

Subject Transportation supplemental budget omnibus

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Date April 5, 2022

Overview

This bill, as proposed to be amended by the H1683DE1 delete-all amendment, would form the transportation omnibus containing supplemental budget appropriations, trunk highway bond authorization, and various finance and policy provisions.

Article 1: Transportation Appropriations

This article establishes a supplemental budget for transportation in fiscal years (FY) 2022-23, making appropriations for the Minnesota Department of Transportation (MnDOT), administrative and transportation functions within the Department of Public Safety, and transportation divisions of the Metropolitan Council.

The general fund budget additions total \$225 million in appropriations for FY 2022-23 and base increases of \$100 million for FY 2024-25. The trunk highway fund budget additions total \$439.3 million for FY 2022-23 (from available fund balance) and base increases of \$422.8 million for FY 2024-25.

For additional details, see the tracking spreadsheet on the House Fiscal Analysis Department website, at: <https://www.house.leg.state.mn.us/Fiscal/Home/TrackingSheets>.

Section Description – Article 1: Transportation Appropriations

- 1 Transportation appropriations.**
Sets out the appropriations article structure and defines terms. Establishes that appropriations are from the trunk highway fund unless another is named, and that appropriations are in addition to the FY 2022-23 budget enacted in 2021.
- 2 Department of Transportation.**
Makes FY 2022-23 supplemental budget appropriations for MnDOT.

Section Description – Article 1: Transportation Appropriations

- 3 **Metropolitan Council.**
Makes FY 2022-23 supplemental budget appropriations for the Metropolitan Council.
- 4 **Department of Public Safety.**
Makes FY 2022-23 supplemental budget appropriations for transportation-related and some division-wide functions of the Department of Public Safety.
- 5 **State Patrol.**
Amends a rider in prior appropriations for the State Patrol, to provide flexibility on use of funds identified for additional Capitol Security officers and troopers.

Article 2: Trunk Highway Bonds

This article contains \$149.1 million in trunk highway bonding authorization and appropriations.

Section Description – Article 2: Trunk Highway Bonds

- 1 **Bond appropriations.**
Provides for bond proceeds appropriations and a summary.
- 2 **Department of Transportation.**
Appropriates the following to MnDOT from trunk highway bond proceeds:
 - \$80 million for high priority bridges; and
 - \$69 million for MnDOT facilities.
- 3 **Bond sale expenses.**
Appropriates \$149,000 to the Department of Management and Budget for expenses in selling the bonds.
- 4 **Bond sale authorization.**
Authorizes sale of trunk highway bonds to fund the appropriations in this article.
- 5 **Corridors of commerce.**
Amends the date by which MnDOT must commence the next corridors of commerce project selection process with funds made available in fiscal years 2024 and 2025, so that it must begin by February 1, 2023.

Article 3: Transportation Finance and Policy

This article contains various provisions involving transportation finance and policy. The changes are effective July 1, 2022, unless specified otherwise.

Section Description – Article 3: Transportation Finance and Policy

- 1 **Traffic Safety Advisory Council; established.**
Establishes a Traffic Safety Advisory Council to address traffic safety issues.
- 2 **Traffic Safety Advisory Council; membership.**
Specifies membership on the Traffic Safety Advisory Council.
- 3 **Traffic Safety Advisory Council; administration.**
Sets administrative requirements and authority for the Traffic Safety Advisory Council.
- 4 **Traffic Safety Advisory Council; duties.**
Specifies duties of the Traffic Safety Advisory Council.
- 5 **Traffic safety report.**
Directs the Department of Public Safety to report annually to the governor and the legislature on road and transportation system safety. Specifies topics to be covered.
- 6 **Classifications.**
Provides for data practices on race and ethnicity data collected under a change being made in the bill.
- 7 **No commercial establishment within right-of-way; exceptions.**
Clarifies that charging stations for electric vehicles can be established and operated in rest areas that are located within the right-of-way of a controlled-access highway. Effective the day after enactment.
- 8 **[Adds § 160.2325] Highways for habitat program.**
Directs MnDOT to establish a highways for habitat program. Identifies program requirements and requires standards for roadside vegetation management.
- 9 **North Star Bikeway.**
Establishes a North Star Bikeway as a designated state bicycle route, from St. Paul to the U.S. border with Canada in Cook County.

Section Description – Article 3: Transportation Finance and Policy

- 10 **Definitions.**
Adds definitions of terms for the corridors of commerce program statute. Effective the day after enactment.
- 11 **Program authority; funding.**
Broadens a provision that allows for a portion of available corridors of commerce funds to go to program delivery, so that funds can also go to the administrative process for project scoring and selection. Effective the day after enactment.
- 12 **Project eligibility.**
Modifies eligibility for funding under the corridors of commerce program. Effective the day after enactment.
- 13 **Project funding; regional balance.**
Establishes three funding categories and corresponding percentages to distribute corridors of commerce program funds. Effective the day after enactment.
- 14 **Project selection process; criteria.**
Revises the procedures for MnDOT to select projects for funding under the corridors of commerce program, including to create a series of selection process phases and establish a screening and recommendation phase that is performed by various screening entities. Effective the day after enactment.
- 15 **Route No. 340.**
Establishes a new statutorily designated trunk highway segment from Upper Sioux Management State Park to near Granite Falls. (This is in conjunction with a project to re-route Trunk Highway 67.)
- 16 **John Schlegel Memorial Highway.**
Designates a stretch of U.S. Highway 71 as the “John Schlegel Memorial Highway,” from Willmar to Trunk Highway 7.
- 17 **Prince Rogers Nelson Memorial Highway.**
Designates the portion of Trunk Highway 5 within Chanhassen as the “Prince Rogers Nelson Memorial Highway,” and identifies signage design elements as feasible.
- 18 **[Adds § 169.369] Indian employment preference.**
Authorizes MnDOT to provide an employment preference for members of Indian Tribes, for some federally funded highway projects.

Section Description – Article 3: Transportation Finance and Policy

- 19 **Money needs defined.**
Includes, in the calculation of “money needs” for each county’s county state-aid highway system, segments under the jurisdiction of that county but located outside of its borders.
- 20 **Money needs defined.**
Includes, in the calculation of “money needs” for each city’s municipal state-aid street system, segments under the jurisdiction of that city but located outside of its borders.
- 21 **Screening board.**
Revises requirements for cities to submit data on money needs to a screening board (as part of the process for allocation of municipal state-aid street funds). Adds to the composition of the screening board. Makes technical changes.
- 22 **General requirements; fees.**
Broadens eligibility for congressional chartered veteran service group special plates, to include members of Disabled American Veterans.
- 23 **No fee.**
Eliminates a \$100 fee to personalize Gold Star special license plates.
- 24 **Dealers' licenses; location change notice; fee.**
Directs the Department of Public Safety to deny an application for a vehicle dealer’s license if the place of business requirements are not met or if there is a misrepresentation that is grounds for dealer’s license suspension or revocation.
- 25 **Records.**
Requires a vehicle dealer to make vehicle records available for inspection during identified inspection hours rather than business hours.
- 26 **Retrieval of contents; right to reclaim.**
Adds proof of identity to the documentation to be presented when a vehicle owner seeks to retrieve towed vehicle contents. Allows for copying records.
- 27 **Retrieval of contents; identification, medicine, and medical equipment.**
Requires an impound lot operator to allow the owner or another person to retrieve specified contents from an impounded vehicle.

Section Description – Article 3: Transportation Finance and Policy

- 28 **Retrieval of contents; notice of denial.**
Requires some nonpublic impound lot operators to give specific written reasons when denying a vehicle owner’s request to retrieve the contents of a towed vehicle.
- 29 **Retrieval of contents; public notice.**
Requires some nonpublic impound lot operators to post a notice regarding retrieval of impounded vehicle contents. Identifies the text of the notice.
- 30 **Retrieval of contents; remedy.**
Explicitly allows for a civil suit by the vehicle owner when a private impound lot operator does not release towed vehicle contents. Provides for injunctive relief and damages.
- 31 **[Adds § 169.4476] Emergency response school bus use.**
Permits operation of a school bus during emergency periods or disasters. Sets conditions and requirements related to the operation.
- 32 **Forest products special permit.**
Creates a new special permit type that allows for both overweight and over-width transport of raw or unfinished forest products. Makes technical changes. Effective August 1, 2022.
- 33 **Special registration plates.**
Eliminates driver’s license possession requirements to obtain special series license plates (known as “whiskey” plates) after the original plates were impounded.
- 34 **Contents of application; other information.**
Adds optional indication of race and ethnicity in driver’s license and identification card applications. Effective January 1, 2023.
- 35 **Evidence; residence in Minnesota.**
Explicitly identifies internet service bills as accepted documentation of utility service that can be used to demonstrate residence in the state as part of application for a REAL ID compliant driver’s license or identification card.
- 36 **[Adds § 171.301] Reintegration license.**
Establishes a reintegration driver’s license for a person who was confined or incarcerated in a correctional facility for at least 180 consecutive days and whose license was suspended or revoked under any of the conditions that currently make some individuals eligible for a limited license. Sets conditions, eliminates fees and

Section Description – Article 3: Transportation Finance and Policy

- surcharges for the license, and provides for cancellation and reinstatement of full driving privileges.
- 37 **Issuance of restricted license.**
Modifies a requirement of some ignition interlock program participants to provide certification of noncancelable insurance, so that the certification is required following driver’s license revocations—instead of suspensions—for failure to have or provide proof of insurance.
- 38 **[Adds § 174.125] Federal funds local assistance program.**
Establishes a program for MnDOT to make grants to local and Tribal governments that serves as a match for federal funds provided under federal discretionary transportation grant programs. Provides for administration, sets program and aid requirements, identifies allocation categories, and requires legislative reporting.
- 39 **[Adds § 174.127] Federal grants technical assistance.**
Directs MnDOT to provide technical assistance to local units of government and Tribal governments on developing applications for federal discretionary transportation grants. Identifies included forms of assistance.
- 40 **Advisory committee.**
Adds one town board member to the membership on an advisory committee established for the local road improvement program.
- 41 **Excavation notice system performance reporting.**
Directs owners or operators of underground lines and facilities to provide quarterly reports to the Office of Pipeline Safety on excavation notices and facility damages.
- 42 **Grade crossing safety account.**
Broadens the explicitly permitted uses of funds in the grade crossing safety account to include program administration and delivery.
- 43 **Exemptions.**
Makes a conforming change.
- 44 **Killed in the line of duty.**
Broadens the circumstances in which a public safety officer death is treated as in the line of duty for purposes of death and survivor benefits administered by the Department of Public Safety.

Section Description – Article 3: Transportation Finance and Policy

- 45 **Traffic fines and forfeited bail money.**
Reallocates \$1.5 million annually in revenue from State Patrol citations, to go to the Minnesota grade crossing safety account instead of the trunk highway fund.
- 46 **Money penalty.**
Revises the maximum civil penalty for violations of pipeline safety regulations, to use the maximums established in federal law.
- 47 **Civil penalty.**
Revises the maximum civil penalty for failure to report a pipeline release or dispose of part of a pipeline following a release, to use the maximums established in federal law.
- 48 **Small unmanned aircraft systems.**
Revises the aircraft registration fee and minimum insurance coverage requirements for small unmanned aircraft systems, including to substantially reproduce language being moved from another statute.
- 49 **Certificate of insurance.**
Removes an exemption and requirements related to small unmanned aircraft system insurance, which is substantially reproduced in another statute.
- 50 **Safe accessibility training.**
Directs the Metropolitan Council to ensure that Metro Transit and opt-out bus operators receive training on providing assistance to persons with disabilities and mobility limitations in safely entering and exiting a transit bus.
- 51 **Legislative Route No. 274 removed.**
Provides for a route turnback, by eliminating the statutory designation of Trunk Highway 274 from Wood Lake to south of Granite Falls. The repeal is subject to an agreement with Yellow Medicine County to transfer jurisdiction of a segment of the highway. (This is in conjunction with a project to reroute Trunk Highway 67.)
- 52 **Legislative Route No. 301 removed.**
Provides for a route turnback, by eliminating the statutory designation of Trunk Highway 301 in St. Cloud. The repeal is subject to an agreement with the city of St. Cloud to transfer jurisdiction of the road.
- 53 **Transit signal priority system planning.**
Directs the Metropolitan Council to convene a working group for planning and coordination on transit signal priority systems and other transit advantages. Specifies

Section Description – Article 3: Transportation Finance and Policy

membership and duties, provides for administrative support, requires a legislative report, and sets a working group expiration of December 31, 2022.

54 Road Usage Charge Task Force.

Establishes a Road Usage Charge Task Force to develop recommendations on implementing a road usage charge in Minnesota. Specifies task force membership and duties, provides for administrative support from the Legislative Coordinating Commission, requires a legislative report, and sets an expiration of January 15, 2023.

55 Report; highways for habitat program.

Directs MnDOT to provide a legislative report on the highways for habitat program, which is due by January 15, 2025.

56 Repealer.

Eliminates an administrative rule that requires transit operators receiving aid from MnDOT to provide monthly operations and financial reporting as well as a final report within 90 days of the end of the contract period.

Article 4: Independent Expert Review Provisions

This article modifies a variety of provisions related to driver and vehicle services, deputy registrars, and driver’s license agents. It is based on a series of recommendations contained in an independent expert review of exam stations and other aspects of the department’s administrative practices, which was performed as a result of legislation enacted in 2021.¹ The changes include:

- authorizing some deputy registrars and driver’s license agents to issue copies of various records, and provide for fee allocation;
- reallocating a portion of filing fee revenue obtained from mailed and online transactions for both motor vehicles and driver’s licenses and identification cards, which includes creating a statutory appropriation to distribute funds to deputy registrars and driver’s license agents;
- increasing the filing fee for driver’s license transactions, from \$8 to either \$11 or \$16 depending on the circumstances;
- waiving knowledge and road test requirements for some adult applicants who possess a driver’s license issued by another state;
- providing for loss and reinstatement of data access to the MNDRIVE system;

¹ The report is available at: https://www.lrl.mn.gov/mndocs/mandates_detail?orderid=16778.

- requiring real-time online information on scheduling road tests at exam stations; and
- requiring a legislative report.

Section Description – Article 4: Independent Expert Review Provisions

- 1 Full-service provider.**
Defines “full-service provider” in the chapter of state statutes on motor vehicle registration, to refer to an individual or entity who is appointed as both a deputy registrar (authorized to handle motor vehicle registrations and titling applications) and a full driver’s license agent (authorized to handle driver’s license and identification card applications).
- 2 Records and fees.**
Directs full-service providers to issue copies of motor vehicle and driver’s license records to eligible applicants. Provides for allocation of fees collected by full-service providers.
- 3 Requests for information; surcharge on fee.**
Directs full-service providers to impose a surcharge on requests for public information on motor vehicle registrations or driver’s licenses and identification cards. Provides for allocation of fees collected by full-service providers.
- 4 Exception to fee and surcharge.**
Makes conforming changes.
- 5 Filing fees; allocations.**
Amends the allocation of filing fee revenue collected for mailed and online motor vehicle transactions, so that a portion is deposited in a new full-service provider account (being established in the bill).
- 6 Use of vehicle registration information.**
Authorizes release of vehicle information to that vehicle’s owners and lessees under some circumstances.
- 7 Reports confidential; evidence, fee, penalty, appropriation.**
Permits full-service providers to release crash reports to authorized recipients. Provides for allocation of fees collected by full-service providers. Makes technical changes.
- 8 Full-service provider.**
Defines “full-service provider” in the chapter of state statutes on driver’s licenses and identification cards.

Section Description – Article 4: Independent Expert Review Provisions

- 9 **Fees.**
Amends the allocation of filing fee revenue collected for online and mailed driver’s license transactions, so that half is deposited in a new full-service provider account (being established in the bill).
- 10 **Preapplication; REAL ID.**
Directs the Department of Public Safety to provide an electronic process to preapply for a REAL ID compliant license or identification card.
- 11 **Fee; equipment.**
Modifies the filing fee imposed by a driver’s license agent for a driver’s license or identification card transaction, to increase it from \$8 to either \$11 or \$16 depending on the type of license or ID card involved and whether it is new document or a renewal.
- 12 **Manual and study material availability.**
Directs the Department of Public Safety to publish a driver’s manual and study materials for driver’s license exams on the department website.
- 13 **Driver and vehicle services information system; security and auditing.**
Amends requirements on halting MNDRIVE access privileges. Directs the department to create an appeals process following revocation of access privileges.
- 14 **Examination subjects and locations; provisions for color blindness, disabled veterans.**
Sets driver’s exam station requirements related to real-time exam station appointment information online.
- 15 **Waiver when license issued by another jurisdiction.**
Removes the knowledge exam and road test requirements for an applicant for a driver’s license, or a motorcycle endorsement, who is at least 21 and holds a license or endorsement from another state that requires similar examinations.
- 16 **Full-service provider account.**
Establishes a full-service provider account in the special revenue fund (which receives a portion of some fee revenue). Makes a statutory appropriation of available funds in the account to the Department of Public Safety for distribution to full-service providers on a quarterly basis. The distribution is proportional based on transactions completed by each provider.

Section Description – Article 4: Independent Expert Review Provisions

- 17 **Report; transition to digital titles and drivers’ licenses.**
Directs the Department of Public Safety to provide a legislative report on transitioning to digital driver’s licenses and vehicle documents. Specifies aspects to include in the report. Makes the report due by December 15, 2022.
- 18 **Effective date.**
Makes the act effective August 1, 2022, unless specified otherwise.

Article 5: Salvage and Prior Salvage Title Brands

This article modifies requirements for brands added to motor vehicle titles as well as disclosure of vehicle branding and damage. It reflects recommendations developed by a Salvage Title Task Force established in 2021 legislation.² The changes include:

- requiring a “prior salvage” brand on vehicles in some circumstances that involve insurance company acquisition, vehicle damage over a threshold, and prior branding of the vehicle;
- requiring a motor vehicle dealer to provide written disclosure of vehicle brands, flooding, or other prior damage when the vehicle is being sold;
- extending the title branding and disclosure requirements to commercial vehicles, restored pioneer vehicles, and motorcycles; and
- making a variety of technical and clarifying changes.

The changes are effective January 1, 2023.

Section Description – Article 5: Salvage and Prior Salvage Title Brands

- 1 **Recovered intact vehicle.**
Defines “recovered intact vehicle” in the chapter of statutes on motor vehicle titles.
- 2 **Salvage vehicle.**
Revises the definition of “salvage vehicle” in the chapter of statutes on motor vehicle titles.
- 3 **Contents.**
Makes a clarifying change, to modify an inconsistency among statutes regarding the vehicle damage threshold when notice is required in initial title applications.

² The legislative report is available at: https://www.lrl.mn.gov/mndocs/mandates_detail?orderid=16780.

Section Description – Article 5: Salvage and Prior Salvage Title Brands

4 Vehicle last registered out of state.

Makes a clarifying change, to modify an inconsistency among statutes regarding the vehicle damage threshold when notice is required in out-of-state vehicle title applications.

5 Content of certificate.

Clarifies that a title can bear more than one brand. Eliminates reference to a “rebuilt” brand that is not used in Minnesota. Makes technical and conforming changes.

6 Salvage and prior salvage brands.

Sets conditions when a “prior salvage” brand is required for a vehicle. Makes technical and clarifying changes.

Paragraph (a) requires a “prior salvage” brand or stamp on a title when an insurance company makes a damage payment and acquires a vehicle that is neither late-model nor high-value. (The requirement to instead obtain “salvage” brand or stamp for late-model and high-value vehicles in these circumstances is unchanged.)

Paragraph (c) clarifies that a “salvage” brand or stamp is required for a late-model or high-value vehicle that already has various damage-related brands on its title.

Paragraph (d) requires a “prior salvage” brand when the “salvage” brand is not otherwise mandated, and the vehicle already has any of various damage-related brands or has had a salvage brand in its history.

Paragraph (e) requires a “prior salvage” brand when a self-insured vehicle sustains damage of at least 80 percent of its prior value and the vehicle is neither late-model nor high-value. (The requirement to instead obtain “salvage” brand for late-model and high-value vehicles in these circumstances is unchanged.)

7 Certificate of inspection.

Makes technical changes, to clarify limitations and inspection requirements for vehicles with a “salvage” brand.

8 Duties of salvage vehicle purchaser.

Makes technical and conforming changes.

9 Exclusions.

Makes technical changes.

10 Disclosure of vehicle damage.

Modifies disclosure requirements related to vehicle damage and title brands.

Section Description – Article 5: Salvage and Prior Salvage Title Brands

Subd. 1. Prior damage disclosure. Eliminates a dealer disclosure requirement that is being centralized and revised, in subdivision 2. Eliminates reference to a “rebuilt” brand that is not used in Minnesota.

Subd. 2. Disclosure requirements. Centralizes and revises motor vehicle dealer disclosure provisions, including to (1) broaden the disclosure to include all types of brands on the title or mandated for the vehicle, (2) require written disclosure to prospective buyers that a buyer must sign and a dealer must document and retain, and (3) establish that verbal disclosure is not required for online sales. Substantially reproduces language that is eliminated in other statutes.

11 Title branding.

Identifies the circumstances under which the Department of Public Safety must record various brands on a vehicle title. Makes technical and conforming changes.

12 Title branding.

Eliminates a title brand design requirement that is being centralized and revised in the bill.

13 Repealer.

Repeals (1) a term that is no longer used due to changes made in the bill; and (2) exemptions from title branding and disclosure, so that the requirements also apply to commercial vehicles, restored pioneer vehicles, and motorcycles.

14 Effective date.

Makes the changes effective January 1, 2023.



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