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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. **748**

02/13/2025

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The bill was read for the first time and referred to the Committee on Transportation Finance and Policy

- 1.1 A bill for an act
- 1.2 relating to transportation; amending project assessment criteria and mitigation
- 1.3 activities for vehicle miles traveled requirements; modifying transportation policy
- 1.4 goals and greenhouse gas emission targets; amending Minnesota Statutes 2024,
- 1.5 sections 161.178, subdivisions 2, 2a, 4; 174.01, subdivisions 2, 3; 174.03,
- 1.6 subdivision 1a.
- 1.7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
- 1.8 Section 1. Minnesota Statutes 2024, section 161.178, subdivision 2, is amended to read:
- 1.9 Subd. 2. **Project or portfolio assessment.** (a) Prior to inclusion of a project or portfolio
- 1.10 in the state transportation improvement program or in a metropolitan transportation
- 1.11 improvement program, the applicable entity must perform an impact assessment of the
- 1.12 project or portfolio. Following the assessment, the applicable entity must determine if the
- 1.13 project or portfolio is proportionally in conformance with:
- 1.14 ~~(1) the greenhouse gas emissions reduction targets under section 174.01, subdivision 3;~~
- 1.15 ~~and~~
- 1.16 ~~(2) the vehicle miles traveled reduction targets established in the statewide multimodal~~
- 1.17 ~~transportation plan under section 174.03, subdivision 1a.~~
- 1.18 (b) If the applicable entity determines that the project or portfolio is not in conformance
- 1.19 with paragraph (a), the applicable entity must:
- 1.20 (1) alter the scope or design of the project or any number of projects, add or remove one
- 1.21 or more projects from the portfolio, or undertake a combination, and subsequently perform
- 1.22 a revised assessment that meets the requirements under this section;
- 1.23 (2) interlink sufficient impact mitigation as provided in subdivision 4; or

(3) halt project development and disallow inclusion of the project or portfolio in the appropriate transportation improvement program.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to plans or projects assessed on or after that date.

Sec. 2. Minnesota Statutes 2024, section 161.178, subdivision 2a, is amended to read:

Subd. 2a. **Applicable projects.** (a) For purposes of this section:

(1) prior to the date established under paragraph ~~(b)~~ (c), a project or portfolio is a capacity expansion project; and

(2) on and after the date established under paragraph ~~(b)~~ (c), a project or portfolio is a capacity expansion project or a collection of trunk highway and multimodal projects for a fiscal year and specific region.

(b) A project or portfolio does not include a project that is identified as included in the transportation safety investment category established in the Minnesota state highway investment plan under section 174.03, subdivision 1c.

(c) The commissioner must establish a date to implement impact assessments on the basis of assessing a portfolio or program of projects instead of on a project-by-project basis. The date must be:

(1) August 1, 2027, which applies to projects that first enter the appropriate transportation improvement program for fiscal year 2031 or a subsequent year; or

(2) as established by the commissioner, if the commissioner:

(i) consults with metropolitan planning organizations;

(ii) prioritizes and makes reasonable efforts to meet the date under clause (1) or an earlier date;

(iii) determines that the date established under this clause is the earliest practicable in which the necessary models and tools are sufficient for analysis under this section; and

(iv) submits a notice to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over transportation policy and finance, which must identify the date established and summarize the efforts under item (ii) and the determination under item (iii).

EFFECTIVE DATE. This section is effective the day following final enactment and applies to plans or projects assessed on or after that date.

3.1 Sec. 3. Minnesota Statutes 2024, section 161.178, subdivision 4, is amended to read:

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

3.4 (b) Impact mitigation is sufficient under subdivision 2, paragraph (b), if the project or
3.5 portfolio is interlinked to offset actions such that the total greenhouse gas emissions reduction
3.6 from the offset actions, after accounting for the greenhouse gas emissions otherwise resulting
3.7 from the project or portfolio, is consistent with meeting the targets specified under subdivision
3.8 2, paragraph (a). Each comparison under this paragraph must be performed over equal
3.9 comparison periods.

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

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

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

3.16 (3) active transportation infrastructure;

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

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

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

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

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

3.27 (9) natural systems, including but not limited to prairie restoration, reforestation, and
3.28 urban green space; ~~and~~

3.29 (10) freight rail infrastructure and service improvements; and

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

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

- 4.1 (1) there is a specified project, program, modification, or mitigation plan;
- 4.2 (2) the necessary funding sources are identified and sufficient amounts are committed;
- 4.3 (3) the mitigation is localized as provided in subdivision 5; and
- 4.4 (4) procedures are established to ensure that the mitigation action remains in substantially
- 4.5 the same form or a revised form that continues to meet the calculation under paragraph (b).
- 4.6 (e) The commissioner may authorize additional offset actions under paragraph (c) if:
- 4.7 (1) the offset action is reviewed and recommended by the technical advisory committee
- 4.8 under section 161.1782; and
- 4.9 (2) the commissioner determines that the offset action is directly related to reduction in
- 4.10 the transportation sector of greenhouse gas emissions ~~or vehicle miles traveled~~.
- 4.11 **EFFECTIVE DATE.** This section is effective the day following final enactment and
- 4.12 applies to plans or projects assessed on or after that date.

4.13 Sec. 4. Minnesota Statutes 2024, section 174.01, subdivision 2, is amended to read:

4.14 Subd. 2. **Transportation goals.** The goals of the state transportation system are as

4.15 follows:

- 4.16 (1) to minimize fatalities and injuries for transportation users throughout the state;
- 4.17 (2) to provide multimodal and intermodal transportation facilities and services to increase
- 4.18 access for all persons and businesses and to ensure economic well-being and quality of life
- 4.19 without undue burden placed on any community;
- 4.20 (3) to provide a reasonable travel time for commuters;
- 4.21 (4) to enhance economic development and provide for the economical, efficient, and
- 4.22 safe movement of goods to and from markets by rail, highway, and waterway;
- 4.23 (5) to encourage tourism by providing appropriate transportation to Minnesota facilities
- 4.24 designed to attract tourists and to enhance the appeal, through transportation investments,
- 4.25 of tourist destinations across the state;
- 4.26 (6) to provide transit services to all counties in the state to meet the needs of transit users;
- 4.27 (7) to promote accountability through systematic management of system performance
- 4.28 and productivity through the utilization of technological advancements;
- 4.29 (8) to maximize the long-term benefits received for each state transportation investment;

(9) to provide for and prioritize funding of transportation investments that ensures that the state's transportation infrastructure is maintained in a state of good repair;

(10) to ensure that the planning and implementation of all modes of transportation are consistent with the environmental and energy goals of the state;

(11) to promote and increase the use of high-occupancy vehicles and low-emission vehicles;

(12) to provide an air transportation system sufficient to encourage economic growth and allow all regions of the state the ability to participate in the global economy;

(13) to increase use of transit as a percentage of all trips statewide by giving highest priority to the transportation modes with the greatest people-moving capacity and lowest long-term economic and environmental cost;

(14) to promote and increase bicycling and walking as a percentage of all trips as energy-efficient, nonpolluting, and healthy forms of transportation;

(15) secondary to the goal under clause (1), to reduce greenhouse gas emissions from the state's transportation sector; and

(16) secondary to the goal under clause (1), to accomplish these goals with minimal impact on the environment.

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

Sec. 5. Minnesota Statutes 2024, section 174.01, subdivision 3, is amended to read:

Subd. 3. **Greenhouse gas emissions targets.** (a) In association with the goals under subdivision 2, clauses (10) and (13) to (16), and subject to the transportation system safety goal under subdivision 2, clause (1), the commissioner of transportation must establish targets for the statewide greenhouse gas emissions reduction goal under section 216H.02, subdivision 1.

(b) The targets must include:

(1) establishment of proportional emissions reduction performance targets for the transportation sector;

(2) specification of the performance targets on a five-year or more frequent basis; and

(3) allocation across the transportation sector, which:

(i) must provide for an allocation to the metropolitan area, as defined in section 473.121, subdivision 2;

(ii) must account for differences in the feasibility and extent of emissions reductions across forms of land use and across regions of the state; and

(iii) may include performance targets based on Department of Transportation district, geographic region, a per capita calculation, or transportation mode, or a combination.

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

Sec. 6. Minnesota Statutes 2024, section 174.03, subdivision 1a, is amended to read:

Subd. 1a. **Revision of statewide multimodal transportation plan.** (a) The commissioner must revise the statewide multimodal transportation plan by January 15, 2022, and by January 15 of every five years thereafter. Before final adoption of a revised plan, the commissioner must hold a hearing to receive public comment on the preliminary draft of the revised plan.

(b) Each revised statewide multimodal transportation plan must:

(1) incorporate the goals of the state transportation system in section 174.01;

(2) establish objectives, policies, and strategies for achieving those goals; and

(3) identify performance targets for measuring progress and achievement of transportation system goals, objectives, or policies.

(c) Any vehicle miles traveled reduction targets established in the plan are secondary to the transportation system safety goal under section 174.01, subdivision 2, clause (1).

EFFECTIVE DATE. This section is effective the day following final enactment and applies to plans adopted on or after that date.