

HF3436 - 0 - Various Transportation Policies Modified

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 Committee: **Transportation Finance**
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 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	FY2023	FY2024	FY2025	FY2026	FY2027
Total	-	-	-	-	-	-
Biennial Total			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium		
		FY2023	FY2024	FY2025	FY2026	FY2027
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:** 2/12/2024 3:08:17 PM
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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	FY2023	FY2024	FY2025	FY2026	FY2027	
Total	-	-	-	-	-	-
Biennial Total			-			-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Total	-	-	-	-	-	-
Biennial Total			-			-
2 - Revenues, Transfers In*						
Total	-	-	-	-	-	-
Biennial Total			-			-

Bill Description

House File 3436 contains numerous transportation policy provisions affecting MnDOT.

Articles 1:

Sec. 1 repeals the prohibition of trunk highway fund spending on elective vehicle infrastructure.

Sec. 2 - 4 removes route No. 185, Trunk Highway 123 in Pine County, from the trunk highway system and turned back to the local government.

Sec. 5 -6 permits MnDOT to award up to 12 percent preference in the amount bid for specified construction work to small targeted-group businesses and veteran-owned businesses.

Sec. 7 allows any driver to make a right-hand turn into the farthest lane of a roadway with two or more lanes in the same direction to make a U-turn at a reduced-conflict intersection, if it is safe to do so.

Sec. 8 - 9 removes outdated statutory references to the term “safety zone.” “Safety zone” is an old term that is no longer put to practical use.

Sec. 10 creates a definition of nondivisible load or nondivisible vehicle.

Sec. 11 makes clarifying technical amendments to an annual report detailing metrics related trunk highway performance, resiliency, and sustainability.

Sec. 12 clarifies that tribal nations are not required to adopt regulations that require safe routes to school infrastructure in new developments.

Sec. 13 allows disaster support state funds to also be used for damage associated with State or Federally declared disasters that are ineligible for assistance from existing State and Federal disaster programs.

Sec. 14 repeals Minnesota Statutes 2022, sections 169.011, subdivision 70; and 169.25.

Articles 2

Sec. 1 - 3 defines complementary paratransit service (ADA), elderly and disabled service, and large urbanized areas service.

Sec. 4 refers to “public transportation” rather than “public transit” or “transit.”, along with defining public transportation and various exclusions.

Sec. 5 6 redefines rural area service and small urban area service.

Sec. 7 removes the requirement for appropriate regional development commissions to review grant applications.

Sec. 8 adds complementary paratransit service (ADA) to the commissioner's charge of developing a greater Minnesota transit investment plan.

Sec. 9 MnDOT is no longer required to determine the total operating cost of transit systems receiving or applying for assistance. Operating assistance recipients may now be classified under complementary paratransit service (ADA). The remainder of a recipient's total contracted operating cost no longer needs to be paid from state funds less United States Department of Transportation assistance. The commissioner may no longer exclude from the total assistance contract revenues derived from operations. Total operating cost is replaced with the operating assistance amount.

Sec. 10 prohibits the percent of local sources paid by any recipient from exceeding 20 percent of the awarded amount.

Sec. 11 Requires any public transit system provide assistance in creating the annual transit report if is receiving transit assistance under section 174.24 and requires that the report include public transit system needs & operating expenditures every year not just odd years.

Sec. 12 is added with revisor instruction.

Sec. 13 repeals section 174.22 (definitions), subd. 5 (operating deficit), 8 (regular route transit) and 15 (urbanized area service) & section 174.23 (General Powers and Duties), subd. 7 (Rulemaking; total operating cost) to align state and federal requirements and repeals Minnesota Rules, chapter 8835 (Public Transit, which were adopted in 1974 as temporary rules.

Assumptions

There is no fiscal impact to MnDOT for any of these sections, though several have potential impact, including:

Article 1

Sec. 1 would modify the eligible uses of funds from the Trunk Highway Fund by removing a prohibition on spending on electric vehicle infrastructure.

Sec. 2-4 allows the statute related to Route 185 to be modified when an agreement has been signed to transfer the route when the conditions required have been satisfied. There is no fiscal impact to MnDOT for these steps, as agreements of road improvements needed before turnbacks occur are executed between MnDOT and the county affected. Any money spent on these upgrades has already been statutorily appropriated and will occur from the county turnback account in the county state-aid highway fund.

Sec. 5-6 increases from six to twelve percent the amount bid for construction work to targeted group businesses and veterans. This is not anticipated to impact state resources.

Sec. 13 expands the eligible uses of a local transportation disaster support account created in the 2023 session to include state or federal disasters that are otherwise ineligible for assistance and may lead to larger budget requests from MnDOT to fund the account in the future.

Article 2

Repeals Chapter 8835, administrative rules which were adopted as temporary rules in 1974 and makes additional changes to Minn. Stat. 174.21 to 174.255 to align state and federal requirements.

Expenditure and/or Revenue Formula

No MnDOT fiscal impact.

Long-Term Fiscal Considerations

None

Local Fiscal Impact

Sec. 2-4: There may be some minor increases in highway maintenance costs for the local governments receiving the routes. Roads turned back to local governments in this manner have been upgraded so that there is typically no major repair required for a long period of time.

References/Sources

None

Agency Contact:

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