178 and until the program participant's device has registered no positive breath
88.2 alcohol concentrations of 0.02 or higher during the preceding 90 days.

88.3 Sec. 56. Minnesota Statutes 2024, section 171.306, subdivision 8, is amended to read:

88.4 Subd. 8. **Rulemaking.** ~~In establishing~~ The commissioner must adopt the performance
88.5 standards and certification process of subdivision 2, and the program guidelines of
88.6 subdivision 3, as rules and any other rules necessary to implement this section, ~~the~~
88.7 ~~commissioner~~ is subject to chapter 14.

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

88.9 Sec. 57. **[171.397] FLEXIBLE INSTRUCTION PERMITTED.**

88.10 A student may receive a combination of online driver's education instruction under
88.11 section 171.396, teleconference driver's education instruction under section 171.395, and
88.12 classroom instruction if:

88.13 (1) the instruction is from a single licensed or authorized driver's education provider;

88.14 (2) the curriculum content is identical between the online, teleconference, and in-person
88.15 settings; and

88.16 (3) the driver's education provider is authorized by the commissioner to provide students
88.17 at least two methods of classroom instruction under the requirements of this chapter and
88.18 Minnesota Rules, chapter 7411, or successor rules.

88.19 **EFFECTIVE DATE.** This section is effective August 1, 2025, for driver's education
88.20 instruction commenced on or after that date.

88.21 Sec. 58. **[174.065] CONSOLIDATED LOCAL TRANSPORTATION FINANCIALS**
88.22 **REPORT.**

88.23 Subdivision 1. Definitions. (a) For purposes of this section, the following terms have
88.24 the meanings given.

88.25 (b) "Funding source" means an applicable tax or revenue source received by a reporting
88.26 unit under sections 174.49, subdivision 3, clause (1); 297A.9915, subdivision 4; 297A.993,
88.27 subdivision 1; and 398A.04, subdivision 8.

88.28 (c) "Reporting unit" means a county, regional railroad authority, or other political
88.29 subdivision that is specifically required to submit financial information under this section.

89.1 Subd. 2. **Consolidated report.** (a) By March 1 annually, the commissioner must submit
89.2 a report on consolidated local transportation financials to the chairs and ranking minority
89.3 members of the legislative committees with jurisdiction over transportation finance and
89.4 policy.

89.5 (b) At a minimum, the report must include:

89.6 (1) the information specified under subdivision 3 for each funding source;

89.7 (2) additional information as specified under section 174.49, subdivision 7;

89.8 (3) subtotals for each reporting unit that is required to submit financial information under
89.9 this section; and

89.10 (4) totals for all reporting units.

89.11 (c) The commissioner may establish submission requirements for the financial
89.12 information, which may include but is not limited to a submission deadline and a format
89.13 for the fiscal details.

89.14 Subd. 3. **Required financial information.** (a) At a minimum, each reporting unit must
89.15 submit financial information on each funding source that includes:

89.16 (1) actual allocations or collections to the reporting unit for each of the previous five
89.17 calendar years;

89.18 (2) balance actuals for each of the previous five calendar years;

89.19 (3) estimates of the amount that is expected to be allocated to or collected by the reporting
89.20 unit in the current year and for the next five calendar years; and

89.21 (4) for each of the previous five calendar years, the current calendar year, and for the
89.22 next five calendar years:

89.23 (i) the amount expended or proposed to be expended for each of the following, as
89.24 applicable:

89.25 (A) planning, project development, construction, operation, or maintenance of guideways,
89.26 as defined in section 473.4485, subdivision 1, paragraph (d);

89.27 (B) nonguideway transit uses;

89.28 (C) active transportation uses;

89.29 (D) highway uses; and

89.30 (E) uses not otherwise specified in subitems (A) to (D);

90.1 (ii) for each subitem under item (i), an accompanying list of completed, current, planned,
90.2 and anticipated projects; and

90.3 (iii) an estimated balance of unspent or undesignated amounts from the funding source.

90.4 (b) The listing under paragraph (a), clause (4), item (ii), must include a brief identification
90.5 or description of each project or program.

90.6 Sec. 59. Minnesota Statutes 2024, section 174.07, subdivision 3, is amended to read:

90.7 Subd. 3. **Exceptions.** This section does not apply to:

90.8 (1) a law that establishes a requirement with general applicability for an agency or
90.9 agencies to submit a report, including but not limited to reports and information under
90.10 sections 14.05, subdivision 5, and 14.116;

90.11 (2) a law that specifies a reporting expiration date or a date for the submission of a final
90.12 report;

90.13 (3) information required by law to be included in a budget submission to the legislature
90.14 under section 16A.11;

90.15 (4) the plans required under section 174.03, subdivisions 1a, 1b, and 1c;

90.16 (5) the forecast information requirements under section 174.03, subdivision 9; and

90.17 (6) the reports required under sections 161.088, subdivision 7; 161.089; 161.3203,
90.18 subdivision 4; 165.03, subdivision 8; 174.03, subdivision 12; 174.065; 174.185, subdivision
90.19 3; 174.247; 174.56, subdivisions 1 and 2; and 174.75, subdivision 3.

90.20 Sec. 60. Minnesota Statutes 2024, section 174.38, subdivision 4, is amended to read:

90.21 Subd. 4. **Program administration.** (a) The commissioner must establish active
90.22 transportation program requirements, including:

90.23 (1) assistance eligibility, subject to the requirements under subdivision 5;

90.24 (2) a solicitation and application process that minimizes the burden on applicants; and

90.25 (3) procedures to award and pay financial assistance.

90.26 (b) The commissioner must ~~annually~~ conduct ~~a solicitation~~ solicitations for active
90.27 transportation projects under the program.

90.28 (c) The commissioner must make reasonable efforts to publicize each application
90.29 solicitation among all eligible recipients. The commissioner must assist applicants to create

91.1 and submit applications, with an emphasis on providing assistance in communities that are
91.2 historically and currently underrepresented in local or regional planning, including
91.3 communities of color, low-income households, people with disabilities, and people with
91.4 limited English proficiency.

91.5 (d) The commissioner may provide grants or other financial assistance for a project.

91.6 (e) The commissioner is prohibited from expending more than one percent of available
91.7 funds in a fiscal year under this section on program administration.

91.8 Sec. 61. Minnesota Statutes 2024, section 174.49, subdivision 6, is amended to read:

91.9 Subd. 6. **Metropolitan counties; use of funds.** (a) A metropolitan county must use
91.10 funds that are received under subdivision ~~5~~ 3, clause (1), as follows:

91.11 (1) 41.5 percent for:

91.12 (i) active transportation, as defined in section 174.38, subdivision 1; and

91.13 (ii) transportation corridor safety studies;

91.14 (2) 41.5 percent for:

91.15 (i) repair, preservation, and rehabilitation of transportation systems; and

91.16 (ii) roadway replacement to reconstruct, reclaim, or modernize a corridor without adding
91.17 traffic capacity, except for auxiliary lanes with a length of less than 2,500 feet; and

91.18 (3) 17 percent for any of the following:

91.19 (i) transit purposes, including but not limited to operations, maintenance, capital
91.20 maintenance, demand response service, and assistance to replacement service providers
91.21 under section 473.388;

91.22 (ii) complete streets projects, as provided under section 174.75; and

91.23 (iii) projects, programs, or operations activities that meet the requirements of ~~a mitigation~~
91.24 an offset action under section 161.178, subdivision 4.

91.25 (b) Funds under paragraph (a), clause (3), must supplement and not supplant existing
91.26 sources of revenue.

91.27 (c) A metropolitan county may use funds that are received under subdivision 5 as debt
91.28 service for obligations issued by the county in accordance with chapter 475, provided that
91.29 the obligations are issued for a use allowable under this section.

92.1 Sec. 62. Minnesota Statutes 2024, section 174.49, is amended by adding a subdivision to
92.2 read:

92.3 Subd. 7. **Metropolitan counties; financial information.** (a) A metropolitan county
92.4 must annually submit financial information to the commissioner on the funds received under
92.5 subdivision 3, clause (1). The financial information must be submitted as provided under
92.6 section 174.065 in the manner and by the dates prescribed by the commissioner.

92.7 (b) In addition to the requirements under section 174.065, subdivision 3, the submitted
92.8 financial information must include the amount expended or proposed to be expended in
92.9 each of the allowable uses under subdivision 6 for:

92.10 (1) each of the previous five calendar years;

92.11 (2) the current calendar year; and

92.12 (3) the next five calendar years.

92.13 Sec. 63. Minnesota Statutes 2024, section 174.634, subdivision 2, is amended to read:

92.14 Subd. 2. **Passenger rail account; transfers; appropriation.** (a) A passenger rail account
92.15 is established in the special revenue fund. The account consists of funds as provided in this
92.16 subdivision and any other money donated, allotted, transferred, collected, or otherwise
92.17 provided to the account.

92.18 (b) By July 15 annually beginning in calendar year ~~2027~~ 2029, the commissioner of
92.19 revenue must transfer an amount from the general fund to the passenger rail account that
92.20 equals 50 percent of the portion of the state general tax under section 275.025 levied on
92.21 railroad operating property, as defined under section 273.13, subdivision 24, in the prior
92.22 calendar year.

92.23 (c) Money in the account is annually appropriated to the commissioner of transportation
92.24 for the operating and capital maintenance costs of intercity passenger rail, which may include
92.25 but are not limited to planning, designing, developing, constructing, equipping, administering,
92.26 operating, promoting, maintaining, and improving passenger rail service within the state,
92.27 after accounting for operating revenue, federal funds, and other sources.

92.28 (d) By November 1 each year, the commissioner must report on the passenger rail account
92.29 to the chairs and ranking minority members of the legislative committees with jurisdiction
92.30 over transportation policy and finance. The report must, at a minimum, include:

92.31 (1) the actual revenue and expenditures in each of the previous two fiscal years;

93.1 (2) the budgeted and forecasted revenue and expenditures in the current fiscal year and
93.2 each fiscal year within the state forecast period;

93.3 (3) the plan for collection of fees and revenue, as defined and authorized under
93.4 subdivision 3, in the current fiscal year and each fiscal year within the state forecast period;
93.5 and

93.6 (4) the uses of expenditures or planned expenditures in each fiscal year included under
93.7 clauses (1) and (2).

93.8 Sec. 64. Minnesota Statutes 2024, section 289A.51, subdivision 1, is amended to read:

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

93.11 (b) "Electric-assisted bicycle" has the meaning given in section 169.011, subdivision
93.12 27, except that the term is limited to a new electric-assisted bicycle purchased from an
93.13 eligible retailer.

93.14 (c) "Eligible expenses" means the amount paid for an electric-assisted bicycle and any
93.15 qualifying accessories purchased at the same time as the electric-assisted bicycle, inclusive
93.16 of sales tax but exclusive of any other related charges, including charges for a warranty,
93.17 service, or delivery.

93.18 (d) "Eligible individual" means an individual who:

93.19 (1) is at least 15 years old;

93.20 (2) is a resident individual taxpayer at the time of application for a rebate certificate and
93.21 in the two previous calendar year years;

93.22 (3) has filed an income tax return for the two taxable years immediately preceding the
93.23 calendar year in which the individual applies for a rebate certificate; and

93.24 ~~(3)~~ (4) was not claimed as a dependent on another return in the taxable year described
93.25 in subdivision 3, paragraph (c).

93.26 (e) "Eligible retailer" means a person who has engaged in the business of retail sales of
93.27 new electric-assisted bicycles for at least six months prior to receiving the approval of the
93.28 commissioner under subdivision 5.

93.29 (f) "Person with a disability" means a person who:

94.1 (1) receives social security disability insurance benefits under United States Code, title
94.2 42, sections 401 to 434, or medical assistance for employed persons with disabilities under
94.3 section 256B.057, subdivision 9;

94.4 (2) is under the age of 65 and receives supplemental security income benefits under
94.5 United States Code, title 42, sections 1381 to 1385; or

94.6 (3) receives home and community-based disability waiver services under section
94.7 256B.092 or 256B.49.

94.8 (g) "Qualifying accessories" means a bicycle helmet, lights, lock, luggage rack, basket,
94.9 bag or backpack, fenders, or reflective clothing.

94.10 **EFFECTIVE DATE.** This section is effective for rebates after December 31, 2024.

94.11 Sec. 65. Minnesota Statutes 2024, section 289A.51, subdivision 3, is amended to read:

94.12 Subd. 3. **Amount of rebate.** (a) The amount of a rebate under this section equals the
94.13 lesser of:

94.14 ~~(1) the applicable percentage, multiplied by the amount~~ 75 percent of eligible expenses
94.15 paid by an eligible individual; or

94.16 ~~(2) \$1,500~~ \$750.

94.17 ~~(b) The applicable percentage equals 75 percent, but is reduced by one percentage point~~
94.18 ~~until the percentage equals 50 percent, for each \$4,000 of the eligible individual's adjusted~~
94.19 ~~gross income in excess of:~~

94.20 ~~(1) \$50,000 for a married taxpayer filing a joint return; and~~

94.21 ~~(2) \$25,000 for all other filers.~~

94.22 (b) Eligibility for a rebate under this section is limited to an eligible individual who
94.23 either:

94.24 (1) meets the income limitation for an eligible individual specified in paragraph (c); or

94.25 (2) is a person with a disability.

94.26 (c) The income limitation for an eligible individual under paragraph (b), clause (1), must
94.27 not exceed:

94.28 (1) \$78,000 in the case of a married eligible individual who filed a joint return;

94.29 (2) \$62,000 for an individual who filed a return as a head of household; or

94.30 (3) \$41,000 for all other individuals.

~~(e)~~ (d) For the purposes of determining the ~~applicable percentage~~ income limitation under paragraph ~~(b)~~ and subdivision 4, paragraph (a) ~~(c)~~, the commissioner must use the eligible individual's adjusted gross income for the taxable year ending in the calendar year prior to the year in which the individual applied for a rebate certificate.

EFFECTIVE DATE. This section is effective for rebates after December 31, 2024.

Sec. 66. Minnesota Statutes 2024, section 289A.51, subdivision 4, is amended to read:

Subd. 4. **Commissioner to issue rebate certificates.** (a) To qualify for a rebate under this section, an eligible individual must apply to the commissioner for a rebate certificate in the manner specified by the commissioner prior to purchasing an electric-assisted bicycle. As part of the application, the eligible individual must include proof of the individual's adjusted gross income for the taxable year specified in subdivision 3, paragraph ~~(e)~~ (d). The commissioner must issue a rebate certificate to an eligible individual stating the issuance date, the applicable percentage, and the maximum rebate for which the taxpayer is eligible. For a married taxpayer filing a joint return, each spouse may apply to the commissioner separately, and the commissioner must issue each spouse a separate rebate certificate.

(b) The commissioner of revenue may determine the date on which to open applications for a rebate certificate, and applications must not be submitted before the date determined by the commissioner. Beginning July 1, 2024, and July 1 of each subsequent calendar year for which there is an allocation of rebate certificates, the commissioner must allocate rebate certificates ~~on a first-come, first-served basis. The commissioner must reserve 40 percent of the certificates for a married taxpayer filing a joint return with an adjusted gross income of less than \$78,000 or any other filer with an adjusted gross income of less than \$41,000. Any portion of the reserved amount under this paragraph that is not allocated by September 30 is available for allocation to other rebate certificate applications beginning on October 1.~~ to applicants. If the number of total applicants exceeds the available allocation of rebate certificates, the commissioner must allocate certificates through a random lottery.

(c) If a random lottery is used to allocate certificates as provided in paragraph (b), the commissioner must, by August 1, 2025, determine a suitable randomized method to allocate the certificates to eligible individuals and must:

(1) detail the commissioner's anticipated timeline for the lottery, including when applications for the lottery by an applicant must be made and when the commissioner anticipates distributing the certificates;

(2) establish a method for an applicant to apply for placement into the lottery; and

96.1 (3) provide the amount of certificates available to be distributed by the commissioner.

96.2 (d) The commissioner must not issue rebate certificates totaling more than \$2,000,000
96.3 in each of calendar years 2024 and 2025, except any amount authorized but not allocated
96.4 in any calendar year does not cancel and is added to the allocation for the next calendar
96.5 year. When calculating the amount of remaining allocations, the commissioner must assume
96.6 that each allocated but unclaimed certificate reduces the available allocations by ~~\$1,500~~
96.7 \$750.

96.8 ~~(d)~~ (e) A rebate certificate that is not assigned to a retailer expires two months after the
96.9 date the certificate was issued and may not be assigned to a retailer after expiration. The
96.10 amount of any expired rebate certificates is added to the available allocation under paragraph
96.11 ~~(e)~~ (d).

96.12 **EFFECTIVE DATE.** This section is effective for rebates after December 31, 2024.

96.13 Sec. 67. Minnesota Statutes 2024, section 296A.01, is amended by adding a subdivision
96.14 to read:

96.15 Subd. 19a. **Electric vehicle.** "Electric vehicle" has the meaning given in section 169.011,
96.16 subdivision 26a.

96.17 Sec. 68. Minnesota Statutes 2024, section 296A.01, is amended by adding a subdivision
96.18 to read:

96.19 Subd. 19b. **Electric vehicle supply equipment.** "Electric vehicle supply equipment"
96.20 means any equipment used to deliver electricity sold as vehicle fuel to an electric vehicle.

96.21 Sec. 69. Minnesota Statutes 2024, section 296A.01, is amended by adding a subdivision
96.22 to read:

96.23 Subd. 19c. **Electricity as vehicle fuel.** "Electricity as vehicle fuel" or "electricity sold
96.24 as vehicle fuel" means electrical energy that is transferred to or stored onboard an electric
96.25 vehicle in exchange for payment and is used primarily to propel the electric vehicle.

96.26 Sec. 70. Minnesota Statutes 2024, section 296A.01, is amended by adding a subdivision
96.27 to read:

96.28 Subd. 43a. **Public charging station.** "Public charging station" means a facility at which
96.29 a person conducts for-profit business using electric vehicle supply equipment for the delivery

97.1 of electricity sold as vehicle fuel to an electric vehicle and charges the customer for the
97.2 electricity delivered.

97.3 Sec. 71. Minnesota Statutes 2024, section 296A.01, is amended by adding a subdivision
97.4 to read:

97.5 Subd. 43b. **Public charging station operator.** "Public charging station operator" means
97.6 any person who owns or operates a public charging station in this state.

97.7 Sec. 72. Minnesota Statutes 2024, section 296A.02, subdivision 3, is amended to read:

97.8 Subd. 3. **Rules; administration and enforcement.** The commissioner may adopt rules
97.9 relating to the administration and enforcement of laws regulating the sale, distribution, and
97.10 use of petroleum products, electricity sold as vehicle fuel, and special fuel. The rules shall
97.11 be reasonable and consistent with the law.

97.12 Sec. 73. **[296A.051] PUBLIC CHARGING STATION OPERATOR'S LICENSE;**
97.13 **REQUIREMENTS.**

97.14 Subdivision 1. **General.** On or after July 1, 2027, a person may not act as a public
97.15 charging station operator without having been licensed by the commissioner as a public
97.16 charging station operator.

97.17 Subd. 2. **Qualifications.** (a) Upon application to the commissioner, the commissioner
97.18 must issue a public charging station operator's license to any person who applies and qualifies
97.19 as a public charging station operator.

97.20 (b) The commissioner must not issue or renew a license to a person otherwise eligible
97.21 under this subdivision if the person:

97.22 (1) has unpaid tax due under this chapter;

97.23 (2) has unfiled tax returns or reports due under this chapter;

97.24 (3) has had a license issued pursuant to this chapter revoked within the last five years;

97.25 or

97.26 (4) has had an equivalent license issued by another state or Canadian province revoked
97.27 within the last five years for failure to pay a tax or file a tax return or report.

97.28 Subd. 3. **Licensing period; expiration.** Each licensing period is for one year, ending
97.29 on June 30.

98.1 Subd. 4. **Surrender of license.** When a licensee voluntarily or involuntarily sells, disposes
98.2 of, or discontinues business during the licensing period, the licensee must immediately
98.3 notify the commissioner in writing and, within ten days, surrender the license in a manner
98.4 prescribed by the commissioner.

98.5 Sec. 74. Minnesota Statutes 2024, section 296A.06, subdivision 2, is amended to read:

98.6 Subd. 2. **Suspension of license.** (a) Notwithstanding subdivision 1, the license of a
98.7 distributor, special fuel dealer, public charging station operator, or bulk purchaser that has
98.8 not filed a tax return or report or paid a delinquent tax or fee within five days after notice
98.9 and demand by the commissioner is suspended. The suspension remains in effect until the
98.10 demanded tax return or report has been filed and the tax and fees shown on that return or
98.11 report have been paid. If the commissioner determines that the failure to file or failure to
98.12 pay is due to reasonable cause, then a license must not be suspended, or if suspended, must
98.13 be reinstated.

98.14 (b) A licensee whose license is suspended under this subdivision may request a contested
98.15 case hearing under chapter 14. Any such hearing must be held within 20 days of the issuance
98.16 of the notice and demand issued under paragraph (a), unless the parties agree to a later
98.17 hearing date. The administrative law judge's report must be issued within 20 days after the
98.18 close of the hearing record, unless the parties agree to a later report issuance date. The
98.19 commissioner must issue a final decision within 30 days after receipt of the report of the
98.20 administrative law judge and subsequent exceptions and argument under section 14.61. The
98.21 suspension imposed under paragraph (a) remains in effect during any contested case hearing
98.22 process requested pursuant to this paragraph.

98.23 Sec. 75. Minnesota Statutes 2024, section 296A.061, is amended to read:

98.24 **296A.061 CANCELLATION OR NONRENEWAL OF LICENSES.**

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

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

98.29 (2) the license holder has not reported any petroleum or other tax liability on the license
98.30 holder's returns or reports for at least one year; or

98.31 (3) the license holder requests cancellation of the license.

99.1 **Sec. 76. [296A.075] ELECTRICITY AS VEHICLE FUEL TAX.**

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

99.4 (b) "Electric utility" has the meaning given in section 216B.38, subdivision 5.

99.5 (c) "Legacy charger" means a public charging station in operation before October 1,
99.6 2023, that does not utilize electric vehicle supply equipment capable of measuring electricity
99.7 delivered as vehicle fuel to an electric vehicle.

99.8 (d) "Residence" means the place where a person resides, permanently or temporarily.

99.9 **Subd. 2. Tax imposed on electricity sold as vehicle fuel.** (a) On and after July 1, 2027,
99.10 a tax is imposed on all public charging station operators for electricity sold as vehicle fuel
99.11 at a public charging station at a rate of five cents per kilowatt hour of electricity.

99.12 (b) On or before the 23rd of each month, a person who is required to pay the tax imposed
99.13 under this section must file with the commissioner a report, in the form and manner prescribed
99.14 by the commissioner, showing the number of kilowatt hours of electricity sold as vehicle
99.15 fuel delivered during the preceding calendar month, and other information the commissioner
99.16 may require. The return must be accompanied by a remittance for the full unpaid tax liability
99.17 shown by the return. All remittances must be made by electronic means.

99.18 **Subd. 3. Requirement.** Any public charging station that first begins delivering electricity
99.19 sold as vehicle fuel on or after July 1, 2027, must be capable of imposing the cost of
99.20 electricity sold as vehicle fuel on a per-kilowatt-hour basis.

99.21 **Subd. 4. Deposit of revenues.** The commissioner must deposit the proceeds from the
99.22 tax imposed in this section in the highway user tax distribution fund.

99.23 **Subd. 5. Exemptions.** (a) A legacy charger is exempt from the tax imposed under this
99.24 section for electricity sold as vehicle fuel through December 31, 2031. On and after January
99.25 1, 2032, a legacy charger must be capable of imposing the cost of electricity sold as vehicle
99.26 fuel on a per-kilowatt-hour basis.

99.27 (b) The tax imposed under this section is not applicable to:

99.28 (1) electric vehicles charged at a private residence that uses electric power paid for by
99.29 the owner or occupant of the residence and that is supplied to the residence by an electric
99.30 utility;

99.31 (2) public charging stations with a charging capacity of less than 50 kilowatts; or

100.1 (3) public charging stations that do not require payment for the delivery of electricity
100.2 as vehicle fuel.

100.3 Sec. 77. Minnesota Statutes 2024, section 296A.19, is amended to read:

100.4 **296A.19 REQUIRED RECORDS.**

100.5 Subdivision 1. **Retention.** (a) All distributors, dealers, special fuel dealers, bulk
100.6 purchasers, dealers of aviation gasoline, and all users of special fuel ~~shall~~ must keep a true
100.7 and accurate record of all purchases, transfers, sales, and use of petroleum products and
100.8 special fuel, including copies of all sales tickets issued, in a form and manner approved by
100.9 the commissioner, and ~~shall~~ must retain all such records for 3-1/2 years.

100.10 (b) All public charging station operators must keep a true and accurate record of all
100.11 electricity sold as vehicle fuel to and from public charging stations, in a form and manner
100.12 approved by the commissioner, and must retain all such records for 3-1/2 years.

100.13 Subd. 2. **Accessibility.** (a) The books and records of all carriers of petroleum products,
100.14 distributors, dealers, and persons selling or using special fuel ~~shall~~ must be made accessible
100.15 to the commissioner or an authorized representative.

100.16 (b) The books and records of all public charging station operators, and the books and
100.17 records of the entity that supplied electricity sold as vehicle fuel by the public charging
100.18 station operator, must be made accessible to the commissioner or an authorized representative.

100.19 Subd. 3. **Examination.** (a) The commissioner ~~shall~~ must make periodic examinations
100.20 of all records kept by distributors, special fuel dealers, bulk purchasers, or other persons
100.21 selling or using gasoline or special fuel.

100.22 (b) The commissioner must make periodic examinations of all records kept by public
100.23 charging station operators that sell electricity as vehicle fuel through a public charging
100.24 station.

100.25 Sec. 78. Minnesota Statutes 2024, section 296A.22, subdivision 3, is amended to read:

100.26 Subd. 3. **Operating without license.** If any person operates as a distributor, special fuel
100.27 dealer, bulk purchaser, public charging station operator, or motor carrier without first
100.28 securing the license required under this chapter, any tax or fee imposed by this chapter shall
100.29 become immediately due and payable. A penalty of 25 percent is imposed upon the tax and
100.30 fee due. The tax and fees shall bear interest at the rate specified in section 270C.40. The
100.31 penalty imposed in this subdivision shall bear interest from the date provided in section
100.32 270C.40, subdivision 3, to the date of payment of the penalty.

101.1 Sec. 79. Minnesota Statutes 2024, section 297A.94, is amended to read:

101.2 **297A.94 DEPOSIT OF REVENUES.**

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

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

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

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

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

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

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

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

101.22 (d) Beginning with sales taxes remitted after July 1, 2017, the commissioner shall deposit
101.23 in the state treasury the revenues collected under section 297A.64, subdivision 1, including
101.24 interest and penalties and minus refunds, and credit them to the highway user tax distribution
101.25 fund.

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

101.31 (f) Beginning with sales taxes remitted after July 1, 2017, in conjunction with the deposit
101.32 of revenues under paragraph (d), the commissioner shall deposit into the state treasury and

102.1 credit to the highway user tax distribution fund an amount equal to the estimated revenues
102.2 derived from the tax rate imposed under section 297A.62, subdivision 1, on the lease or
102.3 rental for not more than 28 days of rental motor vehicles subject to section 297A.64. The
102.4 commissioner shall estimate the amount of sales tax revenue deposited under this paragraph
102.5 based on the amount of revenue deposited under paragraph (d).

102.6 (g) The commissioner must deposit the revenues derived from the taxes imposed under
102.7 section 297A.62, subdivision 1, on the sale and purchase of motor vehicle repair and
102.8 replacement parts in the state treasury and credit:

102.9 (1) ~~43.5 percent in each fiscal year~~ a percentage to the highway user tax distribution
102.10 fund; as follows:

102.11 (i) 43.5 percent in each of fiscal years 2024 and 2025;

102.12 (ii) 43 percent in fiscal year 2026;

102.13 (iii) 41 percent in fiscal year 2027;

102.14 (iv) 36 percent in fiscal year 2028;

102.15 (v) 30 percent in fiscal year 2029;

102.16 (vi) 36 percent in each of fiscal years 2030 to 2034;

102.17 (vii) 38.5 percent in fiscal year 2035;

102.18 (viii) 41 percent in fiscal year 2036; and

102.19 (ix) 43.5 percent in fiscal year 2037 and thereafter;

102.20 (2) a percentage to the transportation advancement account under section 174.49 as
102.21 follows:

102.22 (i) 3.5 percent in fiscal year 2024;

102.23 (ii) 4.5 percent in fiscal year 2025;

102.24 (iii) 5.5 percent in fiscal year 2026;

102.25 (iv) 7.5 percent in fiscal year 2027;

102.26 (v) 14.5 percent in fiscal year 2028;

102.27 (vi) 21.5 percent in fiscal year 2029;

102.28 (vii) 28.5 percent in fiscal year 2030;

102.29 (viii) 36.5 percent in fiscal year 2031;

103.1 (ix) 44.5 percent in fiscal year 2032; and

103.2 (x) 56.5 percent in fiscal year 2033 and thereafter; and

103.3 (3) the remainder in each fiscal year to the general fund.

103.4 For purposes of this paragraph, "motor vehicle" has the meaning given in section 297B.01,
103.5 subdivision 11, and "motor vehicle repair and replacement parts" includes (i) all parts, tires,
103.6 accessories, and equipment incorporated into or affixed to the motor vehicle as part of the
103.7 motor vehicle maintenance and repair, and (ii) paint, oil, and other fluids that remain on or
103.8 in the motor vehicle as part of the motor vehicle maintenance or repair. For purposes of this
103.9 paragraph, "tire" means any tire of the type used on highway vehicles, if wholly or partially
103.10 made of rubber and if marked according to federal regulations for highway use.

103.11 (h) 81.56 percent of the revenues, including interest and penalties, transmitted to the
103.12 commissioner under section 297A.65, must be deposited by the commissioner in the state
103.13 treasury as follows:

103.14 (1) 47.5 percent of the receipts must be deposited in the heritage enhancement account
103.15 in the game and fish fund, and may be spent only on activities that improve, enhance, or
103.16 protect fish and wildlife resources, including conservation, restoration, and enhancement
103.17 of land, water, and other natural resources of the state;

103.18 (2) 22.5 percent of the receipts must be deposited in the natural resources fund, and may
103.19 be spent only for state parks and trails;

103.20 (3) 22.5 percent of the receipts must be deposited in the natural resources fund, and may
103.21 be spent only on metropolitan park and trail grants;

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

103.24 (5) two percent of the receipts must be deposited in the natural resources fund, and may
103.25 be spent only for the Minnesota Zoological Garden, the Como Park Zoo and Conservatory,
103.26 and the Duluth Zoo; and

103.27 (6) 2.5 percent of the receipts must be deposited in the pollinator account established in
103.28 section 103B.101, subdivision 19.

103.29 (i) 1.5 percent of the revenues, including interest and penalties, transmitted to the
103.30 commissioner under section 297A.65 must be deposited in a regional parks and trails account
103.31 in the natural resources fund and may only be spent for parks and trails of regional
103.32 significance outside of the seven-county metropolitan area under section 85.535, based on

104.1 recommendations from the Greater Minnesota Regional Parks and Trails Commission under
104.2 section 85.536.

104.3 (j) 1.5 percent of the revenues, including interest and penalties, transmitted to the
104.4 commissioner under section 297A.65 must be deposited in an outdoor recreational
104.5 opportunities for underserved communities account in the natural resources fund and may
104.6 only be spent on projects and activities that connect diverse and underserved Minnesotans
104.7 through expanding cultural environmental experiences, exploration of their environment,
104.8 and outdoor recreational activities.

104.9 (k) The revenue dedicated under paragraph (h) may not be used as a substitute for
104.10 traditional sources of funding for the purposes specified, but the dedicated revenue shall
104.11 supplement traditional sources of funding for those purposes. Land acquired with money
104.12 deposited in the game and fish fund under paragraph (h) must be open to public hunting
104.13 and fishing during the open season, except that in aquatic management areas or on lands
104.14 where angling easements have been acquired, fishing may be prohibited during certain times
104.15 of the year and hunting may be prohibited. At least 87 percent of the money deposited in
104.16 the game and fish fund for improvement, enhancement, or protection of fish and wildlife
104.17 resources under paragraph (h) must be allocated for field operations.

104.18 (l) The commissioner must deposit the revenues, including interest and penalties minus
104.19 any refunds, derived from the sale of items regulated under section 624.20, subdivision 1,
104.20 that may be sold to persons 18 years old or older and that are not prohibited from use by
104.21 the general public under section 624.21, in the state treasury and credit:

104.22 (1) 25 percent to the volunteer fire assistance grant account established under section
104.23 88.068;

104.24 (2) 25 percent to the fire safety account established under section 297I.06, subdivision
104.25 3; and

104.26 (3) the remainder to the general fund.

104.27 For purposes of this paragraph, the percentage of total sales and use tax revenue derived
104.28 from the sale of items regulated under section 624.20, subdivision 1, that are allowed to be
104.29 sold to persons 18 years old or older and are not prohibited from use by the general public
104.30 under section 624.21, is a set percentage of the total sales and use tax revenues collected in
104.31 the state, with the percentage determined under Laws 2017, First Special Session chapter
104.32 1, article 3, section 39.

105.1 (m) The revenues deposited under paragraphs (a) to (l) do not include the revenues,
105.2 including interest and penalties, generated by the sales tax imposed under section 297A.62,
105.3 subdivision 1a, which must be deposited as provided under the Minnesota Constitution,
105.4 article XI, section 15.

105.5 Sec. 80. Minnesota Statutes 2024, section 297A.9915, subdivision 1, is amended to read:

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

105.8 (b) "Metropolitan area" and "metropolitan counties" means the counties of Anoka,
105.9 Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

105.10 (c) "Metropolitan Council" or "council" means the Metropolitan Council established by
105.11 section 473.123.

105.12 (d) "Regional transportation sales tax" means the regional transportation sales and use
105.13 tax imposed under this section.

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

105.17 Sec. 81. Minnesota Statutes 2024, section 297A.9915, subdivision 4, is amended to read:

105.18 Subd. 4. **Deposit Distribution.** (a) Proceeds of the regional transportation sales tax must
105.19 be allocated as follows:

105.20 (1) 83 percent to the Metropolitan Council for the purposes specified under section
105.21 473.4465, subdivisions 2 and 3, subject to section 473.39, subdivision 3a; and

105.22 (2) 17 percent to metropolitan counties, ~~as defined in section 174.49, subdivision 1, in~~
105.23 ~~the manner provided under section 174.49, subdivision 5~~ for the purposes specified under
105.24 section 473.4465, subdivision 4.

105.25 (b) Funds under paragraph (a), clause (2), are appropriated to the commissioner of
105.26 transportation for distribution to metropolitan counties as provided under section 174.49,
105.27 subdivision 5.

105.28 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following
105.29 final enactment for sales and purchases made on or after July 1, 2025, and applies in the
105.30 counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 82. Minnesota Statutes 2024, section 297A.993, subdivision 2a, is amended to read:

Subd. 2a. **Uses reporting.** ~~By February 15 of each even-numbered year,~~ A metropolitan county, as defined in section 473.121, subdivision 4, that imposes the taxes under this section must annually submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance financial information to the commissioner of transportation as provided under section 174.065 in the manner and by the dates prescribed by the commissioner.

~~At a minimum, the report must include:~~

~~(1) actual transportation sales tax collections by the county over the previous five calendar years;~~

~~(2) an estimation of the total sales tax revenue that is estimated to be collected by the county in the current year and for the next ten calendar years; and~~

~~(3) for each of the previous five calendar years, the current calendar year, and for the next ten calendar years:~~

~~(i) the amount of sales tax revenue expended or proposed to be expended for each of the following:~~

~~(A) planning, construction, operation, or maintenance of guideways, as defined in section 473.4485, subdivision 1, paragraph (d);~~

~~(B) nonguideway transit and active transportation uses;~~

~~(C) highway uses; and~~

~~(D) uses not otherwise specified in subitems (A) to (C);~~

~~(ii) completed, current, planned, and eligible projects for each category under item (i); and~~

~~(iii) an estimated balance of unspent or undesignated county sales tax revenue.~~

Sec. 83. Minnesota Statutes 2024, section 299A.55, subdivision 2, is amended to read:

Subd. 2. **Railroad and pipeline safety account.** (a) A railroad and pipeline safety account is created in the special revenue fund. The account consists of funds collected under subdivision 4 and funds donated, allotted, transferred, or otherwise provided to the account.

~~(b) \$560,000 is annually appropriated from the railroad and pipeline safety account to the commissioner of the Pollution Control Agency for environmental protection activities related to railroad discharge preparedness under chapter 115E.~~

~~(e) \$750,000 in fiscal year 2024 and \$1,500,000 in each subsequent fiscal year are transferred from the railroad and pipeline safety account to the grade crossing safety account under section 219.1651.~~

~~(d) Following the appropriation in paragraph (b) and the transfer in paragraph (e), the remaining money in the account is annually appropriated to the commissioner of public safety for the purposes specified in subdivision 3.~~

~~(e) (b)~~ By January 15, 2026, the commissioner of public safety must submit a report on the railroad and pipeline safety account to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance. The report must list detailed revenues to and expenditures from the account for the previous two fiscal years and must include information on the purpose of each expenditure.

~~(f) (c)~~ If the balance of the account at the end of a fiscal biennium is greater than \$2,000,000, the amount above \$2,000,000 must be transferred to the grade crossing safety account under section 219.1651.

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

Sec. 84. Minnesota Statutes 2024, section 299A.55, subdivision 4, is amended to read:

Subd. 4. **Assessments.** (a) The commissioner of public safety must annually assess ~~\$4,000,000~~ \$3,418,000 to railroad and pipeline companies based on the formula specified in paragraph (b). ~~The commissioner must deposit funds collected under this subdivision in the railroad and pipeline safety account under subdivision 2.~~

~~(b) The assessment for each railroad is 70 percent of the total annual assessment amount, divided in equal proportion between among applicable rail carriers based on route miles operated in Minnesota. The assessment for each pipeline company is 30 percent of the total annual assessment amount~~ Of the amount collected annually under this paragraph:

(1) \$560,000 is deposited in the railroad and pipeline safety account and appropriated to the commissioner of the Pollution Control Agency for environmental protection activities related to railroad discharge preparedness under chapter 115E;

(2) \$1,500,000 is deposited in the grade crossing safety account under section 219.1651; and

(3) the remainder is deposited in the railroad and pipeline safety account and appropriated to the commissioner of public safety for the purposes specified in subdivision 3.

108.1 (b) The commissioner of public safety must annually assess \$582,000 to pipeline
108.2 companies, divided in equal proportion ~~between~~ among companies based on the yearly
108.3 aggregate gallons of oil and other hazardous substances transported by pipeline in Minnesota.
108.4 Money collected under this paragraph is deposited in the railroad and pipeline safety account
108.5 and appropriated to the commissioner of public safety for the purposes specified in
108.6 subdivision 3.

108.7 (c) In addition to the ~~amount~~ amounts identified in ~~paragraph~~ paragraphs (a) and (b),
108.8 the commissioner must assess the rail carrier or pipeline company involved in an incident
108.9 compelling a significant response for all postincident review and analysis costs under
108.10 subdivision 5 incurred by the state and local units of government. This paragraph applies
108.11 regardless of whether an assessment is imposed under paragraph (a) or (b) in a fiscal year.

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

108.13 Sec. 85. Minnesota Statutes 2024, section 360.511, is amended by adding a subdivision
108.14 to read:

108.15 Subd. 22a. **Coordinated unmanned aircraft event.** "Coordinated unmanned aircraft
108.16 event" means a one-day event involving a group of small unmanned aircraft systems that
108.17 fly together as a unified and coordinated entity to accomplish a shared entertainment
108.18 objective, which may include but is not limited to choreographed flight patterns, synchronized
108.19 lighting, and music for visual displays.

108.20 Sec. 86. Minnesota Statutes 2024, section 360.511, is amended by adding a subdivision
108.21 to read:

108.22 Subd. 23a. **Electronic attestation.** "Electronic attestation" means a statement of fact or
108.23 confirmation, submitted by the owner in digital form, regarding the ownership and status
108.24 of an aircraft, including a small unmanned aircraft system, and its compliance with applicable
108.25 regulations.

108.26 **EFFECTIVE DATE.** This section is effective August 1, 2025.

108.27 Sec. 87. Minnesota Statutes 2024, section 360.55, subdivision 4, is amended to read:

108.28 Subd. 4. **Collector's aircraft.** (a) For purposes of this subdivision:

108.29 (1) "antique aircraft" means an aircraft constructed by the original manufacturer, or its
108.30 licensee, on or before December 31, 1945, with the exception of certain pre-World War II

109.1 aircraft models that had only a small postwar production, such as Beechcraft Staggerwing,
109.2 Fairchild 24, and Monocoupe; and

109.3 (2) "classic aircraft" means an aircraft constructed by the original manufacturer, or its
109.4 licensee, on or after January 1, 1946, and has a first year of life that precedes the date of
109.5 registration by at least 50 years.

109.6 (b) If an antique or classic aircraft is owned and operated solely as a collector's item, its
109.7 owner ~~may~~ must list it for taxation and registration ~~as follows~~ and execute an electronic
109.8 attestation or sworn affidavit stating: A sworn affidavit must be executed stating

109.9 (1) the name and address of the owner;₂

109.10 (2) the name and address of the ~~person from whom purchased,~~ seller;

109.11 (3) the aircraft's make, year, model number, federal aircraft registration number, and
109.12 manufacturer's identification number;₂ and

109.13 (4) that the aircraft is owned and operated solely as a collector's item and not for general
109.14 transportation or commercial operations purposes.

109.15 The electronic attestation or sworn affidavit must be ~~filed with~~ submitted to the commissioner
109.16 along with a fee of \$25.

109.17 (c) Upon satisfaction that the electronic attestation or sworn affidavit is true and correct,
109.18 the commissioner ~~shall~~ must issue ~~to the applicant~~ a registration certificate to the applicant.
109.19 The registration certificate is valid without renewal as long as the owner operates the aircraft
109.20 solely as a collector's item.

109.21 (d) ~~Should~~ If an antique or classic aircraft ~~be~~ is operated other than as a collector's item,
109.22 the registration certificate becomes void and the owner ~~shall~~ must list the aircraft for taxation
109.23 and registration ~~in accordance with the other provisions of~~ under sections 360.511 to 360.67.

109.24 (e) Upon the sale of an antique or classic aircraft, the new owner must list the aircraft
109.25 for taxation and registration in accordance with this subdivision, including the payment of
109.26 a \$5 fee to transfer the registration to the new owner, ~~or the other provisions of~~ under sections
109.27 360.511 to 360.67, whichever is applicable.

109.28 **EFFECTIVE DATE.** This section is effective August 1, 2025.

109.29 Sec. 88. Minnesota Statutes 2024, section 360.55, subdivision 4a, is amended to read:

109.30 Subd. 4a. **Recreational aircraft; classic license.** (a) An aircraft that has a base price
109.31 for tax purposes under section 360.531 of \$10,000 or less, and ~~that~~ is owned and operated

110.1 solely for recreational purposes; may be listed for taxation and registration by executing a
110.2 an electronic attestation or sworn affidavit stating:

110.3 (1) the name and address of the owner;

110.4 (2) the name and address of the ~~person from whom purchased~~, seller;

110.5 (3) the aircraft's make, year, model number, federal aircraft registration number, and
110.6 manufacturer's identification number; and

110.7 (4) that the aircraft is owned and operated solely as a recreational aircraft and not for
110.8 commercial operational purposes.

110.9 The electronic attestation or sworn affidavit must be ~~filed with~~ submitted to the commissioner
110.10 along with an annual \$25 fee.

110.11 (b) ~~On being satisfied~~ Upon satisfaction that the electronic attestation or sworn affidavit
110.12 is true and correct, the commissioner ~~shall~~ must issue ~~to the applicant~~ a registration certificate
110.13 to the applicant.

110.14 (c) ~~Should~~ If the aircraft ~~be~~ is operated other than as a recreational aircraft, the owner
110.15 ~~shall~~ must list the aircraft for taxation and registration and pay the appropriate registration
110.16 fee under sections 360.511 to 360.67.

110.17 (d) If the aircraft is sold, the new owner ~~shall~~ must list the aircraft for taxation and
110.18 registration under this subdivision, including the payment of the annual \$25 fee, or under
110.19 sections 360.511 to 360.67, whichever is applicable.

110.20 **EFFECTIVE DATE.** This section is effective August 1, 2025.

110.21 Sec. 89. Minnesota Statutes 2024, section 360.55, subdivision 8, is amended to read:

110.22 Subd. 8. **Agricultural aircraft.** Aircraft registered with the Federal Aviation
110.23 Administration as restricted category aircraft used for agricultural purposes must be listed
110.24 for taxation and registration ~~upon filing by the owner a sworn affidavit with.~~ The owner
110.25 must execute and submit an annual electronic attestation or sworn affidavit to the
110.26 commissioner. The electronic attestation or sworn affidavit must state:

110.27 (1) the name and address of the owner;

110.28 (2) the name and address of the ~~person from whom purchased~~ seller;

110.29 (3) the aircraft's make, year, model number, federal registration number, and
110.30 manufacturer's identification number; and

110.31 (4) that the aircraft is owned and operated solely for agricultural operations and purposes.

111.1 The owner ~~shall file the~~ must submit an electronic attestation or a sworn affidavit to the
111.2 commissioner and pay an annual fee established under sections 360.511 to 360.67, which
111.3 must not exceed \$500. ~~Should~~ If the aircraft ~~be~~ is operated other than for agricultural
111.4 purposes, the owner ~~shall~~ must list the aircraft for taxation and registration under sections
111.5 360.511 to 360.67. If the aircraft is sold, the new owner ~~shall~~ must list the aircraft for taxation
111.6 and registration under this subdivision or under sections 360.511 to 360.67, as applicable.

111.7 **EFFECTIVE DATE.** This section is effective August 1, 2025.

111.8 Sec. 90. Minnesota Statutes 2024, section 360.55, is amended by adding a subdivision to
111.9 read:

111.10 **Subd. 10. Coordinated unmanned aircraft system fleets.** (a) An operator planning to
111.11 conduct a coordinated unmanned aircraft event must register the fleet of small unmanned
111.12 aircraft systems at least 15 days before the event. Registration under this subdivision must
111.13 be in the manner specified by the commissioner.

111.14 (b) The registration must include:

111.15 (1) the name and contact information of the event organizer;

111.16 (2) the date, time, and location of the event;

111.17 (3) the number of small unmanned aircraft systems to be used;

111.18 (4) proof of liability insurance for the small unmanned aircraft systems;

111.19 (5) a copy of the operator's small unmanned aircraft system pilot's license; and

111.20 (6) a copy of the commercial operator's license.

111.21 (c) A daily registration fee of \$2 per small unmanned aircraft system used in the fleet
111.22 applies to fleets registered under this subdivision. The fee is in lieu of the registration fee
111.23 in subdivision 9. A fleet registered under this subdivision is exempt from the aircraft
111.24 registration tax under sections 360.511 to 360.67.

111.25 Sec. 91. Minnesota Statutes 2024, section 398A.04, is amended by adding a subdivision
111.26 to read:

111.27 **Subd. 12. Financial information.** An authority associated with a metropolitan county,
111.28 as defined in section 473.121, subdivision 4, must annually submit financial information to
111.29 the commissioner of transportation as provided under section 174.065 in the manner and
111.30 by the dates prescribed by the commissioner.

112.1 Sec. 92. Minnesota Statutes 2024, section 473.129, is amended by adding a subdivision
112.2 to read:

112.3 Subd. 13. **Direct negotiation.** Notwithstanding section 471.345, if the estimated total
112.4 contractual obligation of the council for a directly negotiated contract or contracts for
112.5 construction work or maintenance work on any single project does not exceed the amount
112.6 in section 161.32, subdivision 2, the council may enter into a contract by direct negotiation
112.7 by obtaining two or more quotations for the work without advertising for bids or otherwise
112.8 complying with the requirements of competitive bidding.

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

112.12 Sec. 93. Minnesota Statutes 2024, section 473.13, subdivision 1, is amended to read:

112.13 Subdivision 1. **Budget.** (a) On or before December 20 of each year, the council shall
112.14 adopt a final budget covering its anticipated receipts and disbursements for the ensuing year
112.15 and shall decide upon the total amount necessary to be raised from ad valorem tax levies
112.16 to meet its budget. The budget shall state in detail the expenditures for each program to be
112.17 undertaken, including the expenses for salaries, consultant services, overhead, travel, printing,
112.18 and other items. The budget shall state in detail the capital expenditures of the council for
112.19 the budget year, based on a five-year capital program adopted by the council and transmitted
112.20 to the legislature. After adoption of the budget and no later than five working days after
112.21 December 20, the council shall certify to the auditor of each metropolitan county the share
112.22 of the tax to be levied within that county, which must be an amount bearing the same
112.23 proportion to the total levy agreed on by the council as the net tax capacity of the county
112.24 bears to the net tax capacity of the metropolitan area. The maximum amount of any levy
112.25 made for the purpose of this chapter may not exceed the limits set by the statute authorizing
112.26 the levy.

112.27 ~~(b) Each even-numbered year the council shall prepare for its transit programs a financial~~
112.28 ~~plan for the succeeding three calendar years, in half-year segments. The financial plan must~~
112.29 ~~contain schedules of user charges and any changes in user charges planned or anticipated~~
112.30 ~~by the council during the period of the plan. The financial plan must contain a proposed~~
112.31 ~~request for state financial assistance for the succeeding biennium.~~

112.32 ~~(e)~~ (b) In addition, the budget must show for each year:

113.1 (1) the estimated operating revenues from all sources including funds on hand at the
113.2 beginning of the year, and estimated expenditures for costs of operation, administration,
113.3 maintenance, and debt service;

113.4 (2) capital improvement funds estimated to be on hand at the beginning of the year and
113.5 estimated to be received during the year from all sources and estimated cost of capital
113.6 improvements to be paid out or expended during the year, all in such detail and form as the
113.7 council may prescribe; and

113.8 (3) the estimated source and use of pass-through funds.

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

113.12 Sec. 94. Minnesota Statutes 2024, section 473.13, subdivision 6, is amended to read:

113.13 Subd. 6. **Transportation financial review.** (a) Annually by January 15, the council
113.14 must submit a financial review that details revenue and expenditures for the transportation
113.15 components under the council's budget, as specified in paragraph (c). A financial review
113.16 submitted under this paragraph must provide the information using state fiscal years.

113.17 (b) Annually by the earlier of the accounting close of a budget year or August 15, the
113.18 council must submit a financial review update that provides the following for the most
113.19 recent completed budget year: actual revenues; expenditures; transfers; reserves; balances;
113.20 and a comparison between the budgeted and actual amounts. A financial review update
113.21 under this paragraph must include the information specified in paragraph (d).

113.22 (c) At a minimum, a financial review must identify:

113.23 (1) the actual revenues, expenditures, transfers, reserves, and balances in each of the
113.24 previous four years;

113.25 (2) budgeted and forecasted revenues, expenditures, transfers, reserves, and balances in
113.26 the current year and each year within the state forecast period;

113.27 (3) for the most recent completed year, a comparison between the budgeted and actual
113.28 amounts under clause (1); and

113.29 (4) for the most recent completed year, fund balances for each replacement service
113.30 provider under section 473.388. By December 15 each year, each replacement service
113.31 provider under section 473.388 must report to the council the provider's projected total

114.1 operating expenditures and projected operating reserve fund balance as of the previous
114.2 December 31.

114.3 (d) The information under paragraph (c), clauses (1) to (3), must include:

114.4 (1) a breakdown by each transportation funding source identified by the council, including
114.5 but not limited to legislative appropriations; federal funds; fare collections; property tax;
114.6 and sales tax, including sales tax used for active transportation under section 473.4465,
114.7 subdivision 2, paragraph (a), clause (1);

114.8 (2) a breakdown by each transportation operating budget category established by the
114.9 council, including but not limited to bus, light rail transit, commuter rail, planning, special
114.10 transportation service under section 473.386, and assistance to replacement service providers
114.11 under section 473.388; and

114.12 (3) data for operations, capital maintenance, and transit capital.

114.13 (e) A financial review under paragraph (a) or (b) must provide information or a
114.14 methodology sufficient to establish a conversion between state fiscal years and budget years,
114.15 summarize reserve policies, identify the methodology for cost allocation, and describe
114.16 revenue assumptions and variables affecting the assumptions.

114.17 (f) The council must submit each financial review to the chairs and ranking minority
114.18 members of the legislative committees and divisions with jurisdiction over transportation
114.19 policy and finance and to the commissioner of management and budget.

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

114.23 Sec. 95. Minnesota Statutes 2024, section 473.142, is amended to read:

114.24 **473.142 SMALL BUSINESSES.**

114.25 (a) The Metropolitan Council and agencies specified in section 473.143, subdivision 1,
114.26 may award ~~up to a six percent preference in the amount bid~~ up to the percentage under
114.27 section 16C.16, subdivision 6, paragraph (a), for specified goods or services to small targeted
114.28 group businesses and veteran-owned small businesses designated under section 16C.16.
114.29 The council and each agency specified in section 473.143, subdivision 1, may award a
114.30 preference up to the percentage under section 161.321, subdivision 2, paragraph (a), in the
114.31 amount bid for specified construction work to small targeted group businesses and
114.32 veteran-owned small businesses designated under section 16C.16.

115.1 (b) The council and each agency specified in section 473.143, subdivision 1, may
115.2 designate a ~~purchase of~~ contract for construction, goods, or services for award only to small
115.3 targeted group businesses designated under section 16C.16 if the council or agency
115.4 determines that at least three small targeted group businesses are likely to ~~bid~~ respond to a
115.5 solicitation. The council and each agency specified in section 473.143, subdivision 1, may
115.6 designate a ~~purchase of~~ contract for construction, goods, or services for award only to
115.7 veteran-owned small businesses designated under section 16C.16 if the council or agency
115.8 determines that at least three veteran-owned small businesses are likely to ~~bid~~ respond to a
115.9 solicitation.

115.10 (c) The council and each agency specified in section 473.143, subdivision 1, as a condition
115.11 of awarding a ~~construction contract~~ or approving a contract for ~~consultant, professional, or~~
115.12 ~~technical services~~, may set goals that require the prime contractor to subcontract a portion
115.13 of the contract to small targeted group businesses and veteran-owned small businesses
115.14 designated under section 16C.16. The council or agency must establish a procedure for
115.15 granting waivers from the subcontracting requirement when qualified small targeted group
115.16 businesses and veteran-owned small businesses are not reasonably available. The council
115.17 or agency may establish financial incentives for prime contractors who exceed the goals
115.18 for use of subcontractors and financial penalties for prime contractors who fail to meet goals
115.19 under this paragraph. The subcontracting requirements of this paragraph do not apply to
115.20 prime contractors who are small targeted group businesses and veteran-owned small
115.21 businesses. At least 75 percent of the value of the subcontracts awarded to small targeted
115.22 group businesses under this paragraph must be performed by the business to which the
115.23 subcontract is awarded or by another small targeted group business. At least 75 percent of
115.24 the value of the subcontracts awarded to veteran-owned small businesses under this paragraph
115.25 must be performed by the business to which the subcontract is awarded or another
115.26 veteran-owned small business.

115.27 (d) The council and each agency listed in section 473.143, subdivision 1, ~~are encouraged~~
115.28 ~~to purchase from~~ may award a contract for construction, goods, or services directly to small
115.29 targeted group businesses and or veteran-owned small businesses designated under section
115.30 16C.16 when making purchases that are not subject to competitive bidding procedures, up
115.31 to a total contract award value, including extension options, of the amount specified in
115.32 section 16C.16, subdivision 6, paragraph (b), without completing a competitive solicitation
115.33 process.

115.34 (e) The council and each agency may adopt rules to implement this section.

116.1 (f) Each council or agency contract must require the prime contractor to pay any
116.2 subcontractor within ten days of the prime contractor's receipt of payment from the council
116.3 or agency for undisputed services provided by the subcontractor. The contract must require
116.4 the prime contractor to pay interest of 1-1/2 percent per month or any part of a month to
116.5 the subcontractor on any undisputed amount not paid on time to the subcontractor. The
116.6 minimum monthly interest penalty payment for an unpaid balance of \$100 or more is \$10.
116.7 For an unpaid balance of less than \$100, the prime contractor ~~shall~~ must pay the actual
116.8 penalty due to the subcontractor. A subcontractor who prevails in a civil action to collect
116.9 interest penalties from a prime contractor must be awarded its costs and disbursements,
116.10 including attorney fees, incurred in bringing the action.

116.11 (g) This section does not apply to procurement financed in whole or in part with federal
116.12 funds if the procurement is subject to federal disadvantaged, minority, or women business
116.13 enterprise regulations. The council and each agency ~~shall~~ must report to the commissioner
116.14 of administration on compliance with this section. The information must be reported at the
116.15 time and in the manner requested by the commissioner.

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

116.19 Sec. 96. Minnesota Statutes 2024, section 473.1425, is amended to read:

116.20 **473.1425 WORKING CAPITAL FUND.**

116.21 The Metropolitan Council or a metropolitan agency defined in section 473.121,
116.22 subdivision 5a, to the extent allowed by other law or contract, may grant available money
116.23 that has been appropriated for socially or economically disadvantaged business programs
116.24 to a guaranty fund administered by a nonprofit organization that makes or guarantees working
116.25 capital loans to businesses owned and operated by a socially or and economically
116.26 disadvantaged persons individual as defined in Code of Federal Regulations, title 49, section
116.27 ~~23.5~~ 26.5. The purpose of loans made or guaranteed by the organization must be to provide
116.28 short-term working capital to enable eligible businesses to ~~be awarded~~ participate in contracts
116.29 for goods and services or for construction related services from government agencies.

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

117.1 Sec. 97. Minnesota Statutes 2024, section 473.386, subdivision 10, is amended to read:

117.2 Subd. 10. **Forecasted funding.** (a) For purposes of this subdivision, "biennium" and
117.3 "fiscal year" have the meanings given in section 16A.011, subdivisions 6 and 14, respectively.

117.4 (b) In each February and November forecast of state revenues and expenditures under
117.5 section 16A.103, the commissioner of management and budget must incorporate a state
117.6 obligation from the general fund for the annual net costs to the council to implement the
117.7 special transportation service under this section. Notwithstanding section 16A.11, subdivision
117.8 3, the appropriation base in each fiscal year of the upcoming biennium is as determined in
117.9 this subdivision.

117.10 (c) The commissioner must determine net costs under paragraph (b) as:

117.11 (1) the amount necessary to:

117.12 (i) maintain service levels accounting for expected demand, including service area, hours
117.13 of service, ride scheduling requirements, and fares per council policy;

117.14 (ii) maintain the general existing condition of the special transportation service bus fleet,
117.15 including bus maintenance and replacement; and

117.16 (iii) meet the requirements of this section; plus

117.17 (2) the amount of forecast adjustments, as determined by the commissioner of
117.18 management and budget in consultation with the council, necessary to match (i) actual
117.19 special transportation service program costs in the prior fiscal year, and (ii) adjusted program
117.20 costs forecasted for the second year of the current biennium, for a forecast prepared in the
117.21 first year of the biennium; less

117.22 (3) funds identified for the special transportation service from nonstate sources.

117.23 (d) In conjunction with each February and November forecast, the council must submit
117.24 a financial review of the special transportation service to the chairs and ranking minority
117.25 members of the legislative committees with jurisdiction over transportation policy and
117.26 finance and to the commissioner of management and budget. At a minimum, the financial
117.27 review must include:

117.28 (1) a summary of special transportation service sources of funds ~~and expenditures for~~
117.29 ~~the prior two fiscal years and~~ each fiscal year of the forecast period, which must include:

117.30 (i) a breakout by expenditures categories; and

117.31 (ii) information that is sufficient to identify a conversion between state fiscal years and
117.32 the fiscal years of the council;

(2) details on cost assumptions used in the forecast;

(3) information on ridership and farebox recovery rates for the prior two fiscal years and each fiscal year of the forecast period;

(4) identification of the amount of appropriations necessary for any forecast adjustments as identified under paragraph (c), clause (2); and

(5) information as prescribed by the commissioner.

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

Sec. 98. Minnesota Statutes 2024, section 473.39, is amended by adding a subdivision to read:

Subd. 1y. Obligations. In addition to other authority in this section, the council may issue certificates of indebtedness, bonds, or other obligations under this section in an amount not exceeding \$110,800,000 for capital expenditures as prescribed in the council's transit capital improvement program and for related costs, including the costs of issuance and sale of the obligations. Of this authorization, after July 1, 2025, the council may issue certificates of indebtedness, bonds, or other obligations in an amount not exceeding \$54,600,000, and after July 1, 2026, the council may issue certificates of indebtedness, bonds, or other obligations in an additional amount not exceeding \$56,200,000.

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

Sec. 99. Minnesota Statutes 2024, section 473.39, is amended by adding a subdivision to read:

Subd. 3a. General fund impacts. (a) No later than June 30, 2026, and on June 30 of each subsequent year, the commissioner of revenue must estimate the total reduction of funds in the state general fund in the following fiscal year as a result of the increase in the council's debt service levy as a result of the authorization under subdivision 1y. The estimate must include but is not limited to the effect of the levy on the state's property tax refund programs and individual income tax collections.

(b) Beginning in fiscal year 2027, from the allocation otherwise specified under section 297A.9915, subdivision 4, paragraph (a), clause (1), the commissioner of revenue must

119.1 annually retain the amount estimated under paragraph (a) for the current fiscal year and
119.2 deposit that amount in the general fund.

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

119.6 Sec. 100. Minnesota Statutes 2024, section 473.39, subdivision 6, is amended to read:

119.7 Subd. 6. **Limitation; light rail transit.** The council is prohibited from expending any
119.8 proceeds from certificates of indebtedness, bonds, or other obligations under subdivisions
119.9 1u, 1w, ~~and 1x,~~ and 1y for project development, land acquisition, or construction to (1)
119.10 establish a light rail transit line; or (2) expand a light rail transit line, including by extending
119.11 a line or adding additional stops.

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

119.15 Sec. 101. Minnesota Statutes 2024, section 473.408, is amended by adding a subdivision
119.16 to read:

119.17 Subd. 11. **Transit service for certified disabled riders.** (a) The council must provide
119.18 regular route transit, as defined in section 473.385, subdivision 1, free of charge to an
119.19 individual who is:

119.20 (1) certified as disabled under the Americans with Disabilities Act requirements of the
119.21 Federal Transit Administration; or

119.22 (2) certified by the council under section 473.386, subdivision 2a.

119.23 (b) The requirements under this subdivision apply to operators of regular route transit
119.24 receiving financial assistance under section 473.388 or operating under section 473.405,
119.25 subdivision 12.

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

119.29 Sec. 102. Minnesota Statutes 2024, section 473.412, subdivision 3, is amended to read:

119.30 Subd. 3. **Report required; cleaning standards and expenditures.** (a) ~~By October 1,~~
119.31 ~~2024, and every year thereafter,~~ Annually by February 15, the Metropolitan Council must

120.1 report to the chairs and ranking minority members of the legislative committees with
120.2 jurisdiction over transit policy and finance on transit cleanliness and the ridership experience.

120.3 (b) The report under paragraph (a) must provide information on the council's cleanliness
120.4 standards required under subdivision 2, including whether the council adopted new
120.5 cleanliness standards or revisions to current cleanliness standards. A report prepared under
120.6 this subdivision must include information gathered from the required public feedback on
120.7 cleanliness and rider experience required in subdivision 2, paragraph (b). The council must
120.8 consider and recommend revisions to cleanliness standards based on the collection of public
120.9 feedback and must summarize feedback received by the council in the report.

120.10 (c) A report submitted under this subdivision must include:

120.11 (1) the total expenditures for cleaning and repairing transit stations and transit vehicles;

120.12 (2) the frequency, type, and location of repairs;

120.13 (3) whether specific transit stations needed a higher proportion of cleaning or repairs
120.14 and detail the council's strategy to resolve identified and persistent concerns at those
120.15 locations;

120.16 (4) recommendations to address workforce challenges for the implementation and
120.17 maintenance of cleanliness and repair standards adopted by the council, including whether
120.18 the council maintained agreements with third-party services for cleaning and repair; and

120.19 (5) whether the council has adopted preventative measures against vandalism or graffiti;
120.20 and.

120.21 ~~(6) any recommendations for additions to the transit rider code of conduct under section~~
120.22 ~~473.4065 or the transit rider investment program under section 473.4075.~~

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

120.26 Sec. 103. Minnesota Statutes 2024, section 473.4465, subdivision 1, is amended to read:

120.27 Subdivision 1. **Definition.** For purposes of this section, "sales tax revenue" means ~~the~~
120.28 ~~portion of~~ revenue from the regional transportation sales and use tax under section 297A.9915
120.29 ~~that is allocated to the council for purposes of this section.~~

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

- 121.1 Sec. 104. Minnesota Statutes 2024, section 473.4465, subdivision 2, is amended to read:
- 121.2 Subd. 2. **Use of funds; Metropolitan Council.** (a) Sales tax revenue allocated to the
121.3 council under section 297A.9915, subdivision 4, paragraph (a), clause (1), is available as
121.4 follows:
- 121.5 (1) five percent for active transportation, as determined by the Transportation Advisory
121.6 Board under subdivision 3; and
- 121.7 (2) 95 percent for transit system purposes under sections 473.371 to 473.452, including
121.8 but not limited to operations, maintenance, and capital projects.
- 121.9 (b) The council must expend a portion of sales tax revenue under paragraph (a), clause
121.10 (2), in each of the following categories:
- 121.11 (1) improvements to regular route bus service levels;
- 121.12 (2) improvements related to transit safety, including additional transit officials, as defined
121.13 under section 473.4075;
- 121.14 (3) maintenance and improvements to bus accessibility at transit stops and transit centers;
- 121.15 (4) transit shelter replacement and improvements under section 473.41;
- 121.16 (5) planning and project development for expansion of arterial bus rapid transit lines;
- 121.17 (6) operations and capital maintenance of arterial bus rapid transit;
- 121.18 (7) planning and project development for expansion of highway bus rapid transit and
121.19 bus guideway lines;
- 121.20 (8) operations and capital maintenance of highway bus rapid transit and bus guideways;
- 121.21 (9) zero-emission bus procurement and associated costs in conformance with the
121.22 zero-emission and electric transit vehicle transition plan under section 473.3927;
- 121.23 (10) demand response microtransit service provided by the council;
- 121.24 (11) financial assistance to replacement service providers under section 473.388, to
121.25 provide for service, vehicle purchases, and capital investments related to demand response
121.26 microtransit service;
- 121.27 (12) financial assistance to political subdivisions and tax-exempt organizations under
121.28 section 501(c)(3) of the Internal Revenue Code for active transportation; and
- 121.29 (13) wage adjustments for Metro Transit hourly operations employees.

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

122.3 Sec. 105. Minnesota Statutes 2024, section 473.4465, is amended by adding a subdivision
122.4 to read:

122.5 Subd. 2a. **Use of funds; Metropolitan Council; loan authorizations and requirements;**
122.6 **coordinated corridor projects.** (a) For purposes of this subdivision and subdivision 2b,
122.7 the following terms have the meanings given:

122.8 (1) "corridor projects" means roadway improvements and trunk highway construction
122.9 and reconstruction in coordination with the following projects:

122.10 (i) the F Line bus rapid transit project in coordination with marked Trunk Highway 65,
122.11 also known as Central Avenue, and marked Trunk Highway 47, also known as University
122.12 Avenue; and

122.13 (ii) the Riverview Corridor, also known as the West 7th bus rapid transit project, in
122.14 coordination with marked Trunk Highway 5, also known as West 7th Street;

122.15 (2) "loan agreement" means the contractual and promissory agreement between the
122.16 Metropolitan Council and the Department of Transportation authorized under this subdivision;
122.17 and

122.18 (3) "project agreement" means the planned and final design of a corridor project.

122.19 (b) From the sales tax revenue allocated under subdivision 2, paragraph (a), clause (2),
122.20 and subject to the requirements of this subdivision and subdivision 2b, the council may
122.21 authorize up to two loans in an amount up to \$250,000,000 total to the Department of
122.22 Transportation to advance corridor projects to ensure the trunk highway's compatibility
122.23 with planned bus rapid transit investments along the route.

122.24 (c) A loan authorized under this section must be repaid in full by June 30, 2040, or ten
122.25 years after construction begins, whichever is later.

122.26 (d) Funds from any loan authorized under this subdivision may be used for the costs of
122.27 predesign, design, engineering, and environmental analysis. The council and the Department
122.28 of Transportation may use the loan funds for right-of-way acquisition and construction only
122.29 upon joint submission of a project agreement to the chairs and ranking minority members
122.30 of the legislative committees with jurisdiction over transportation finance and policy. A
122.31 project agreement must provide a proposed design analysis to ensure:

123.1 (1) the construction and reconstruction plan for the trunk highway is compatible with
123.2 future transit and roadway investments along the route; and

123.3 (2) safe and accessible facilities for all modes of travel along the entire corridor.

123.4 (e) At least 30 days prior to executing a loan agreement, the council must submit a copy
123.5 of the loan agreement to the chairs and ranking minority members of the legislative
123.6 committees with jurisdiction over transportation finance and policy.

123.7 (f) Authorization to enter into a loan agreement expires on June 30, 2030.

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

123.11 Sec. 106. Minnesota Statutes 2024, section 473.4465, is amended by adding a subdivision
123.12 to read:

123.13 **Subd. 2b. Repayment of funds from authorized loan.** (a) Funds repaid to the
123.14 Metropolitan Council from a loan authorized under subdivision 2a must only be used for
123.15 the purposes under subdivision 2, paragraph (a).

123.16 (b) A loan agreement, including repayment terms, cannot provide any financial benefit
123.17 to either entity and must be mutually agreed to by the council and the Department of
123.18 Transportation.

123.19 (c) Within 30 business days of receiving payment under a loan agreement under
123.20 subdivision 2a from the Department of Transportation, the council must provide notice to
123.21 the chairs and ranking minority members of the legislative committees with jurisdiction
123.22 over transportation finance and policy. The notice must include the amount repaid and the
123.23 remaining balance of an outstanding loan.

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

123.27 Sec. 107. Minnesota Statutes 2024, section 473.4465, subdivision 4, is amended to read:

123.28 **Subd. 4. Use of funds; metropolitan counties; reporting.** ~~(a) A metropolitan county~~
123.29 ~~must use sales tax revenue from the regional transportation sales and use tax under section~~
123.30 ~~297A.9915~~ in conformance with the requirements under section 174.49, subdivision 6.

124.1 ~~(b) By February 15 of each even-numbered year, a metropolitan county must submit a~~
124.2 ~~report to the chairs and ranking minority members of the legislative committees with~~
124.3 ~~jurisdiction over transportation policy and finance on the use of funds received under section~~
124.4 ~~297A.9915. This report must be submitted in conjunction with the report required under~~
124.5 ~~section 297A.993, subdivision 2a. At a minimum, the report must include:~~

124.6 ~~(1) actual sales tax collections allocated to the county over the previous five calendar~~
124.7 ~~years;~~

124.8 ~~(2) an estimation of the total sales tax revenue that is estimated to be allocated to the~~
124.9 ~~county in the current year and for the next ten calendar years; and~~

124.10 ~~(3) for each of the previous five calendar years, the current calendar year, and for the~~
124.11 ~~next ten calendar years:~~

124.12 ~~(i) the amount of sales tax revenue expended or proposed to be expended for each of~~
124.13 ~~the allowable uses under section 174.49, subdivision 6;~~

124.14 ~~(ii) completed, current, planned, and eligible projects or programs for each category~~
124.15 ~~under item (i); and~~

124.16 ~~(iii) an estimated balance of unspent or undesignated regional transportation sales and~~
124.17 ~~use tax revenue.~~

124.18 Sec. 108. Laws 2023, chapter 68, article 4, section 109, is amended to read:

124.19 Sec. 109. **TRAFFIC SAFETY VIOLATIONS DISPOSITION ANALYSIS.**

124.20 (a) The commissioner of public safety must enter into an agreement with the Center for
124.21 Transportation Studies at the University of Minnesota to conduct an evaluation of the
124.22 disposition in recent years of citations for speeding, impairment, distraction, and seatbelt
124.23 violations. The evaluation under the agreement must include but is not limited to analysis
124.24 of:

124.25 (1) rates of citations issued compared to rates of citations contested in court and the
124.26 outcomes of the cases;

124.27 (2) amounts of fines imposed compared to counts and amounts of fine payments; and

124.28 (3) any related changes in patterns of traffic enforcement from 2017 to 2022.

124.29 (b) The agreement must require the Center for Transportation Studies to submit an
124.30 interim progress report by July 1, 2024, and a final report by ~~July 1, 2025~~ January 15, 2026,

125.1 to the commissioner and the chairs and ranking minority members of the legislative
125.2 committees with jurisdiction over transportation policy and finance and public safety.

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

125.4 Sec. 109. Laws 2025, chapter 29, section 13, subdivision 5, is amended to read:

125.5 Subd. 5. **Driving while impaired conviction or adjudication; period of license**
125.6 **revocation.** (a) Notwithstanding the periods specified in subdivisions 3 and 4 and except
125.7 as provided in section 169A.54, subdivision 7, a revocation by the commissioner as required
125.8 under section 169A.54, subdivision 1, or 171.17, subdivision 1, paragraph (a), clause ~~(2)~~
125.9 (3) or ~~(9)~~ (10), for conviction of an offense in another state that would be grounds for
125.10 revocation in this state under section 169A.54, subdivision 1, must be for the following
125.11 periods:

125.12 (1) if the person has no qualified prior impaired driving incidents within the past 20
125.13 years:

125.14 (i) not less than 30 days if the person is convicted of an offense under section 169A.20,
125.15 subdivision 1 (driving while impaired);

125.16 (ii) not less than 90 days if the person is convicted of an offense under section 169A.20,
125.17 subdivision 2 (refusal to submit to chemical test);

125.18 (iii) not less than 180 days if the person is under 21 years of age and the test results
125.19 indicate an alcohol concentration of less than twice the legal limit; or

125.20 (iv) not less than one year if the test results indicate an alcohol concentration of twice
125.21 the legal limit or more; or

125.22 (2) if the person has one qualified prior impaired driving incident within the past 20
125.23 years, or two or more qualified prior impaired driving incidents, until the commissioner
125.24 determines that the person used an ignition interlock device in compliance with section
125.25 171.306 for the period of time described in subdivision 8.

125.26 (b) Whenever department records show that the violation involved personal injury or
125.27 death to any person, at least 90 additional days must be added to the base periods provided
125.28 in paragraph (a), clause (1), items (i) to (iv).

125.29 Sec. 110. Laws 2025, chapter 29, section 13, subdivision 6, is amended to read:

125.30 Subd. 6. **Criminal vehicular operation or homicide conviction; period of license**
125.31 **revocation.** Notwithstanding the periods specified in subdivisions 3 to 5, a revocation by

126.1 the commissioner under section 171.17, subdivision 1, paragraph (a), clause ~~(1)~~ (2), after
126.2 the commissioner receives a record of a conviction for a violation of section:

126.3 (1) 609.2112, subdivision 1, paragraph (a), clause (2), (3), (4), (5), or (6);

126.4 (2) 609.2113, subdivision 1, clause (2), (3), (4), (5), or (6);

126.5 (3) 609.2113, subdivision 2, clause (2), (3), (4), (5), or (6);

126.6 (4) 609.2113, subdivision 3, clause (2), (3), (4), (5), or (6); or

126.7 (5) 609.2114, subdivision 1, paragraph (a), clause (2), (3), (4), (5), or (6); or subdivision
126.8 2, clause (2), (3), (4), (5), or (6),

126.9 must be until the commissioner determines that the person used an ignition interlock device
126.10 in compliance with section 171.306 for the period of time described in subdivision 8.

126.11 Sec. 111. **MINNESOTA SENATE MAJORITY LEADER KARI DZIEDZIC**
126.12 **MEMORIAL BRIDGE.**

126.13 By October 1, 2025, the city of Minneapolis must designate the bridge on 10th Avenue
126.14 over the Mississippi River in the city of Minneapolis, commonly known as the 10th Avenue
126.15 Bridge, as the "Minnesota Senate Majority Leader Kari Dziedzic Memorial Bridge." The
126.16 city of Minneapolis must adopt a suitable design to mark the bridge and erect an appropriate
126.17 sign or signs.

126.18 **EFFECTIVE DATE; LOCAL APPROVAL.** This section is effective the day after
126.19 the governing body of the city of Minneapolis and its chief clerical officer comply with
126.20 Minnesota Statutes, section 645.021, subdivisions 2 and 3.

126.21 Sec. 112. **AUTONOMOUS MOWERS RESEARCH AND DEVELOPMENT.**

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

126.24 (b) "Autonomous mower" means a robotic or automated device designed, programmed,
126.25 and operated to cut grass or vegetation with predefined routes to minimize the need for
126.26 manual assistance or intervention.

126.27 (c) "Commissioner" means the commissioner of transportation.

126.28 (d) "Department" means the Department of Transportation.

126.29 Subd. 2. **Research and development authorized.** (a) The commissioner must conduct
126.30 research on the use of automation and robotics for mowing and vegetation management at

127.1 property owned by the department. The research must examine the use of autonomous
127.2 mower technology at the following locations:

127.3 (1) rest areas;

127.4 (2) highway rights-of-way, including ditches, shoulders, or other varied or sloped terrain;

127.5 or

127.6 (3) other roadside or public-facing property owned by the department.

127.7 (b) The research must examine the use of autonomous mowing technology for mowing
127.8 or vegetation management by other states or government entities. The research conducted
127.9 under this section must analyze different configurations and types of autonomous mowers,
127.10 including mowers that require different levels of human intervention, to research for future
127.11 statewide deployment at rest areas, at or along the trunk highway system, or on other property
127.12 owned by the department.

127.13 (c) The commissioner must research the current and potential commercial availability
127.14 of autonomous mowing products used by public or private entities for applications that
127.15 include but are not limited to rest area mowing, highway right-of-way ditch mowing,
127.16 vegetation management, or other applications related to property or roadside maintenance.

127.17 (d) The commissioner must include research on Minnesota-based companies engaged
127.18 in autonomous mower technology. If the commissioner elects to purchase autonomous
127.19 mower technology for research under this section, the commissioner must purchase the
127.20 technology from a Minnesota-based company.

127.21 (e) The research must analyze whether an autonomous mower can operate safely in
127.22 varied terrain, including ditches, and navigate obstacles such as culvert ends, guardrails,
127.23 signposts, other barriers, and unexpected debris that may be found on or alongside a highway
127.24 right-of-way. The research must examine the potential impact of autonomous mowing
127.25 technology on worker safety and maintenance staffing needs.

127.26 (f) The commissioner must propose an autonomous mower pilot project to further study
127.27 and examine the challenges to implementing autonomous mower technology into roadside
127.28 vegetation management activities. The proposed pilot project must include the proposed
127.29 location for the pilot project, the autonomous mower activities examined, and the anticipated
127.30 timeline for implementation of the proposed pilot project.

127.31 Subd. 3. **Report.** By February 15, 2027, the commissioner must submit a report to the
127.32 chairs and ranking minority members of the legislative committees with jurisdiction over

128.1 transportation finance and policy on the results of the autonomous mower research authorized
128.2 in subdivision 2. The report must include:

128.3 (1) information and analysis of other governmental agencies or private entities using
128.4 autonomous mowing operations;

128.5 (2) the commissioner's detailed plan for conducting a pilot project with autonomous
128.6 mowing technology, once available, at rest areas; at or alongside trunk highway
128.7 rights-of-way, including ditches, shoulders, and other terrain; and at other properties owned
128.8 by the department;

128.9 (3) the timeline and funding needed to conduct an autonomous mowing pilot project as
128.10 specified in subdivision 2, paragraph (f);

128.11 (4) a cost-benefit analysis of whether autonomous mowing technology can yield
128.12 productivity or efficiency gains in maintenance of department property compared to
128.13 traditional methods of mowing;

128.14 (5) an analysis of whether the operation of autonomous mowing technology by the
128.15 department would yield improvements compared to traditional mowing methods in worker
128.16 safety, congestion, environmental impact outcomes, cost savings, maintenance scheduling,
128.17 or any other factor deemed relevant by the commissioner; and

128.18 (6) an analysis of the costs and any other short-term or long-term challenges posed by
128.19 the pilot project or the future operation of autonomous mowing technology on property
128.20 owned by the department.

128.21 **Sec. 113. DEPARTMENT OF TRANSPORTATION; COST PARTICIPATION**
128.22 **POLICY UPDATE REQUIRED.**

128.23 Subdivision 1. Definitions. For purposes of this section, the following terms have the
128.24 meanings given:

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

128.26 (2) "cost participation policy" is the policy between the Department of Transportation
128.27 and local units of government to determine the potential expenditure of trunk highway funds
128.28 on elements of cooperative construction projects and maintenance responsibilities between
128.29 the department and local units of government; and

128.30 (3) "department" means the Department of Transportation.

128.31 Subd. 2. Policy update. By March 1, 2026, the commissioner, in consultation with
128.32 representatives of local units of government, must update and adopt the department's cost

129.1 participation policy. The updated policy must identify the circumstances where local units
129.2 of government will not be responsible for any trunk highway fund eligible construction
129.3 project costs to deliver the project scope the department deems necessary. The policy may
129.4 consider a local unit of government's ability to pay as a factor in determining the amount
129.5 of local contribution, if any.

129.6 Subd. 3. **Report.** By February 1, 2026, the commissioner must submit a report to the
129.7 chairs and ranking minority members of the legislative committees with jurisdiction over
129.8 transportation finance and policy. The report must:

129.9 (1) contain the department's draft cost participation policy;

129.10 (2) identify the local units of government consulted in developing the updated cost
129.11 participation policy;

129.12 (3) identify and analyze all cost participation options explored by the commissioner and
129.13 local units of government in determining the cost participation policy adopted by the
129.14 commissioner; and

129.15 (4) propose legislation to enable the department to cover the cost of relocating utilities
129.16 owned by local units of government with remaining service life when necessitated by a
129.17 trunk highway construction project led by the department.

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

129.19 Sec. 114. **RULEMAKING; LOSS OF VOLUNTARY CONTROL PROVISIONS**
129.20 **MODIFICATION.**

129.21 (a) By July 1, 2026, the commissioner of public safety must amend Minnesota Rules,
129.22 part 7410.2500, subpart 5, by adding an item F, to no longer require an annual physician's
129.23 statement from a driver if:

129.24 (1) a single nonepileptic seizure was responsible for the driver's loss of consciousness
129.25 or voluntary control;

129.26 (2) the driver has been free from episodes of loss of consciousness or voluntary control
129.27 for five years from the date of the incident under clause (1);

129.28 (3) the driver has not been prescribed or taking any antiseizure medication for five years
129.29 from the date of the incident under clause (1); and

129.30 (4) a physician has indicated that no further review of the driver's condition is necessary
129.31 due to the driver being in good health and the risk of reoccurrence for the condition
129.32 responsible for causing a loss of consciousness or voluntary control is minimal.

(b) By July 1, 2026, the commissioner of public safety must amend Minnesota Rules, part 7410.2500, subpart 5, by adding an item G, to no longer require an annual physician's statement from a driver if:

(1) the driver has been free from episodes of loss of consciousness or voluntary control for ten years;

(2) the driver has not been prescribed or taking any antiseizure medication for ten years; and

(3) a physician has indicated that no further review of the driver's condition is necessary due to the driver being in good health and the risk of reoccurrence for the condition responsible for causing a loss of consciousness or voluntary control is minimal.

(c) A review by a physician under Minnesota Rules, part 7410.2500, subpart 5, item F or G, does not apply to a driver who is required to hold a valid medical examiner's certificate under Code of Federal Regulations, title 49, section 391.43, and does not constitute a determination of that driver's physical qualifications as required under Code of Federal Regulations, title 49, section 391.41.

(d) The commissioner may use the good cause exemption under Minnesota Statutes, section 14.388, subdivision 1, clause (3), to adopt rules under this section. Minnesota Statutes, section 14.386, does not apply except as provided under Minnesota Statutes, section 14.388.

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

Sec. 115. ADDITIONAL FULL-SERVICE PROVIDER FOR CIRCLE PINES.

Notwithstanding Minnesota Statutes, sections 168.33 and 171.061, and rules adopted by the commissioner of public safety limiting sites for the office of deputy registrar or driver's license agent based on either the distance to an existing deputy registrar or driver's license agent office or the annual volume of transactions processed by any deputy registrar or driver's license agent before or after the proposed appointment, the commissioner of public safety must appoint the deputy registrar of motor vehicles currently at 9201 Lexington Avenue North in the city of Circle Pines as a driver's license agent to operate as a full-service office. The addition of a driver's license agent establishes the location as a full-service office with full authority to function as a registration and motor vehicle tax collection and driver's license bureau. All other provisions regarding the appointment and operation of a deputy registrar of motor vehicles and driver's license agent under Minnesota Statutes, sections 168.33 and 171.061, and Minnesota Rules, chapters 7404 and 7406, apply to the office.

131.1 Sec. 116. **CORRIDORS OF COMMERCE; 2022-2023 SOLICITATION.**

131.2 From funds identified for the 2022-2023 project selection round for the corridors of
131.3 commerce program under Minnesota Statutes, section 161.088, the commissioner must
131.4 award the remaining available funds in a manner that most closely achieves the minimum
131.5 regional allocations under Minnesota Statutes, section 161.088, subdivision 4a, as calculated
131.6 using all funds in the project selection round.

131.7 Sec. 117. **ANOKA STATION SHARED USE.**

131.8 To the extent allowable under federal law, the Metropolitan Council must provide for
131.9 limited shared-use opportunities at the Anoka Station located near 4th Avenue and Johnson
131.10 Street in the city of Anoka.

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

131.14 Sec. 118. **ELECTRICITY AS VEHICLE FUEL WORKING GROUP.**

131.15 Subdivision 1. **Definition.** For purposes of this section, "electricity as vehicle fuel"
131.16 means electrical energy transferred to or stored onboard an electric vehicle primarily to
131.17 propel the electric vehicle.

131.18 Subd. 2. **Establishment.** The commissioners of transportation, public safety, management
131.19 and budget, revenue, and commerce must convene an Electricity as Vehicle Fuel Working
131.20 Group to evaluate, promote, and provide recommendations to facilitate the development
131.21 and integration of electricity used as vehicle fuel within the state's transportation, energy,
131.22 commercial, industrial, and residential sectors.

131.23 Subd. 3. **Membership.** (a) The working group consists of the following members:

131.24 (1) two members of the senate, with one appointed by the senate majority leader and
131.25 one appointed by the senate minority leader;

131.26 (2) two members of the house of representatives, with one appointed by the speaker of
131.27 the house and one appointed by the Democratic-Farmer-Labor caucus leader in the house
131.28 of representatives;

131.29 (3) the commissioner of administration;

131.30 (4) the commissioner of commerce;

131.31 (5) the commissioner of management and budget;

- 132.1 (6) the commissioner of public safety;
- 132.2 (7) the commissioner of revenue;
- 132.3 (8) the commissioner of transportation;
- 132.4 (9) two members appointed by the governor;
- 132.5 (10) one member of a federally recognized Tribal government, appointed by the governor;
- 132.6 (11) one member appointed by the League of Minnesota Cities;
- 132.7 (12) one member appointed by the Minnesota Transportation Alliance;
- 132.8 (13) one member appointed by the Minnesota Grocers Association;
- 132.9 (14) two members appointed by the Minnesota Building and Construction Trades Council;
- 132.10 (15) one member appointed by the Associated General Contractors of Minnesota;
- 132.11 (16) one member appointed by the Minnesota Chamber of Commerce;
- 132.12 (17) one member appointed by each public utility that owns a nuclear-powered electric
- 132.13 generating plant in this state;
- 132.14 (18) one member representing an electricity provider for residential, commercial, and
- 132.15 industrial customers located outside the seven-county metropolitan area, appointed by the
- 132.16 governor;
- 132.17 (19) one member appointed by the Minnesota Trucking Association;
- 132.18 (20) one member representing convenience stores or fueling stations, appointed by the
- 132.19 governor;
- 132.20 (21) one member appointed by the Minnesota Automobile Dealers Association;
- 132.21 (22) one member appointed by Drive Electric Minnesota;
- 132.22 (23) one member appointed by Fresh Energy;
- 132.23 (24) one member representing electric vehicle manufacturers, appointed by the governor;
- 132.24 and
- 132.25 (25) two members appointed by an association with interest in residential electric
- 132.26 charging, including one member who lives in multifamily housing, appointed by the governor.
- 132.27 (b) At its first meeting, the working group must elect a chair or co-chairs by a majority
- 132.28 vote of those members present and may elect a vice chair as necessary. The chair and the
- 132.29 vice chair must not be a commissioner or a commissioner's designee.

133.1 Subd. 4. **Appointments.** (a) The appointing authorities under subdivision 3 must make
133.2 the appointments by July 31, 2025.

133.3 (b) A commissioner under subdivision 3 may appoint a designee who is an employee
133.4 of the respective agency.

133.5 (c) Appointments to the working group are made pursuant to Minnesota Statutes, section
133.6 15.0597.

133.7 Subd. 5. **Duties.** At a minimum, the working group must:

133.8 (1) provide a comprehensive analysis of electricity used as vehicle fuel infrastructure
133.9 opportunities and barriers;

133.10 (2) develop a roadmap with policy and funding recommendations for sustainable
133.11 transportation funding mechanisms consistent with the Minnesota Constitution, article XIV,
133.12 including a plan for the studied mechanisms to replace the electric vehicle surcharges under
133.13 Minnesota Statutes, section 168.013, subdivisions 1m and 1n; and

133.14 (3) research and analyze legislation and policy made in other states to determine equitable
133.15 and comprehensive fuel assessment methods for electric vehicles.

133.16 Subd. 6. **Meetings.** (a) The commissioner of transportation must convene the first meeting
133.17 of the working group no later than September 15, 2025.

133.18 (b) The working group must establish a schedule for meetings and meet as necessary to
133.19 accomplish the duties under subdivision 5.

133.20 (c) The working group is subject to the Open Meeting Law under Minnesota Statutes,
133.21 chapter 13D.

133.22 Subd. 7. **Administration.** (a) The Legislative Coordinating Commission must provide
133.23 administrative support to the working group and must assist in creating the report under
133.24 subdivision 8.

133.25 (b) Upon request of the working group, a commissioner under subdivision 3 must provide
133.26 information and technical support.

133.27 (c) Members of the working group serve without compensation.

133.28 Subd. 8. **Report required.** By February 13, 2026, the working group must submit a
133.29 report to the governor and the chairs and ranking minority members of the legislative
133.30 committees with jurisdiction over transportation. At a minimum, the report must:

133.31 (1) summarize the activities of the working group; and

134.1 (2) provide findings and recommendations adopted by the working group.

134.2 Subd. 9. **Expiration.** The working group expires June 30, 2026.

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

134.4 Sec. 119. **STUDY; WHEELCHAIR ACCESSIBLE VEHICLE SUPPLY AND**
134.5 **AVAILABILITY.**

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

134.8 (b) "Commissioner" means the commissioner of transportation.

134.9 (c) "Transportation network company" has the meaning given in Minnesota Statutes,
134.10 section 65B.472, subdivision 1.

134.11 (d) "Wheelchair accessible vehicle" or "WAV" means a publicly owned or privately
134.12 owned vehicle equipped with a ramp or lift capable of transporting riders with a disability
134.13 and subject to the requirements of Minnesota Statutes, sections 299A.11 to 299A.17.

134.14 Subd. 2. **Study required.** The commissioner must conduct a study on the supply and
134.15 demand of wheelchair accessible vehicles and wheelchair accessible transportation services.
134.16 The study must identify effective strategies to increase the availability of WAVs, improve
134.17 service quality, and provide cost-effective transportation solutions tailored to the needs of
134.18 riders with disabilities to enjoy greater freedom and convenience in their daily journeys.
134.19 The commissioner must engage various stakeholders and members of the public as specified
134.20 in subdivision 4. The commissioner must commence the study no later than August 1, 2025.

134.21 Subd. 3. **Study objectives.** (a) The commissioner's objectives in conducting the study
134.22 must include:

134.23 (1) an identification of the challenges that affect WAV accessibility and service for
134.24 riders with disabilities, including but not limited to insufficient supply, high operational
134.25 costs, lack of on-demand options, and geographical disparities;

134.26 (2) a study of supply and demand issues for WAVs, including identification of WAV
134.27 transportation deserts in Minnesota communities and developing incentives to bolster the
134.28 availability of WAVs in both public and private transportation networks;

134.29 (3) identifying possible measures to ensure the punctuality and reliability of WAV
134.30 services for riders with disabilities;

(4) an evaluation on the impact that latent supply streams, market practices, and technological capabilities have on the ability to implement and fund high-quality WAV services at the lowest possible expense to taxpayers and private-pay WAV users;

(5) research and analysis on models that have been successful elsewhere in encouraging innovation and investment in on-demand transportation solutions to enable transportation parity for the disability community; and

(6) collected information on legislation and other policy changes that have been made in other states around the country to assess whether any already established solutions may be successful in Minnesota.

(b) To meet the study's objectives in paragraph (a), the commissioner must explore the following strategies:

(1) incentives to increase WAV ownership through the use of tax credits, exemptions, subsidies, or grants to individuals and organizations who purchase WAVs to increase supply;

(2) partnerships with WAV technology manufacturers to reduce costs for WAV-specific technologies;

(3) recommendations on the adequate provision of specialized training for drivers on the operation of WAVs to improve service quality, supply, and delivery and ensure the needs and safety of riders with disabilities when using a WAV;

(4) identification of methods known to improve the rate and frequency of drivers trained on providing rides to riders with disabilities or on the use of WAVs or WAV features, including an analysis of whether a private transportation network company driver should be required to complete a certain number of hours of disability training before providing WAV rides;

(5) expanded geographic coverage of WAV service for riders across different regions in the state by establishing partnerships with rural transit providers, expanding regulatory provisions, and deploying targeted funding mechanisms to address disparities in WAV availability;

(6) developing or utilizing user-friendly applications for riders to book WAV rides and improving dispatch systems to provide on-demand accessibility, real-time tracking, and communication systems to reduce response times; and

(7) encouraging partnerships with private transportation network companies and incentivizing their WAV operations and trained drivers.

(c) The study must assess whether the solutions identified in paragraph (b) are established in other jurisdictions and:

(1) provide a pathway to increasing the availability and accessibility of WAVs statewide;

(2) enhance service reliability and punctuality to reduce wait times for riders; and

(3) improve cost efficiency in service provision to benefit both users and providers.

Subd. 4. **Stakeholders; other models; public engagement.** (a) The commissioner must consult and engage in meaningful collaboration with stakeholders in conducting the study and determining whether identified solutions meet stated objectives. Stakeholders include but are not limited to the following:

(1) public transportation service providers;

(2) nonemergency medical transportation and special transportation services providers;

(3) the State Patrol;

(4) the Minnesota Council on Disability;

(5) a driver advocacy organization representing transportation network drivers;

(6) private transportation network companies;

(7) one representative from the city of Minneapolis and one representative from the city of St. Paul;

(8) a representative from the League of Minnesota Cities;

(9) a representative from taxicab companies operating in Minnesota cities;

(10) persons with disabilities and parents and caregivers of people with disabilities; and

(11) an organization with expertise in accessibility technology for transportation services or accessible transportation design.

(b) In conducting the study, the commissioner must analyze other states' and communities' efforts in establishing a robust and safe network of WAVs to identify enacted policy changes, analyze developed programs against the stated objectives of the study required under this section, and seek out and leverage information from these jurisdictions to evaluate what may be successful in Minnesota.

Subd. 5. **Report.** By February 15, 2026, the commissioner must submit a final report on the study to the chairs and ranking minority members of the legislative committees having jurisdiction over transportation finance and policy. The report must:

137.1 (1) detail the input, consultation efforts, and public comments from stakeholders and
137.2 the public in conducting the study;

137.3 (2) include the data collection and analysis methods used to conduct the study and
137.4 develop recommendations for enhancing WAV services across Minnesota; and

137.5 (3) utilize identified policy changes made in other states around the country to assess
137.6 any already established solutions for WAV supply and availability.

137.7 **Sec. 120. STUDY; HIGH-SUBSIDY TRANSIT SERVICE ANALYSIS.**

137.8 (a) By March 1, 2026, the Metropolitan Council must conduct an analysis of high-subsidy
137.9 regional regular route transit service. At a minimum, the analysis must:

137.10 (1) calculate per-passenger operating subsidies for each route operated, by route type,
137.11 as identified in the transportation policy plan under Minnesota Statutes, section 473.146;

137.12 (2) estimate the capital and operating savings from discontinuing each route in the highest
137.13 tier of per-passenger subsidy, as defined in the transportation policy plan; and

137.14 (3) estimate and evaluate the cost of Metro Mobility rides provided near the highest tier
137.15 routes identified under clause (2).

137.16 (b) Within 60 days of a request, a recipient of financial assistance from the Metropolitan
137.17 Council under Minnesota Statutes, section 473.388, must provide data and information as
137.18 requested by the council that is necessary for the analysis under this section.

137.19 (c) Following completion, the Metropolitan Council must submit a copy of the analysis
137.20 to the chairs and ranking minority members of the legislative committees with jurisdiction
137.21 over transportation finance and policy.

137.22 (d) The Metropolitan Council must use sales tax revenue under Minnesota Statutes,
137.23 section 473.4465, subdivision 2, paragraph (a), clause (2), for the costs of analysis and
137.24 reporting under this section.

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

137.28 **Sec. 121. STUDY; METRO MOBILITY FORECASTING ANALYSIS.**

137.29 (a) By February 1, 2026, the commissioner of transportation must conduct an analysis
137.30 of Metropolitan Council forecast practices for special transportation service as provided
137.31 under Minnesota Statutes, section 473.386, subdivision 10. The commissioner must enter

138.1 into an agreement with a third-party entity to perform the forecasting analysis. The third-party
138.2 entity must have experience and expertise in transit systems, budgeting, and cost projections
138.3 or relevant fiscal modeling.

138.4 (b) At a minimum, the analysis must:

138.5 (1) review data, projections, and assumptions used by the Metropolitan Council to
138.6 forecast special transportation service costs and revenue;

138.7 (2) evaluate the forecasting methodology used by the Metropolitan Council;

138.8 (3) identify factors in the rate of anticipated cost growth;

138.9 (4) identify and analyze methods to improve efficiency and reduce costs; and

138.10 (5) develop findings and make recommendations related to the analysis.

138.11 (c) Following completion, the commissioner must submit a copy of the analysis to the
138.12 commissioner of management and budget and the chairs and ranking minority members of
138.13 the legislative committees with jurisdiction over transportation finance and policy.

138.14 (d) The Metropolitan Council must provide data and information as requested by the
138.15 commissioner on behalf of the third-party entity that is necessary for the analysis under this
138.16 section. In the amount identified by the commissioner, the Metropolitan Council must use
138.17 sales tax revenue under Minnesota Statutes, section 473.4465, subdivision 2, paragraph (a),
138.18 clause (2), for the costs of the forecasting analysis under this section.

138.19 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following
138.20 final enactment. Paragraph (d) applies in the counties of Anoka, Carver, Dakota, Hennepin,
138.21 Ramsey, Scott, and Washington.

138.22 Sec. 122. **STUDY; BUS RAPID TRANSIT ALTERNATE MODE ANALYSIS.**

138.23 (a) The Metropolitan Council must perform an analysis of alternate transit in the corridor
138.24 of the Blue Line light rail transit extension project. At a minimum, the analysis must:

138.25 (1) evaluate bus rapid transit as an alternative mode of transit service in the corridor;

138.26 (2) perform a comparison between light rail transit and bus rapid transit alternatives that
138.27 includes life cycle fiscal costs, ridership, transit system impacts, project risks, and any other
138.28 relevant costs and benefits; and

138.29 (3) review considerations and develop any recommendations for a project redesign to
138.30 implement bus rapid transit in the corridor.

139.1 (b) By June 15, 2026, the Metropolitan Council must submit a report on the analysis to
139.2 the chairs and ranking minority members of the legislative committees with jurisdiction
139.3 over transportation finance and policy and to the Hennepin County Board of Commissioners.
139.4 At a minimum, the report must:

139.5 (1) summarize the analysis; and

139.6 (2) provide information on each of the requirements under paragraph (a), clauses (1) to
139.7 (3).

139.8 (c) The council must use existing resources to perform the analysis and report under this
139.9 section.

139.10 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following
139.11 final enactment and applies to the counties of Anoka, Carver, Dakota, Hennepin, Ramsey,
139.12 Scott, and Washington.

139.13 Sec. 123. **REPEALER.**

139.14 Minnesota Statutes 2024, section 473.452, is repealed.