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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. **2550**

03/20/2025 Authored by Jones, Greene, Allen, Davids, Momanyi-Hiltsley and others
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; modifying requirements related to construction impacts
1.3 on businesses; establishing a local business construction impacts assistance
1.4 program; amending Minnesota Statutes 2024, section 160.165; proposing coding
1.5 for new law in Minnesota Statutes, chapter 160.

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

1.7 Section 1. Minnesota Statutes 2024, section 160.165, is amended to read:

1.8 **160.165 MITIGATING TRANSPORTATION PROJECT IMPACTS ON**
1.9 **BUSINESS.**

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

1.12 (b) "Business impairment" has the meaning given in section 160.167, subdivision 1.

1.13 ~~(c)~~ (c) "Project" means construction work to maintain, construct, reconstruct, or improve
1.14 a street or highway or for a rail transit project;

1.15 ~~(d)~~ (d) "Substantial business impacts" means business impairment of road access, parking,
1.16 ~~or visibility for one or more business establishments~~ as a result of a project, for a ~~minimum~~
1.17 period of at least one month; ~~and.~~

1.18 ~~(e)~~ (e) "Transportation authority" means the commissioner, as to trunk highways; the
1.19 county board, as to county state-aid highways and county highways; the town board, as to
1.20 town roads; statutory or home rule charter cities, as to city streets; the Metropolitan Council,
1.21 for rail transit projects located entirely within the metropolitan area as defined in section
1.22 473.121, subdivision 2; and the commissioner, for all other rail transit projects.

2.1 Subd. 2. **Business liaison.** (a) Before beginning construction work on a project, a
2.2 transportation authority ~~shall~~ must identify whether the project is anticipated to include
2.3 substantial business impacts. For such projects, the transportation authority ~~shall~~ must
2.4 designate an individual to serve as business liaison between the transportation authority and
2.5 affected businesses.

2.6 (b) The business liaison ~~shall~~ must consult with affected businesses before and during
2.7 construction to investigate and recommend means of mitigating project impacts to businesses.
2.8 The mitigation considered must include signage. The business liaison ~~shall~~ must provide
2.9 information to the identified businesses before and during construction, concerning project
2.10 duration and timetables, lane and road closures, detours, access impacts, customer parking
2.11 impacts, visibility, noise, dust, vibration, and public participation opportunities.

2.12 Subd. 4. **Construction communication plan.** (a) A transportation authority must
2.13 implement a construction communication plan for each project in which a business liaison
2.14 is required under subdivision 2. The transportation authority must develop the plan in
2.15 consultation with the business liaison during project development.

2.16 (b) At a minimum, the communication plan must include:

2.17 (1) identification of methods to distribute project information;

2.18 (2) procedures to distribute construction-related notices to affected businesses, tenants,
2.19 and other property owners;

2.20 (3) development of information on the project, including but not limited to the information
2.21 specified under subdivision 2, paragraph (b), and, as appropriate, potential financial assistance
2.22 under the local business construction impacts assistance program under section 160.167;
2.23 and

2.24 (4) a schedule and milestones for issuance of project updates, including but not limited
2.25 to immediately prior to commencement of construction work and following any change in
2.26 the scheduled date of substantial completion of the project.

2.27 **EFFECTIVE DATE.** This section is effective the day following final enactment and
2.28 applies to projects in which construction first commences on or after November 1, 2025.

2.29 Sec. 2. **[160.167] LOCAL BUSINESS CONSTRUCTION IMPACTS ASSISTANCE**
2.30 **PROGRAM.**

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

3.1 (b) "Business entity" includes but is not limited to an individual, partnership, corporation,
3.2 joint venture, association, or cooperative.

3.3 (c) "Business impairment" means impairment to a business establishment or nonprofit
3.4 organization of at least one of the following:

3.5 (1) access to a retail location from:

3.6 (i) a project that is on a road that abuts the location and includes partial or full closure
3.7 of the road within 1,000 feet of the location; or

3.8 (ii) more than one simultaneous project on a road that abuts the location in which a
3.9 portion of each project (A) is within two miles of the location, and (B) includes partial or
3.10 full closure of the road; or

3.11 (2) visibility of the primary identifying signage or entrance.

3.12 (d) "Covered project" means a project to maintain, construct, reconstruct, or improve a
3.13 trunk highway within a statutory or home rule charter city, a county state-aid highway, a
3.14 municipal state-aid street, or a combination.

3.15 (e) "Extensive business impacts" means business impairment as a result of a covered
3.16 project for a period of at least 60 days.

3.17 (f) "Program" means the local business construction impacts assistance program
3.18 established in this section.

3.19 Subd. 2. **Program established.** The commissioner must establish a program for financial
3.20 assistance to eligible entities adversely impacted by street and highway construction activity
3.21 on covered projects.

3.22 Subd. 3. **Administration.** The commissioner must establish program requirements,
3.23 including application procedures that minimize applicant burdens, eligibility criteria subject
3.24 to the requirements under subdivision 4, and procedures for distribution of financial
3.25 assistance. The commissioner must implement the program to provide financial assistance
3.26 payments in a timely manner that are, to the extent practicable, before or during the time
3.27 period of the extensive business impacts.

3.28 Subd. 4. **Eligibility.** An eligible recipient of financial assistance under the program is a
3.29 business entity organized for profit or a nonprofit organization that:

3.30 (1) in the preceding fiscal year, received at least 80 percent of its annual gross revenue
3.31 from sales or services at retail locations;

3.32 (2) has no more than two retail locations;

4.1 (3) has experienced or is anticipated to experience extensive business impacts; and

4.2 (4) is headquartered and located in Minnesota.

4.3 **Subd. 5. Financial assistance; program allocation.** (a) A road authority that performs
4.4 a covered project with extensive business impacts to one or more anticipated eligible entities
4.5 must allocate a portion of project funds for financial assistance to be provided under the
4.6 program. As applicable, a road authority must provide project and allocation information
4.7 to the commissioner in the manner required by the commissioner.

4.8 (b) For each project, the allocation equals one percent of the total project cost estimate
4.9 as calculated absent the requirements under this section.

4.10 (c) For each project, the contingent allocation equals one percent of the total project cost
4.11 estimate as calculated absent the requirements under this section.

4.12 **Subd. 6. Financial assistance; distribution and payment.** (a) Following application
4.13 and review of eligibility and business impacts, the commissioner must identify award
4.14 recipients. From the allocation specified under subdivision 5, paragraph (b), or paragraph
4.15 (c) as provided under subdivision 7, the commissioner must determine a distribution amount
4.16 to each award recipient and make financial assistance payments accordingly.

4.17 (b) The distribution amount must:

4.18 (1) be allocated equally among all recipients; and

4.19 (2) not exceed \$30,000 for each recipient.

4.20 (c) Notwithstanding any law to the contrary, funds available for the covered project are
4.21 available for the commissioner to make financial assistance payments to award recipients
4.22 under the program.

4.23 **Subd. 7. Financial assistance; supplemental distribution.** (a) Before commencing
4.24 construction work on a covered project, the road authority must identify a milestone date
4.25 at which point all extensive business impacts are scheduled to be substantially concluded
4.26 for the project. The road authority may establish multiple milestone dates for different
4.27 projects or project segments as appropriate.

4.28 (b) If extensive business impacts are not substantially concluded within 60 days after a
4.29 milestone date under paragraph (a), the commissioner must perform a supplemental
4.30 distribution of financial assistance as provided under subdivision 6 using the contingent
4.31 allocation specified under subdivision 5, paragraph (c).

- 5.1 Subd. 8. **Application.** The requirements under this section apply to a covered project
- 5.2 in which construction first commences on or after October 1, 2026.
- 5.3 **EFFECTIVE DATE.** This section is effective the day following final enactment.