

HF4449 - 0 - Transit Planning Requirements Modified

Chief Author: **Katie Jones**
 Committee: **Transportation Finance and Policy**
 Date Completed: **4/10/2026 9:26:14 AM**
 Lead Agency: **Metropolitan Council**
 Other Agencies:
 Revenue Dept Transportation Dept

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact	X	

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2025	FY2026	FY2027	FY2028	FY2029
Transportation Dept	-	-	-	-	-	-
Trunk Highway	-	-	-	-	-	-
State Total						
Trunk Highway	-	-	-	-	-	-
Total	-	-	-	-	-	-
Biennial Total			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2025	FY2026	FY2027	FY2028	FY2029
Transportation Dept	-	-	-	-	-
Trunk Highway	-	-	-	-	-
Total	-	-	-	-	-

Lead LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Laura Cecko **Date:** 4/10/2026 9:26:14 AM
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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2	Biennium			Biennium	
Dollars in Thousands	FY2025	FY2026	FY2027	FY2028	FY2029
Transportation Dept	-	-	-	-	-
Trunk Highway	-	-	-	-	-
Total	-	-	-	-	-
Biennial Total			-		-
1 - Expenditures, Absorbed Costs*, Transfers Out*					
Transportation Dept	-	-	-	-	-
Trunk Highway					
Expenditures	-	-	1	1	1
Absorbed Costs	-	-	(1)	(1)	(1)
Total	-	-	-	-	-
Biennial Total			-		-
2 - Revenues, Transfers In*					
Transportation Dept	-	-	-	-	-
Trunk Highway	-	-	-	-	-
Total	-	-	-	-	-
Biennial Total			-		-

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 Agency: **Metropolitan Council**

State Fiscal Impact	Yes	No
Expenditures		X
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2025	FY2026	FY2027	FY2028	FY2029
Total	-	-	-	-	-	-
Biennial Total				-		-

Full Time Equivalent Positions (FTE)	Biennium			Biennium		
	Dollars in Thousands	FY2025	FY2026	FY2027	FY2028	FY2029
Total	-	-	-	-	-	-

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Laura Cecko **Date:** 3/20/2026 2:03:58 PM
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State Cost (Savings) Calculation Details

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*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands	FY2025	FY2026	FY2027	FY2028	FY2029	
Total	-	-	-	-	-	-
Biennial Total			-			-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Total	-	-	-	-	-	-
Biennial Total			-			-
2 - Revenues, Transfers In*						
Total	-	-	-	-	-	-
Biennial Total			-			-

Bill Description

Section 1 defines “high-frequency service” as transit routes with frequent service intervals (10 minutes on weekdays, 15 minutes on weekends and late evenings) over sustained daily periods.

Section 2 updates requirements for the regional transportation policy plan, requiring it to incorporate performance measures, include detailed planning elements for highways and other modes, and involve public and agency consultation.

Section 3 requires the Metropolitan Council to regularly evaluate the region’s overall transportation system, including transit performance, trends, and comparisons to peer regions, and to use the results to guide future planning.

Section 4 establishes specific transit performance measures, including targets for how many residents live near high-frequency transit and goals for reducing operating costs over time.

Section 5 requires creation of a long-term transit system investment framework that identifies and prioritizes transit expansions and improvements and prohibits highway projects that conflict with this framework while triggering funding reallocations if conflicts occur.

Section 6 expands the Metropolitan Council’s authority to acquire property for “transit purposes,” explicitly including transit-oriented development within and near transit corridors.

Section 7 defines “transit-oriented development” as mixed-use, higher-density development designed to support walking, biking, and transit use.

Section 8 restricts spending on certain transit projects unless local zoning supports transit-oriented development near stations and allows public entities to acquire and manage property for such development.

Section 9 requires the Metropolitan Council to update the regional transportation policy plan by 2027 to incorporate the new performance measures.

Assumptions

This bill was reviewed and determined no fiscal impacts to Metropolitan Council

Expenditure and/or Revenue Formula

NA

Long-Term Fiscal Considerations

Local Fiscal Impact

References/Sources

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HF4449 - 0 - Transit Planning Requirements Modified

Chief Author: **Katie Jones**
 Committee: **Transportation Finance and Policy**
 Date Completed: **4/10/2026 9:26:14 AM**
 Agency: **Revenue Dept**

State Fiscal Impact	Yes	No
Expenditures		X
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

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State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2025	FY2026	FY2027	FY2028	FY2029
Total	-	-	-	-	-	-
Biennial Total			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium		
		FY2025	FY2026	FY2027	FY2028	FY2029
Total	-	-	-	-	-	-

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

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State Cost (Savings) Calculation Details

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*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands	FY2025	FY2026	FY2027	FY2028	FY2029	
Total	-	-	-	-	-	-
Biennial Total			-			-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Total	-	-	-	-	-	-
Biennial Total			-			-
2 - Revenues, Transfers In*						
Total	-	-	-	-	-	-
Biennial Total			-			-

Bill Description

HF 4449 amends requirements for governing transit planning for the Twin Cities metropolitan region and establishes a transit system investment framework.

Section 5, subd. 5 reallocates funds for roadway work for highway projects. Following a determination that a project is inconsistent with the transit system investment framework established in subd. 4, certain revenues that otherwise would have been distributed to specified recipients must be reallocated on a one-time basis in the following fiscal year.

Section 5, subd. 5(a)(1) reallocates a percentage of motor vehicle lease sales tax revenue otherwise distributed to the trunk highway fund for Minnesota Department of Transportation projects under Minnesota Statutes, section 297A.815, subd. 3(b)(4).

Section 5, subd. 5(a)(2) reallocates a percentage of regional transportation sales tax revenue otherwise distributed to the Metropolitan Council for council projects under Minnesota Statutes, section 297A.9915, subd. 4(a)(1).

Section 5, subd. 5(a)(3) reallocates a percentage of regional transportation sales tax revenue otherwise distributed to individual counties for county projects under Minnesota Statutes, section 297A.9915, subd. 4(a)(2).

Section 5, subd. 5(a)(4) reallocates a percentage of either small cities assistance under Minnesota Statutes 162.145 or larger cities assistance under Minnesota Statutes 162.146 (whichever is applicable and otherwise distributed to that city).

Section 5 is effective the day following final enactment and applies for Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington counties. Subds. 4 and 5 do not apply to highway projects that were either included in a transportation improvement program or submitted for approval of the geometric layout before March 1, 2027.

Assumptions

The Department of Revenue (Revenue) assumes no administrative impact resulting from this legislation. For clauses 1 through 4 of section 5, subd. 5(a), Revenue assumes the funds will continue to be disbursed normally, and that any subsequent reallocations will be performed by the recipient entities who oversee the affected projects.

Expenditure and/or Revenue Formula

N/A

Long-Term Fiscal Considerations

N/A

Local Fiscal Impact

N/A

References/Sources

Agency staff provided information for this fiscal note.

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HF4449 - 0 - Transit Planning Requirements Modified

Chief Author: **Katie Jones**
 Committee: **Transportation Finance and Policy**
 Date Completed: **4/10/2026 9:26:14 AM**
 Agency: **Transportation Dept**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact	X	

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2025	FY2026	FY2027	FY2028	FY2029
Trunk Highway	-	-	-	-	-	-
Total	-	-	-	-	-	-
Biennial Total			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2025	FY2026	FY2027	FY2028	FY2029
Trunk Highway	-	-	-	-	-
Total	-	-	-	-	-

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Laura Cecko **Date:** 4/10/2026 9:25:11 AM
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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2025	FY2026	FY2027	FY2028	FY2029
Trunk Highway		-	-	-	-	-
Total		-	-	-	-	-
Biennial Total				-		-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Trunk Highway						
Expenditures		-	-	1	1	1
Absorbed Costs		-	-	(1)	(1)	(1)
Total		-	-	-	-	-
Biennial Total				-		-
2 - Revenues, Transfers In*						
Trunk Highway						
Total		-	-	-	-	-
Biennial Total				-		-

Bill Description

The bill modifies planning, performance measurement, and transit-oriented development requirements related to the Metropolitan Council’s transportation and transit planning functions. Several provisions indirectly affect MnDOT, primarily through new requirements that highway projects in the seven-county metropolitan area not commence construction unless they are consistent with a new Transit System Investment Framework (TSIF).

Sections 1 through 4 establish or modify transit definitions, update the Transportation Policy Plan (TPP), expand transit performance measures, and require updated system performance evaluations. These responsibilities fall to the Metropolitan Council and Metro Transit. MnDOT is impacted only insofar as TPP updates affect coordination.

Section 5 requires the Metropolitan Council to adopt a TSIF by February 1, 2027. Beginning March 1, 2027, MnDOT and local governments may not commence construction, reconstruction, reconditioning, resurfacing, or rehabilitation on highway projects that are inconsistent with the TSIF. The section also establishes funding reallocation penalties for inconsistent projects; however, the bill leaves the actual percentages unspecified. The reallocation mechanism appears to fall under the authority of the Department of Revenue (DOR) or Minnesota Management and Budget (MMB). It is unclear whether MnDOT would incur any administrative burden associated with calculating or certifying those amounts.

Sections 6 through 8 expand or clarify authorities related to transit-oriented development (TOD) and impose TOD-related zoning requirements on local governments for transit capital projects outside core market areas. These provisions do not directly impact MnDOT.

Section 9 requires the Metropolitan Council to amend the TPP by January 15, 2027, to incorporate the new performance measures.

In practice, MnDOT’s principal responsibility under this bill is ensuring that eligible Metro District highway projects undergoing construction after March 1, 2027 are reviewed for TSIF consistency, and, if necessary, making design or project development modifications to achieve consistency.

Assumptions

MnDOT is assuming a small fiscal impact due to little to no implementation costs for the agency.

The bill affects only the MnDOT Metro District, where approximately one to two projects per year currently interact with

guideway or busway planning elements. Based on existing information, all MnDOT projects programmed in the Metro District over the next four years appear to be consistent with current Metropolitan Council plans. The cost of modifying a project to achieve consistency can vary significantly, ranging from only a few thousand dollars to tens or even hundreds of millions of dollars, depending on the project and the extent of redesign required. Similarly, the level of staff effort needed to address consistency issues can vary widely, from less than an hour for straightforward cases to hundreds of hours for complex corridor interactions. The bill's requirements do not apply to projects already in the STIP or those with geometric layouts submitted before March 1, 2027. Given current programming and known plans, it is unlikely that MnDOT will add new Metro District projects in the next two to four years that would trigger substantive consistency concerns.

MnDOT assumes staff time beginning in FY28 for a Principal Engineer to spend about 10 hours per year reviewing the one to two projects that may require minor consistency evaluation. In addition, MnDOT will need to update project schedules and templates to include this determination step. This one-time update is estimated to require about 10 hours of work from a Planning Program Coordinator in late FY27. MnDOT assumes these staffing costs will be absorbed.

Expenditure and/or Revenue Formula

Staff time-

Principal Engineer: $60.92 \text{ (hr wage)} * 1.5 \text{ (overhead)} * 10 \text{ (total hrs)} = \913 (\$1,000 rounded) annually beginning in FY28

Planning Program Coordinator: $54.38 \text{ (hr wage)} * 1.5 \text{ (overhead)} * 10 \text{ (total hrs)} = \816 (\$1,000 rounded) one-time in FY27

Long-Term Fiscal Considerations

If a major new guideway project were added in the future and intersected significantly with a trunk highway facility, the cost to MnDOT could be substantial. Depending on the scale and design needs, costs could range from approximately \$1 million to \$200 million. While this scenario is unlikely to occur within the next 34 years, it is reasonably likely to occur at some point in the longer term.

Local Fiscal Impact

Cities and counties are likely to experience more substantial impacts than MnDOT, as the majority of transit corridors and transit investments occur on locally owned facilities.

References/Sources

MnDOT Office of Transportation System Management

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