

Chapter 68

2023 Regular Session

Subject Transportation finance omnibus

Bill H.F. 2887

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Overview

This act establishes the transportation budget, authorizes trunk highway bonding, establishes new transportation-related taxes, modifies transportation finance, and makes various finance and policy changes. Among its provisions, the act:

- makes appropriations that set the fiscal year (FY) 2024-2025 budget for transportation as well as provide for FY 2023 spending;
- makes a \$152.7 million onetime transfer from the General Fund to the Trunk Highway Fund;
- authorizes a total of \$599.2 million in trunk highway bonds and appropriates the proceeds;
- modifies the motor vehicle registration tax rate and structure;
- raises the rate for the motor vehicle sales tax, from 6.5 percent to 6.875 percent, with an accompanying reallocation of the revenue;
- imposes a \$0.50 retail delivery fee on some sales transactions;
- establishes a regional transportation sales and use tax in the Twin Cities metropolitan area, at a rate of 0.75 percent;
- increases various driver's license and identification card fees;
- reallocates additional revenue to transportation from the state general sales tax attributed to sales of automotive repair and replacement parts, which is phased in over fiscal years 2024-33;
- establishes new accounts and revenue allocation formulas;
- establishes an advisory council, a task force, and pilot programs;
- requires legislative reports; and
- contains a variety of finance and policy provisions.

Article 1: Transportation Appropriations

This article sets the FY 2024-2025 budget for transportation, primarily 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.

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.
- 2 Department of Transportation.**
Establishes the FY 2024-2025 biennial budget for MnDOT. Makes appropriations and provides for carryforward of funds, conditional appropriations, transfers, and legislative reporting.
- 3 Metropolitan Council.**
Makes FY 2024-2025 biennial appropriations for transportation functions of the Metropolitan Council.
- 4 Department of Public Safety.**
Establishes the FY 2024-2025 biennial budget for transportation-related and some division-wide functions of the Department of Public Safety.
- 5 Legislative Coordinating Commission.**
Makes a FY 2024 appropriation from the General Fund to the Legislative Coordinating Commission for the costs of a Metropolitan Governance Task Force being established (see article 4, section 123).
- 6 Minnesota Management and Budget.**
Makes appropriations from the General Fund to Minnesota Management and Budget to establish staffing for a coordinator on federal funds. The FY 2023 appropriation is effective May 25, 2023.
- 7 Corridors of Commerce (2018 session law).**
Redirects any excess funds remaining in a 2018 Corridors of Commerce trunk highway bonds authorization and appropriation provision, to go towards a project in New London.
- 8 Driver and vehicle services (2022-23 appropriations).**
Provides for cancellation of unexpended funds in driver services and vehicle services accounts that are being eliminated, as part of a change made to merge the accounts (see article 4, section 82). Reduces the FY 2023 appropriation to the Department of Public Safety for vehicle services operations (which reflects a shift indicated by the

Section Description – Article 1: Transportation Appropriations

- department to use an existing statutory appropriation, instead of direct appropriations, for a portion of operating costs). Effective May 25, 2023.
- 9 **Appropriation; transportation management organizations.**
Makes appropriations from the General Fund to MnDOT for grants to specified transportation management organizations as well as for a grant to develop a transportation management organization serving southeastern Minnesota.
- 10 **Appropriation; rail corridor service.**
Makes a FY 2023 appropriation from the General Fund to MnDOT for analysis and reporting on Northstar Commuter Rail as well as rail service within the corridor from Minneapolis and St. Paul to St. Cloud, Fargo, and Moorhead (see article 4, section 112). Effective May 25, 2023.
- 11 **Appropriation; Transit service intervention project.**
Makes a FY 2023 appropriation from the General Fund to the Metropolitan Council for a temporary project to perform safety and rider interventions on light rail transit lines (see article 4, section 113). Effective May 25, 2023.
- 12 **Appropriations; State Patrol operating deficiency.**
Makes appropriations from the Trunk Highway Fund and the Highway User Tax Distribution Fund in FY 2023 for State Patrol operating costs. Effective May 25, 2023.
- 13 **Appropriation; Department of Employment and Economic Development.**
Makes an appropriation from the General Fund to the Department of Economic Development in FY 2024 for staff costs related to a freight optimization tool (which replaces canceled appropriations for FY 2022-23 in section 19 of this article).
- 14 **Appropriation; traffic safety.**
Makes an appropriation from the General Fund to the Department of Public Safety in FY 2024 for grants to purchase and install stop-signal arm camera systems on school buses. Makes the funds available through FY 2025.
- 15 **Appropriation; small community partnerships.**
Makes appropriations from the General Fund to the University of Minnesota in FY 2024-25 to implement infrastructure project development partnerships with local units of government. Specifies required aspects under the agreement. Makes the funds available through FY 2026.
- 16 **Appropriation; Rice Street Capitol Area redesign.**
Makes an appropriation from the General Fund to MnDOT in FY 2025 for grants to provide for a street redesign project on portions of Rice Street and connecting streets

Section Description – Article 1: Transportation Appropriations

- in the state capitol complex area. Specifies some project development and design requirements.
- 17 **Appropriations; priority transportation projects.**
Makes several appropriations from the General Fund to MnDOT for various specified projects, including for highways, local roads, interchanges, a pedestrian bridge, a highway-rail grade crossing separation, and pedestrian accessibility.
- 18 **Account use for certain appropriations.**
Establishes that appropriations in other laws enacted during the 2023 legislative session are from the merged account being established in this act, rather than from either of the currently separate accounts (see article 4, section 82).
- 19 **Appropriation cancellations.**
Cancels portions of FY 2022 and 2023 appropriations (with equivalent amounts appropriated in FY 2024 elsewhere in this article), for (1) the Safe Routes to School program; and (2) a statewide freight network optimization tool. Effective May 25, 2023.
- 20 **Transfers.**
Paragraph (a) transfers \$336.2 million from the General Fund to the Trunk Highway Fund in FY 2024.

Paragraph (b) transfers a total of \$39 million from the General Fund to the active transportation account over FY 2024-25. Sets a base for transfers in FY 2026 and 2027.

Paragraphs (c) and (d) provide for transfers of unexpended balances in driver services and vehicle services accounts that are being eliminated, as part of a change made to merge the accounts (see article 4, section 82).

Article 2: Trunk Highway Bonds

The article contains \$599.2 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.

Section Description – Article 2: Trunk Highway Bonds

2 Department of Transportation.

Appropriates trunk highway bond proceeds to MnDOT, including:

- \$153 million for the Corridor of Commerce program, divided over FY 2024-26;
- \$200 million for state road construction, divided over FY 2024-26;
- \$87.44 million for department facilities; and
- Various amounts for specified trunk highway projects.

3 Bond sale expenses.

Appropriates \$610,000 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.

Article 3: Taxation

This article contains a number of tax and fee provisions related to transportation.

Section Description – Article 3: Taxation

1 [Adds § 41A.30] Sustainable aviation fuel; tax credits.

Establishes, in conjunction with section 21 in this article, a corporate income tax credit for the production or blending of sustainable aviation fuel that is sold for use in aircraft departing from Minnesota. Establishes requirements governing sustainable aviation fuel credit certificates, including eligibility, certificate allocation limits, and appeals. Effective for tax years starting January 1, 2024. Expires after the 2030 tax year.

2 [Adds § 162.146] Larger cities assistance account; appropriation.

Creates a new account for aid to cities that are eligible for municipal state-aid street funds, sets a statutory appropriation to MnDOT, and establishes a distribution formula for the aid.

3 Tax authorized.

Exempts motor vehicles registered by a veteran with a 100 percent total and permanent disability rating from the county wheelage tax. Effective January 1, 2024.

Section Description – Article 3: Taxation

4 Vehicles registered by certain veterans.

Exempts motor vehicles registered by a veteran with a 100 percent total and permanent disability rating from the motor vehicle registration tax as well as various fees, including plate and filing fees. Sets limits on the exemptions. Effective January 1, 2024.

5 Passenger automobile; hearse.

Modifies calculation of the motor vehicle registration tax, to (1) raise the tax rate, (2) adjust the depreciation schedule used to establish the effective rate of the tax (which is based on vehicle age); and (2) lower the minimum flat amount from \$25 to \$20 (which applies instead of the percentage rate for vehicles that are 11 years old or older). Effective January 1, 2024.

6 Filing fee; allocations.

Paragraphs (a) and (e) increase filing fees imposed on motor vehicle transactions by \$1. Effective October 1, 2023.

Paragraph (f) establishes a \$1 surcharge on in-person vehicle transactions handled by a deputy registrar. Effective January 1, 2024.

7 Exemption; vehicle for certain veterans.

Exempts motor vehicles registered by a veteran with a 100 percent total and permanent disability rating from various fees related to vehicle titles. Effective January 1, 2024.

8 [Adds § 168E.01] Definitions.

Defines terms related to the imposition and administration of the retail delivery fee. Effective July 1, 2024.

9 [Adds § 168E.03] Fee imposed.

Imposes a delivery fee on some retail transactions.

Subd. 1. Retail delivery fee imposed. Imposes a retail delivery fee of \$0.50 on each retail delivery transaction that exceeds \$100 for items that trigger the fee, and in which a delivery is made in or into the state. Allows the retailer to collect the fee from the purchaser. Requires that if a retailer collects the fee from the purchaser that the fee be separately stated on a receipt or invoice. Clarifies that the retail delivery fee is in addition to any other delivery fees assessed by the retailer. Excludes the fee from sales price if separately stated on a receipt or invoice. Requires that if the fee is separately stated that it be called “road improvement and food delivery fee.”

Section Description – Article 3: Taxation

Subd. 2. Multiple items or shipments. Specifies that only one fee is imposed regardless of the number of shipments necessary to complete the transaction, or how many items are purchased.

Subd. 3. Returns and cancellations. Specifies that if a purchaser cancels a retail delivery that the fee is refundable, but if the items in the transactions are returned to the retailer the fee is nonrefundable.

Effective July 1, 2024.

10 [Adds § 168E.05] Exemptions.

Establishes thresholds and exemptions for delivery fee imposition.

Subd. 1. Transactions. Specifies and clarifies exemptions from the delivery fee, including exemptions for:

- Prepared food;
- Sales from bars and restaurants;
- Various baby products;
- A purchaser who is exempt from paying state sales tax; and
- Purchased items that are delivered on vehicles for which a permit is issued by MnDOT or a road authority.

Subd. 2. Small business. Exempts businesses making retail sales below \$1 million in the previous calendar year, as well as marketplace providers when facilitating a sale for a retailer that made retail sales under \$100,000 using that marketplace provider.

Effective July 1, 2024.

11 [Adds § 168E.07] Collection and administration.

Dictates that the statutes governing the administration of the state sales tax also apply to the retail delivery fee. Requires retailers to remit the fee to the commissioner on a return prescribed by the commissioner and on the same filing cycle as required for state sales tax. Effective July 1, 2024.

12 [Adds § 168E.09] Deposit of proceeds.

Provides for deposit of the proceeds from the retail delivery fee. Allows the commissioner of revenue to deduct costs of administering the fee and directs the balance to the transportation advancement account. Effective July 1, 2024.

Section Description – Article 3: Taxation

- 13 **Veteran with a total service-connected disability.**
Defines the term “veteran with a total service-connected disability” for the chapter of statutes on driver licensing and education. Effective the day after enactment.
- 14 **Fees.**
Raises the fee on issuance and renewal of driver’s license and identification cards, by \$6 or \$6.75 depending on the credential. Makes technical changes and removes obsolete language.
- 15 **Exemption; certain veterans.**
Exempts a veteran with a 100 percent total and permanent disability rating from various driver’s license and Minnesota identification card fees, including credential and filing fees. Effective January 1, 2024.
- 16 **Fee; equipment.**
Paragraph (a) raises the filing fee imposed for a driver’s license transaction, from \$8 to either \$11 (for new applications) or \$16 (for renewals). Paragraph (c) directs the Department of Public Safety to maintain both photo identification and vision equipment for all driver’s license agents. Effective October 1, 2023.
- 17 **[Adds § 174.49] Transportation advancement account.**
Establishes a transportation advancement account in the Special Revenue Fund (which receives proceeds from the retail delivery fee as well as other revenue in this article). Governs allocation of the funds.
- Subd. 1. Definitions.** Defines terms.
- Subd. 2. Transportation advancement account.** Creates the transportation advancement account.
- Subd. 3. Distribution.** Allocates funds in the account:
- 36 percent to counties in the Twin Cities metropolitan area;
 - ten percent to the County State-Aid Highway (CSAH) Fund;
 - 15 percent to the larger cities assistance account created elsewhere (see section 2 in this article);
 - 27 percent to the small cities assistance account;
 - 11 percent to the town road account; and
 - one percent to the food delivery support account created elsewhere (see section 19 in this article).

Section Description – Article 3: Taxation

Subd. 4. Metropolitan counties; appropriation. Makes a statutory appropriation of funds in the transportation advancement account allocated to metropolitan counties, for distribution by MnDOT.

Subd. 5. Metropolitan counties; allocation formula. Establishes a formula for allocation of account funds that are distributed to Twin Cities metropolitan counties, so that money is allocated:

- 50 proportionally based county population (compared to all counties receiving the aid); and
- 50 proportionally based each county's road construction needs.

Subd. 6. Metropolitan counties; use of funds. Identifies the permitted uses of funds allocated to metropolitan counties from the transportation advancement account, including to set percentage shares for specified categories of uses.

18 Sustainable aviation fuel.

Requires sustainable aviation fuel to comply with specified aviation fuel standards. Effective May 25, 2023.

19 Food delivery support account; appropriation.

Establishes an account for food delivery support, which receives a portion of the revenue from the retail delivery fee. Appropriates money in the account to the Department of Human Services for grants to nonprofit organizations for food transportation services.

20 Revenue department service and recovery special revenue fund.

Authorizes the commissioner of revenue to deposit a portion of the retail delivery fee proceeds to cover the cost of administration in the revenue department service and recovery special revenue fund. Effective July 1, 2024.

21 [Adds § 290.0688] Credit for sustainable aviation fuel.

Establishes, in conjunction with section 1 in this article, a corporate income tax credit for the production or blending of sustainable aviation fuel that is sold for use in aircraft departing from Minnesota. Provides for credit application based on certification, auditing, appropriation to the Department of Revenue from the General Fund for refunds, and credit expiration. Effective for tax years starting January 1, 2024.

22 Rate of tax. (gasoline, diesel, E85, M85)

Provides for adjustments to the rate of motor fuels tax imposed on gasoline, E85, and M85, by requiring an annual rate adjustment that is based on annual increase in the

Section Description – Article 3: Taxation

- Minnesota Highway Construction Cost Index. Starting in 2025, caps the annual percentage change in tax rate at three percent.
- 23 **Rate of tax. (special fuels)**
Provides for adjustments to the rate of motor fuels tax imposed on natural gas and other special fuels, by requiring an annual rate adjustment that is based on annual increase in the Minnesota Highway Construction Cost Index. Starting in 2025, caps the annual percentage change in tax rate at three percent.
- 24 **Tax imposed.**
Exempts carsharing services offered by a nonprofit carsharing organization from the motor vehicle rental tax.
- 25 **Fee imposed.**
Modifies an exemption for nonprofit carsharing organization from a fee associated with the motor vehicle rental tax, to allow for vehicles parked in public right-of-way.
- 26 **Sustainable aviation fuel facilities.**
Establishes a state general sales tax exemption for materials and supplies used in construction or improvement of facilities that produce or blend sustainable aviation fuel. Provides for refunds following sales tax payment and proportional exemptions. Effective for seven fiscal years, from July 1, 2027, through June 30, 2033.
- 27 **Deposit of revenues.**
Modifies the allocation of state general sales tax revenue attributed to automotive repair and replacement parts, so that:
- 43.5 percent of the revenue is annually directed to the Highway User Tax Distribution (HUTD) fund; and
 - the remainder is phased in to the transportation advancement account with increasing percentages over FY 2024-33 (and corresponding reductions to the General Fund).
- 28 **Authorization; scope.**
Makes a conforming change.
- 29 **[Adds § 297A.9925] Regional transportation sales and use tax.**
Imposes a 0.75 percent sales and use tax in the Twin Cities metropolitan area.
- Subd. 1. Definitions.** Defines terms.

Section Description – Article 3: Taxation

Subd. 2. Sales tax imposition; rate. Imposes the sales and use tax at a rate of 0.75 percent.

Subd. 3. Administration; collection; enforcement. Provides for collection and enforcement by the Department of Revenue.

Subd. 4. Deposit. Deposits the sales tax proceeds as follows:

- 83 percent to the Metropolitan Council for transit and active transportation purposes (see section 34 in this article); and
- 17 percent to Twin Cities metropolitan area counties, allocated in the same manner as funds provided from the transportation advancement account (see section 17 in this article).

Subd. 5. Revenue bonds. Authorizes revenue bonds for the council's transit capital program.

Effective for sales and purchases beginning October 1, 2023.

30 **Rate.**

Increases the rate for the motor vehicle sales tax (MVST), from 6.5 percent to 6.875 percent.

31 **Exemptions.**

Exempts a motor vehicle purchased by a veteran with a 100 percent total and permanent disability rating from MVST. Effective July 1, 2024.

32 **Allocation of revenue.**

Modifies the allocation of revenue from MVST between transit in the Twin Cities metropolitan area and greater Minnesota. (In conjunction with the rate increase in this article, the change has the effect of directing the majority of additional transit revenue to greater Minnesota transit.)

33 **Guideways and busways; construction and operation.**

Modifies funding requirements for transit operations and capital maintenance, to:

- eliminate light rail transit operations funding mandates;
- require the operating costs of guideways and busways, including light rail transit and bus rapid transit, to be funded from the regional sales tax established (being established in the act) following allocated federal, state, and farebox funds; and

Section Description – Article 3: Taxation

- require capital maintenance costs to be funded from the regional sales tax, federal funds, and debt financing.

Effective October 1, 2023.

34 [Adds § 473.4465] Regional sales and use tax uses.

Provides for uses of regional transportation sales tax revenue that is allocated to the Metropolitan Council. Effective October 1, 2023.

Subd. 1. Definition. Defines the term “sales tax revenue.”

Subd. 2. Use of funds; Metropolitan Council. Specifies allocation of sales tax funds, including to direct five percent to the Transportation Advisory Board (TAB) for active transportation, and identify various priority uses of the revenue.

Subd. 3. Use of funds; active transportation. Directs the TAB to distribute a portion of the sales tax revenue as grants for active transportation projects. Specifies grantmaking, selection process, and prioritization requirements.

Subd. 4. Use of funds; metropolitan counties. Establishes that the regional sales tax funds allocated to Twin Cities metropolitan area counties must be used in the same manner as specified for funds from the transportation advancement account (see section 17 in this article).

Subd. 5. Prohibition. Establishes a temporary prohibition on the use of regional sales tax revenue for the Southwest light rail transit project, which expires June 30, 2024.

Subd. 6. Tracking and information. Sets requirements on public information regarding revenue and expenditures from the regional sales tax.

35 Guideway or busway; operating costs.

Directs local units of governments to make payments to the Metropolitan Council for their outstanding obligations for specified transit operating costs. Terminates existing agreements on transit operating costs, as of October 1, 2023. Effective May 25, 2023.

Article 4: Transportation Finance and Policy

This article contains various provisions involving transportation finance and policy. The changes are effective July 1, 2023, unless specified otherwise.

Section Description – Article 4: Transportation Finance and Policy

- 1 Data security account; appropriation.**
Creates a statutory appropriation from a data security account to the Legislative Auditor and broadens uses of the funds to general oversight of state data security.
- 2 [Adds § 4.076] Advisory council on traffic safety.**
Establishes a Traffic Safety Advisory Council to address traffic safety issues. Specifies membership, duties, and administrative requirements and organizational authority.
- 3 Classifications.**
Provides for data practices on race and ethnicity data collected under a change being made elsewhere in the bill. Effective January 1, 2024.
- 4 Oil and other hazardous substances transportation data.**
Sets a cross reference for data practices on data related to transportation of oil and other hazardous substances.
- 5 Definitions.**
Defines terms for a statute on emergency response planning, exercises, and capability related to incidents involving rail transportation of oil and other hazardous substances.
- 6 Training.**
Revises requirements for training offered by railroads related to rail transportation of oil and other hazardous substances, including to add training recipients and modify training content.
- 7 Emergency response planning; coordination.**
Modifies communication requirements between railroads and local entities on routes in which oil and other hazardous substances are transported.
- 8 Response capabilities; time limits.**
Adds and modifies railroad response capability requirements for rail incidents involving discharge of oil or other hazardous substances.
- 9 Railroad exercises.**
Revises requirements for regular walkthroughs, tabletop exercises, and functional exercises for response to rail incidents involving oil or other hazardous substances. Provides for determination of exercise type and logistics.

Section Description – Article 4: Transportation Finance and Policy

- 10 **Prevention and response plans; requirements; submission.**
Provides for frequency of rail prevention and response plan and plan update submissions. Removes obsolete language.
- 11 **Student training.**
Makes a conforming change.
- 12 **[Adds § 123B.935] Active transportation safety training.**
Establishes requirements on active transportation safety training of students, including to direct school districts to provide training on specified bicycle and pedestrian topics and direct MnDOT to maintain training materials.
- 13 **Administration of opiate antagonists for drug overdose.**
Authorizes personnel under the transit rider investment program (see section 93 in this article) to administer opiate antagonists, e.g., NARCAN Nasal Spray, for emergency treatment of an opioid overdose.
- 14 **[Adds § 160.2325] Highways for Habitat program.**
Requires MnDOT to create a Highways for Habitat program. Identifies program requirements, requires standards for roadside vegetation management, and requires legislative reports.
- 15 **Cooperation among agencies and governments.**
Directs MnDOT to provide bikeway design information and advice as well as technical assistance to local governments regarding bikeways and bicycle routes. Effective August 1, 2023.
- 16 **State bicycle routes.**
Requires consultation with the Active Transportation Advisory Committee (see section 66 in this article) regarding establishment of state bicycle routes. Effective August 1, 2023.
- 17 **Mississippi River Trail.**
Clarifies that the Mississippi River Trail is a state bicycle route. Effective August 1, 2023.
- 18 **Jim Oberstar Bikeway.**
Establishes a Jim Oberstar Bikeway as a designated state bicycle route, from St. Paul to the U.S. border with Canada in Cook County. Effective August 1, 2023.

Section Description – Article 4: Transportation Finance and Policy

- 19 **Limitations on spending.**
Eliminates restrictions on office building rent and utility payments from the Trunk Highway Fund or the Highway User Tax Distribution Fund.
- 20 **Definitions.**
Defines terms for the Corridors of Commerce program statute.
- 21 **Program authority; funding.**
Broadens the allowed uses of Corridors of Commerce funds made available for program delivery, to also allow funds for the administrative process in project scoring and selection.
- 22 **Project eligibility.**
Modifies eligibility for funding under the Corridors of Commerce program, including to (1) shift construction readiness to be within four years instead of three, (2) require that the project is on the National Highway System, and (3) require specification of a total project cost estimate in most circumstances.
- 23 **Project funding; regional balance.**
Establishes three funding categories in the Corridors of Commerce program based on regions of the state and corresponding percentages to distribute program funds. Provides for percentage calculation over multiple project selection rounds. Effective May 25, 2023.
- 24 **Project funding; readiness development.**
Permits an allocation in the Corridors of Commerce program for initial project development activities to the extent that allows for regular project assessment and scoring of the project.
- 25 **Project selection process; criteria.**
Revises various procedures for MnDOT to evaluate and select projects under the Corridors of Commerce program, including to create selection process phases, establish a local screening and recommendation phase for project solicitations, set requirements on screening recommendations, and amend project scoring.
- 26 **Corporal Caleb L. Erickson Memorial Highway.**
Lengthens the route for the Corporal Caleb L. Erickson Memorial Highway in Waseca County. Effective May 25, 2023.

Section Description – Article 4: Transportation Finance and Policy

- 27 **Deputy Josh Owen Memorial Overpass.**
Designates a newly-constructed overpass at the junction of Trunk Highway 29 and Trunk Highway 55 near Glenwood as the Deputy Josh Owen Memorial Overpass.
- 28 **[Adds § 161.78] Transportation greenhouse gas emissions impact assessment.**
Sets requirements that govern some trunk highway capacity expansion projects, to mandate assessment and identify mitigation activities related to (1) greenhouse gas emissions reduction following departmental benchmarks and statewide goals; and (2) reduction of vehicle miles traveled. Effective February 1, 2025.
- 29 **Rules.**
Prevents administrative rules adopted by MnDOT on utility location in trunk highway right-of-way from prohibiting some authorized entities from placing and maintaining electric transmission lines.
- 30 **Relocation of utility.**
Broadens the situations in which utility relocation necessitated by a trunk highway project can be included in a contract for trunk highway construction work or handled as a separate contract.
- 31 **Relocation of facilities; reimbursement.**
Restricts payment from the Trunk Highway Fund in some situations involving electric utility relocation costs related to a trunk highway project.
- 32 **Research activities.**
Eliminates a dollar cap on the amount that MnDOT may spend on research by the University of Minnesota’s Center for Transportation Studies.
- 33 **Small cities assistance account.**
Creates a statutory appropriation from the small cities assistance account to MnDOT for aid under the Small Cities Assistance program.
- 34 **Administration.**
Makes conforming changes.
- 35 **Distribution formula.**
Makes conforming changes.
- 36 **[Adds § 168.1258] “Lions Clubs International” plates.**
Establishes Lions Clubs International special license plates, including to set plate eligibility, require \$25 initial and \$5 annual donations, specify plate design, provide for transfer of plates, make an exemption from new plate applications, establish a

Section Description – Article 4: Transportation Finance and Policy

- new account for donations, and create a statutory appropriation for the donated funds. Effective January 1, 2024.
- 37 **[Adds § 168.1259] Minnesota professional sports team foundation plates.**
Establishes Minnesota professional sports team foundation special license plates, including to set plate eligibility, require a \$30 annual donation, specify plate design, provide for transfer of plates, establish a new account for donations, and create a statutory appropriation for the donated funds. Effective January 1, 2024.
- 38 **[Adds § 168.1287] Minnesota blackout special plates.**
Establishes Minnesota blackout special license plates, including to set plate eligibility, require a \$30 annual donation that goes into the driver and vehicle services operating account, specify plate design with a black backout and white text, provide for transfer of plates, and make an exemption from new plate applications. Effective January 1, 2024.
- 39 **[Adds § 168.1287] Minnesota missing and murdered Indigenous relatives special plates.**
Establishes Minnesota missing and murdered Indigenous relatives special license plates, including to set plate eligibility, require a \$25 annual donation, specify plate design, provide for transfer of plates, establish a new account for donations, and create a statutory appropriation for the donated funds. Effective January 1, 2024.
- 40 **Documentary fee.**
Increases the maximum documentary fee that can be charged by dealers on motor vehicle sales and leases.
- 41 **Expedited driver and vehicle services; fee.**
Makes conforming changes.
- 42 **Electric-assisted bicycle.**
Modifies the definition of an electric-assisted bicycle, to add requirements on the battery or electric drive system.
- 43 **[Adds § 169.065] Safe road zones.**
Establishes a process for designation of safe road zones, including to authorize establishment of a zone by MnDOT and direct the Advisory Council on Traffic Safety to make recommendations regarding safety measures in each zone.

Section Description – Article 4: Transportation Finance and Policy

- 44 **Speed limits in safe road zone.**
Authorizes MnDOT to set a temporary or permanent speed limit on roads in a safe road zone.
- 45 **Passing parked authorized vehicle; citation; probable cause.**
Adds postal vehicles to a provision requiring motorists to shift a lane away when passing some parked vehicles that have emergency or warning lights engaged.
- 46 **Passing stalled or disabled vehicle.**
Sets requirements for motorists to shift a lane away or slow down on multilane roads when passing parked or stalled vehicles where (1) the vehicle’s hazard lights are activated, or (2) individuals are present outside the vehicle.
- 47 **Riding rules.**
Amends various operating rules for bicyclists, including to permit bicyclists to proceed straight through an intersection from the left side of a dedicated right-hand turn lane. Makes technical changes. Effective August 1, 2023.
- 48 **Stopping requirements.**
Permits a bicycle operator, under some circumstances and after slowing down, to proceed past a stop sign without stopping. Effective August 1, 2023.
- 49 **Definitions. (disability parking)**
Broadens the qualifying categories for disability parking privileges, to include an individual who is legally blind as well as a pregnant person experiencing one of the qualifying physical conditions.
- 50 **Prohibition on use; penalty.**
Revises a prohibition on wireless communications device (e.g., cell phone) use while driving, to also prohibit holding a device in a hand. Effective August 1, 2023.
- 51 **Exceptions.**
Makes a conforming change.
- 52 **Forest products special permit.**
Modifies a special permit for overweight and overdimensional loads transporting unprocessed forest products, including to allow for overweight and over-width transport and make technical and clarifying changes. Effective August 1, 2023.
- 53 **[Adds § 169.8296] Weight limits; towing and recovery vehicle.**
Centralizes and creates new weight limit requirements for towing and recovery vehicles. Provides that seasonal load restrictions do not apply to a tow vehicle

Section Description – Article 4: Transportation Finance and Policy

- responding to a crash in the right-of-way, or has entered a body of water next to the road to recover a vehicle. Effective August 1, 2023.
- 54 **Definition. (Farm products special permit)**
Adds conditioned or unconditioned grass seed to be specifically identified in the definition of qualifying agricultural products for a farm products special permit for overweight vehicles. Effective May 25, 2023.
- 55 **Driver’s license for medical reason.**
Broadens and clarifies eligibility for a 15-year-old to hold a medical driver’s license. Effective August 1, 2023.
- 56 **Person less than 18 years of age.**
Authorizes issuance of an instruction permit to a minor who completes a teleconference or online driver’s education program. Makes technical changes.
- 57 **Contents of application; other information.**
Adds an option to indicate race and ethnicity in driver’s license and identification card applications. Effective January 1, 2024.
- 58 **Remote application.**
Broadens eligibility for remote (e.g., online or mailed) applications for a driver’s license or identification card, to permit remote renewal by some incarcerated individuals.
- 59 **Veteran designation.**
Revises the requirements to obtain a veteran designation on a driver’s license or identification card, to allow it for additional service members and amend required documentation of status. Removes obsolete language. Effective August 1, 2023.
- 60 **Money credited to funds.**
Makes conforming and technical changes.
- 61 **[Adds § 171.301] Reintegration license.**
Authorizes issuance of a reintegration driver’s license under some circumstances. Sets eligibility and limitations, identifies application requirements, prevents a fee, identifies circumstances for license cancellation, sets an expiration, and provides for regular license issuance. Effective April 1, 2024.
- 62 **[Adds § 171.395] Teleconference driver’s education.**
Authorizes and sets requirements for driver’s education provided through teleconference, including to limit the authority to programs that offer both classroom

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- and behind-the-wheel instruction and to require instruction through live synchronous distance learning.
- 63 **[Adds § 171.396] Online driver’s education.**
Authorizes and sets requirements for driver’s education provided through online means.
- 64 **Greenhouse gas emissions targets.**
Directs MnDOT to set targets for greenhouse gas emissions reductions in the transportation sector. Specifies elements to include. Effective February 1, 2025.
- 65 **Minnesota state highway investment plan.**
Requires the state highway investment plan to include guidance on highway capacity expansion impact assessments mandated elsewhere (see section 28 in this article). Effective for plan revisions on or after February 1, 2025.
- 66 **[Adds § 174.375] Active Transportation Advisory Committee.**
Reinstates and revises an advisory committee (which had expired in 2018). Renames it the Active Transportation Advisory Committee, specifies membership and tasks, directs MnDOT staffing support, provides for expenses, requires reporting, and sets an expiration of June 30, 2033. Effective May 25, 2023.
- 67 **Active transportation account.**
Creates a statutory appropriation from the active transportation account to MnDOT for projects under the Active Transportation program.
- 68 **Use of funds.**
Establishes a \$500,000 annual set-aside of funds available under the Active Transportation program, prioritizing grants for youth transportation safety curriculum. Effective August 1, 2023.
- 69 **[Adds § 174.47] Electric vehicle infrastructure program.**
Directs MnDOT to create a Statewide Electric Vehicle Infrastructure program. Establishes program requirements and mandates legislative reporting.
- 70 **[Adds § 174.59] Operation costs for central office building.**
Sets a split of sources to pay operations costs of the MnDOT central office building. Creates a statutory appropriation from General Fund to MnDOT for a portion of the costs, which replaces a similar provision that is repealed (see section 129 in this article). Effective July 1, 2025.

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- 71 **Passenger rail; funding.**
Establishes a passenger rail account. Starting in FY 2028, requires an annual transfer from the General Fund into the account, in an amount that equals half of the railroad property tax levy in the prior year. Creates a statutory appropriation of money in the account to MnDOT for passenger rail operating and capital costs. Effective July 1, 2027.
- 72 **Railroad company assessment; account; appropriation.**
Increases the complement of positions in the State Rail Safety Inspection program administered by MnDOT, from four to six.
- 73 **[Adds § 219.055] Incident emergency response; preparedness and information.**
Sets requirements governing preparedness and planning for emergency response to incidents that involve rail transportation of oil or other hazardous substances, including to require rail carrier traffic reviews and other information to local entities on request, require incident response and coordination planning meetings, provide for software-based distribution of emergency response information, require various response exercises, and provide for data practices.
- 74 **Grade crossing safety account.**
Broadens the explicitly permitted uses of funds in the grade crossing safety account to include program administration and delivery.
- 75 **[Adds § 219.752] Minimum crew size.**
Sets a minimum crew size of two individuals, with some exceptions, for freight rail operated by Class I and Class II railroads as well as Class III railroads while operating in a corridor shared with light rail transit. Sets fines for violations. Effective June 29, 2023.
- 76 **Intrastate transportation; heating fuel.**
Creates motor carrier hours of service exemptions for in-state heating fuel transportation in some circumstances involving a federal emergency declaration. Effective May 25, 2023.
- 77 **Use requirements.**
Broadens the authority of some utilities to use public road right-of-way, to include high-voltage transmission lines with a route permit and under specified conditions.
- 78 **[Adds § 289A.51] Electric-assisted bicycle rebate.**
Establishes a program for a rebate of up to \$1,500 on electric-assisted bicycle purchases. Provides for implementation by the Department of Revenue, sets eligibility, specifies calculation of the rebate amount on a sliding phase-out based on

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- an individual's income, reserves rebates for lower income applicants, sets retailer requirements and other limitations, and makes a \$4 million appropriation from the General Fund (with the funding spread \$2 million per year over calendar years 2024 and 2025). Makes the program expire June 30, 2026.
- 79 **Uses reporting.**
Directs counties in the Twin Cities metropolitan area that have imposed a county transportation sales tax to submit a legislative report every even-numbered year on uses or proposed use of the sales tax funds. Specifies information to be provided in the report. Effective May 25, 2023.
- 80 **Traffic safety report.**
Requires an annual legislative report from the Department of Public Safety on the safety of roads and the transportation system. Specifies report contents.
- 81 **Railroad and pipeline safety; oil and other hazardous substances.**
Revises requirements governing railroad and pipeline response preparedness, including to broaden the uses and prioritization of funds for railroad and pipeline incident response preparedness; revise an appropriation and creates an annual transfer of safety account funds; reestablish and modify an assessment on railroad and pipeline companies; and set post-incident review and analysis requirements following an incident that compels an emergency response.
- 82 **Driver and vehicle services operating account.**
Merges (in conjunction with a repealer) the driver services operating account and the vehicle services operating account into a single account.
- 83 **Money penalty.**
Revises the maximum civil penalty for violations of pipeline safety regulations, to use the maximums established in federal law.
- 84 **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.
- 85 **Surcharges on criminal and traffic offenders.**
Reduces the court surcharge, from \$75 to \$25, for various transit rider conduct violations including fare-related violations. Clarifies that no court surcharge is imposed for transit-related administrative citations.

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- 86 **Disbursement of surcharges by commissioner of management and budget.**
Directs the entirety of the court surcharge on some transit rider conduct violations to go to the General Fund.
- 87 **Administration.**
Makes a conforming change.
- 88 **Development guide.**
Directs the Metropolitan Council to include in its comprehensive development guide consideration of state greenhouse gas emissions-reduction goals and related transportation targets. Effective May 25, 2023.
- 89 **Obligations.**
Authorizes the Metropolitan Council to issue up to an additional \$104.5 million in “regional transit capital” bonds or similar forms of debt, which is divided between authorizations for FY 2024 and FY 2025. Effective May 25, 2023.
- 90 **Limitation; light rail transit.**
Prevents the bonds or other debt being authorized under section 89 from being used for light rail transit lines. Effective May 25, 2023.
- 91 **Light rail transit construction; council authority; staff assistance; project manager qualifications.**
Sets MnDOT assistance and project manager requirements for light rail transit projects led by the Metropolitan Council.
- 92 **[Adds § 473.4065] Transit rider activity.**
Governs Metro Transit riders and rider management, including to direct the council to adopt a code of conduct for transit riders; explicitly authorize ordering a person to depart transit facilities for violating the code of conduct, after a warning; direct the council to designate zones at light rail transit stations in which a paid transit fare is required; and require public safety monitoring at light rail transit facilities. Effective May 25, 2023.
- 93 **[Adds § 473.4075] Transit rider investment program.**
Establishes a transit rider investment program (TRIP) at the Metropolitan Council, for transit passenger support, fare compliance inspection, and issuance of administrative citations for some types of violations. Generally effective July 1, 2023.

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- 94 **[Adds § 473.4077] Legislative report; transit safety and rider experience.**
Mandates an annual legislative report on transit safety and the transit rider investment program. Specifies report contents.
- 95 **[Adds § 473.412] Metro Transit cleaning and repair standards; report required.**
Directs the Metropolitan Council to create transit station and vehicle standards for cleanliness and state of repair. Specifies requirements for the standards. Requires legislative reporting to the legislature on cleanliness and the ridership experience every two years. Effective May 25, 2023.
- 96 **[Adds § 473.615] Report; climate mitigation and adaptation.**
Directs the Metropolitan Airports Commission to submit an annual report to the legislature on climate-related airport activities, including greenhouse gas emissions and waste reductions. Requires single-use plastics reduction planning in conjunction with the first report. Expires in 2030.
- 97 **Land use plan.**
Adds required content to local government comprehensive plans on land use, to include information on greenhouse gas emissions and vehicle miles traveled. Effective May 25, 2023.
- 98 **Climate mitigation and adaptation.**
Requires the Metropolitan Council to specify how climate mitigation and adaptation information must be incorporated into local government comprehensive plan content. Effective May 25, 2023.
- 99 **Unlawfully obtaining services; petty misdemeanor.**
Reduces the penalties for evading or falsifying fare payment for transit service and for failure to provide proof of fare payment, to be a petty misdemeanor instead of a misdemeanor. Caps the base fine amount at \$10.
- 100 **Prohibited activities; petty misdemeanor.**
Eliminates various transit rider conduct activities from being a misdemeanor. Makes littering a petty misdemeanor instead of misdemeanor, after a warning followed by continued violation. (Note, smoking is removed in this section but remains a misdemeanor under the changes made in section 101.)
- 101 **Prohibited activities; misdemeanor.**
Establishes a misdemeanor penalty for various transit rider conduct activities, including urination or defecation, consuming alcoholic beverages, and some types of

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- disorderly conduct. Explicitly authorizes peace officers to order a transit passenger to depart transit facilities for a violation.
- 102 **Definitions.**
Includes personnel under the transit rider investment program among transit representatives who have authority related to requiring proof of fare payment as well as issuing warnings on interference and littering. Makes a technical change. Effective May 25, 2023.
- 103 **Additional deputy registrar of motor vehicles for Hennepin County.**
Modifies a 2005 special law authorizing a deputy registrar office in Hennepin County, to permit an additional office in North Minneapolis.
- 104 **Conveyance of state land; Le Sueur County.**
Modifies a 2013 land conveyance authorization from MnDOT to Le Sueur County, to allow flexibility on payment or terms.
- 105 **Study on post-COVID pandemic public transportation.**
Amends the funding source, lead entity, and due date for a study on post-COVID pandemic public transportation. Effective May 25, 2023.
- 106 **Southwest light rail transit; expenditures and schedule.**
Broadens reporting requirements in a 2022 law on the Southwest light rail transit project, to require additional expenditure information. Effective May 25, 2023.
- 107 **Retroactive driver's license reinstatement.**
Establishes eligibility for driver's license reinstatement for individuals whose license was suspended for various violations that, due to a 2021 change, are no longer grounds for suspension. Sets a single fee of \$20 for reinstatement. Effective August 1, 2023.
- 108 **Additional deputy registrar of motor vehicles for Ramsey County.**
Directs the Department of Public Safety to appoint an additional deputy registrar for a specified location in St. Paul. Effective May 25, 2023.
- 109 **Traffic safety violations disposition analysis.**
Directs MnDOT to enter into an agreement with the Center for Transportation Studies to perform an evaluation of the disposition of citations for specified traffic violations. Identifies evaluation elements.

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- 110 **Federal transportation grants technical assistance.**
Sets requirements for MnDOT to provide technical assistance in application for federal discretionary (i.e., competitive) grants for transportation projects and activities.
- 111 **Infrastructure Investment and Jobs Act (IIJA) discretionary match.**
Sets requirements for MnDOT to allocate funds that provide non-federal match funding for discretionary grants awarded under the Infrastructure Investment and Jobs Act (IIJA) or associated federal laws. Effective May 25, 2023.
- 112 **Rail corridor service.**
Directs MnDOT and Metropolitan Council to perform assessment, analysis, and reporting on Northstar Commuter Rail and requires MnDOT to evaluate rail service options within the corridor from Minneapolis and St. Paul to St. Cloud, Fargo, and Moorhead. Specifies rail corridor analysis elements. Requires legislative reports. Effective May 25, 2023.
- 113 **Transit service intervention project.**
Establishes a temporary project to perform safety and rider interventions on light rail transit lines. Directs the Metropolitan Council to implement the project, identifies entities to seek as project participants, specifies duties, and requires reporting. Makes the project expire June 30, 2024. Effective May 25, 2023.
- 114 **Operating and capital assistance; Greater Minnesota transit.**
Sets temporary local cost share percentages for aid to Greater Minnesota transit systems in fiscal years 2024-25. Effective July 21, 2023.
- 115 **Southwest light rail transit; expenditure limitations.**
Prohibits the Metropolitan Council from using additional federal Coronavirus Response and Relief Supplemental Appropriations Act funds for the Southwest light rail transit project. Effective May 25, 2023.
- 116 **Blue Line light rail extension engagement meetings.**
Sets community engagement and coordination requirements for the Blue Line light rail transit extension project. Effective May 25, 2023.
- 117 **Blue Line light rail extension route alignment consultation.**
Requires consultation among various entities on possible redesign of a portion of the Blue Line light rail transit extension route north of downtown Minneapolis. Effective May 25, 2023.

Section Description – Article 4: Transportation Finance and Policy

- 118 **Microtransit service.**
Directs the Metropolitan Council to provide specified grants in FY 2024 to suburban transit providers for demand response transit infrastructure and vehicle costs.
- 119 **Transit signal priority system planning.**
Directs the Metropolitan Council to create a working group that undertakes planning on traffic signal prioritization for transit. Specifies members to solicit for the group, sets the duties, requires administrative support, requires a legislative report by February 15, 2024, and provides for expiration. Effective May 25, 2023.
- 120 **Midtown Greenway bicycle and pedestrian trail extension planning.**
Directs the Metropolitan Council to plan bicycle and pedestrian trails from the Midtown Greenway in Minneapolis to Allianz Field in St. Paul. Sets route and plan analysis requirements. Effective May 25, 2023.
- 121 **Metro Mobility enhancement pilot program.**
Directs the Metropolitan Council to create a pilot program to enhance service for Metro Mobility. Sets requirements and requires a legislative report by February 1, 2026. Effective May 25, 2023.
- 122 **Transit fare elimination pilot program.**
Directs the Metropolitan Council to create a pilot program for free transit service on two regular route bus lines, from July 1, 2023, to December 31, 2024. Sets requirements and requires a legislative report by February 15, 2025. Effective May 25, 2023.
- 123 **Metropolitan Governance Task Force.**
Creates a task force to study and make recommendations to the legislature on reform and governance of the Metropolitan Council. Provides for membership, duties, agency cooperation, compensation, grants, and administrative support. Requires a legislative report by February 1, 2024. Makes the task force expire June 30, 2024. Effective May 25, 2023.
- 124 **Clean transportation fuel working group; report required.**
Directs various state commissioners to create a working group to study a clean transportation fuel standard. Specifies requirements for membership and administration, requires a legislative report by February 1, 2024, and provides for working group expiration. Effective May 25, 2023.
- 125 **Greenhouse gas emission impact mitigation working group.**
Directs MnDOT to create a working group to examine specified topics on greenhouse gas emission mitigation activities, including in conjunction with mitigation for some

Section Description – Article 4: Transportation Finance and Policy

- trunk highway projects required elsewhere (see section 28 in this article). Specifies requirements for membership and administration, requires a legislative report by February 1, 2024, and provides for working group expiration. Effective May 25, 2023.
- 126 **Legislative report; speed safety cameras.**
Requires the Department of Public Safety to provide a legislative report on speed safety camera policies, which is due by November 1, 2024. Specifies report contents and requires a task force for report development. Effective May 25, 2023.
- 127 **Legislative report; road funding gap.**
Requires MnDOT and Minnesota Management and Budget to provide a legislative report on road funding options and recommendations, which his due by November 1, 2024. Specifies report contents.
- 128 **Revisor instruction.**
Provides for technical changes.
- Paragraph (a) directs the Revisor of Statutes to update terms in state statutes, which is in conjunction with the merger of driver and vehicle accounts provided elsewhere (see section 82 in this article).
- Paragraph (b) directs the Revisor of Statutes to recodify provisions on training and coordination in response to incidents involving transport of oil and other hazardous substances by rail, which has the effect of centralizing related provisions (see sections 6, 7, and 73 in this article).
- 129 **Repealer.**
Paragraph (a) repeals (1) a provision governing payment of MnDOT office building costs, which is replaced by a new provision established elsewhere (see section 70 in this article); and (2) a \$50 fee for notices to MnDOT regarding stand-alone meteorological towers.
- Paragraph (b) repeals towing provisions that are substantially reproduced elsewhere (see section 53 in this article). Effective August 1, 2023.
- Paragraph (c) repeals the driver services operating account, which is in conjunction with the merger of driver and vehicle accounts provided elsewhere (see section 82 in this article), and removes duplicative provisions on deposit of fee revenue.
- Paragraph (d) repeals administrative rules that are made obsolete by authorization for teleconference and online driver’s education established elsewhere (see sections 56 and 62-63 in this article).

Article 5: Supplemental Transportation Policy

This article contains various additional provisions on transportation policy. The provisions are effective August 1, 2023, unless specified otherwise.

Section Description – Article 5: Supplemental Transportation Policy

- 1 **Micromobility facilities.**
Allows cities to place advertising, art, and other signage on micromobility facilities located in public road right-of-way in certain circumstances. Effective May 25, 2023.
- 2 **Shared electric vehicle facilities.**
Allows cities to place advertising, art, and other signage on facilities for shared electric vehicles that are located in public road right-of-way in certain circumstances. Effective May 25, 2023.
- 3 **Town bridges and culverts; town road account.**
Modifies permissible uses of funds in the town bridge account, to (1) specify that expenditures are for bridge replacement or rehabilitation; and (2) provide for work related to historic bridges.
- 4 **Route No. 334.**
Revises a statutorily designated trunk highway to remove a segment of Robert Street in downtown St. Paul. The revision is subject to an agreement with the city of St. Paul to transfer jurisdiction of the road. Effective on agreement to the transfer.
- 5 **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 reroute Trunk Highway 67.) Effective on notification by MnDOT.
- 6 **Implementation.**
Broadens direction to MnDOT to implement noise abatement along freeways and expressways, to include unincorporated areas.
- 7 **Direct negotiation.**
Permits MnDOT to perform direct negotiation for some projects on department buildings or property. (Direct negotiation is authorized for smaller projects instead of the agency’s bid advertising and letting process.)
- 8 **[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 5: Supplemental Transportation Policy

- 9 **Surplus property not needed for highway purposes.**
Amends the authority of MnDOT to dispose of surplus buildings related to the trunk highway system, including to explicitly authorize demolition.
- 10 **Money needs defined. (County state-aid highways)**
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.
- 11 **Money needs defined. (Municipal state-aid streets)**
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.
- 12 **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.
- 13 **General requirements; fees. (Veterans service group special plates.)**
Broadens eligibility for congressionally chartered veterans service group special plates, to include members of Disabled American Veterans.
- 14 **No fee. (Gold Star special plate.)**
Eliminates a \$100 fee to personalize Gold Star special license plates.
- 15 **Legislative report.**
Requires the Department of Public Safety to submit an annual legislative report on special license plates where a contribution is required.
- 16 **USDOT numbers.**
Removes requirements on application for a federal USDOT number.
- 17 **Dealers' licenses; location change notice; fee.**
Paragraph (d) lengthens the time by which a vehicle dealer’s license application must be granted or denied, from 120 to 180 days.

Paragraph (f) authorizes 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 an intentional misrepresentation that is grounds for a dealer’s license suspension or revocation.

Section Description – Article 5: Supplemental Transportation Policy

- 18 **Dealer plates: distinguishing number, fee, tax, use.**
Modifies an exception to the circumstances permitting a vehicle registered with dealer plates to be operated on public roads, to remove a condition of “customary” vehicle use of the vehicle for towing, service, or parts purposes.
- 19 **Records.**
Requires a vehicle dealer to make vehicle records available for inspection during identified inspection hours rather than business hours.
- 20 **Salvage and prior salvage brands.**
Allows for some electronic documents in a vehicle ownership transfer as part of an insurance claim.
- 21 **Towed motor vehicles.**
Broadens a lien on a motor vehicle that is towed and stored in some circumstances, to include costs of vehicle recovery and accident site cleanup.
- 22 **Payment of charges.**
Broadens the costs for which an impound lot operator can require payment for a towed and stored vehicle, to include vehicle recovery and accident site cleanup. Provides exceptions for some vehicle owners.
- 23 **Micromobility device.**
Defines a “micromobility device” in the chapter of statutes governing traffic regulations.
- 24 **Officer to report accident to commissioner.**
Directs law enforcement agencies to send basic information on a vehicle collision that involves a fatality to the Department of Public Safety, within two business days of identification of the fatality.
- 25 **Speed limit on Trunk Highway 19 in the city of Lonsdale.**
Sets a 45 m.p.h. speed limit on a portion of Trunk Highway 19 in the city of Lonsdale.
- 26 **Parking space free of obstruction; penalty.**
Modifies requirements for a property owner to keep disability parking spaces and aisles free from obstructions, including to eliminate a 24-hour grace period following a warning from law enforcement.

Section Description – Article 5: Supplemental Transportation Policy

- 27 **Inspection certificate. (School bus regulations)**
Modifies the length of validity for a school bus inspection certificate, to be a 12-month period after the month identified on the certificate.
- 28 **Inspection criteria. (School bus regulations)**
Allows school bus operation for up to 30 days following failure of an inspection and subsequent correction of the defects.
- 29 **Violations; penalties. (School bus regulations)**
Establishes a gross misdemeanor penalty for operation of school bus that has failed an inspection and is not otherwise allowed to be operated (see section 28 in this article).
- 30 **Age of vehicle.**
Revises the maximum age for a type III vehicle that is not manufactured as a bus, to be model year 2007 or newer. Effective May 25, 2023.
- 31 **Rear view mirror.**
Broadens the ways in which a vehicle can be equipped to show a view to the rear, to include devices that reflect or display the view. Makes technical changes.
- 32 **Inspector certification; suspension and revocation; hearing.**
Makes a technical change, to revise a reference to federal regulations.
- 33 **Special registration plates.**
Eliminates required driver's license possession to obtain special series license plates (known as "whiskey" plates) after the original plates were impounded.
- 34 **Restricted license for farm work.**
Broadens eligibility for a farm work license, to no longer limit it for work on a parent's or guardian's farm.
- 35 **Contents of application; other information.**
Makes a conforming change.
- 36 **Evidence; lawful status.**
Disallows the use of some types of documents to show lawful presence in the United States in an application for a REAL ID-compliant credential.

Section Description – Article 5: Supplemental Transportation Policy

37 Evidence; residence in Minnesota.

Paragraph (a) adds to a list of documents that can be used to show residence in Minnesota as part of an application for a REAL ID-compliant driver's license or identification card.

Paragraph (d) allows Internet and cable provider bills to show residence in Minnesota as part of an application for an enhanced driver's license or identification card.

38 Caretaker information.

Allows for a driver's license or identification card applicant to optionally designate individuals to whom the applicant provides exclusive care, and permits the information to be shared with law enforcement agencies.

39 Issuance of restricted license.

Modifies a requirement for some ignition interlock program participants to provide certification of noncancelable insurance, so that the certification is required following driver's license revocations (in addition to suspensions and cancellations) for failure to have or provide proof of insurance.

40 [Adds § 174.07] Expiration of report mandates.

Establishes various default expiration dates for some legislative reports mandated for MnDOT. Requires annual submission of a list of expiring reports. Effective May 25, 2023.

41 Eligibility. (Active transportation)

Broadens eligibility to include Tribal governments for funds under the Active Transportation program.

42 Eligibility. (Safe routes to school)

Broadens eligibility to include Tribal governments for funds under the Safe Routes to School program.

43 Bridge grant program; rulemaking.

Broadens permissible uses of grants under the Local Bridge program to include bridge rehabilitation, including historic bridge work. Restricts bridge abandonment costs to general fund appropriations (disallowing use of bond proceeds).

44 Trunk highway corridor projects account.

Broadens eligibility to include Tribal governments for funds under an account used in the Local Road Improvement program. (The account is for part of the local participation in trunk highway project cost.)

Section Description – Article 5: Supplemental Transportation Policy

- 45 **Local road account for routes of regional significance.**
Broadens eligibility to include Tribal governments for funds under an account used in the Local Road Improvement program. (The account is for projects on local roads that have regional significance.)
- 46 **Grant procedures and criteria.**
Broadens eligibility to include Tribal governments for funds under the Local Road Improvement program.
- 47 **Expenditures.**
Broadens allowed uses of funds under the Minnesota State Rail Improvement (MRSI) program, to include providing for nonfederal match on freight rail projects that support economic development.
- 48 **Disclosure requirements.**
Makes a technical change.
- 49 **Safe accessibility training.**
Directs the Metropolitan Council to ensure that Metro Transit and opt-out bus operators receive training on assisting persons with disabilities and mobility limitations in safely entering and exiting a transit bus. Effective May 25, 2023.
- 50 **Transit passes.**
Broadens the authority of the Metropolitan Council to establish transit pass offerings.
- 51 **Crime.**
Adds criminal penalties (which vary depending on the circumstances) for obstructing an employee of Driver and Vehicle Services, a driver’s license agent, or a deputy registrar. Effective August 1, 2023.
- 52 **Legislative Route No. 264 removed.**
Provides for a route turnback, by eliminating the statutory designation of Trunk Highway 264 from Round Lake to Interstate highway 90. The repeal is subject to an agreement with Jackson Medicine County and Nobles County to transfer jurisdiction.
- 53 **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.)

Section Description – Article 5: Supplemental Transportation Policy

54 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.

55 Repealer.

Paragraph (a) eliminates (1) a limitation on establishing a road as a legal public highway when it is located parallel to rail right-of-way and regularly used; and (2) the option for a married driver's license or Minnesota identification card applicant to use their last name prior to marriage in place of their middle name. Effective July 1, 2023.

Paragraph (b) removes a Metropolitan Council prohibition on expenditures for study, planning, project development, or operations of passenger rail between the Twin Cities metropolitan area and Rochester. Effective May 25, 2023.

Paragraph (c) eliminates a number of transit pass program options authorized to be implemented by the Metropolitan Council, which is replaced with general authority established elsewhere (see section 50 in this article). Effective May 25, 2023.

Paragraph (d) eliminates an administrative rule that requires transit operators receiving aid from MnDOT to provide monthly and contract-end operations and financial reporting. Effective July 1, 2023.

Paragraph (e) eliminates a prohibition on planning, project development, and construction of a commuter rail line between Minneapolis and Northfield (known as the "Dan Patch" line). Effective May 25, 2023.

56 Effective Date.

Makes the article effective August 1, 2023, unless stated otherwise.

Article 6: Independent Expert Review

This article amends a variety of provisions related to driver and vehicle services, deputy registrars, and driver's license agents. The provisions are generally based on 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

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

Section Description – Article 6: Independent Expert Review

- 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 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 fee revenue allocation. Makes conforming changes. Effective July 1, 2023, and applies for records requests starting January 1, 2024.
- 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 fee revenue allocation. Effective January 1, 2024.
- 4 Exception to fee and surcharge.**
Makes conforming changes. Effective January 1, 2024.
- 5 Monitoring and auditing.**
Directs the Department of Public Safety to audit full-service providers for compliance with motor vehicle records issuance and data practices requirements. Effective January 1, 2024.
- 6 Lessees; 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 fee revenue allocation. Makes technical and conforming changes. Effective July 1, 2023, and applies for report disclosures starting January 1, 2024.
- 8 Monitoring and auditing.**
Directs the Department of Public Safety to audit full-service providers for compliance with crash report issuance and data practices requirements. Effective January 1, 2024.

Section Description – Article 6: Independent Expert Review

- 9 **Full-service provider.**
Defines “full-service provider” in the chapter of state statutes on driver’s licenses and identification cards.
- 10 **Manual and study material availability.**
Directs the Department of Public Safety to publish study and support materials for driver’s examinations.
- 11 **Driver and vehicle services information system; security and auditing.**
Modifies requirements on disciplinary measures related to driver and vehicle information system access or use of data. Effective October 1, 2023.
- 12 **Examination subjects and locations; provisions for color blindness, disabled veterans.**
Clarifies and modernizes exam station location requirements. Requires real-time information on driver’s exam appointment availability. Effective January 1, 2024.
- 13 **Waiver when license issued by another jurisdiction.**
Exempts some driver’s license and motorcycle endorsement applicants from a knowledge test (in addition to a prior exemption from a road exam) when the applicant already has a license or endorsement from another jurisdiction where similar testing is required. Effective August 1, 2023.
- 14 **Driver and vehicle services information system access reinstatement.**
Authorizes reinstatement of access to the driver and vehicle services information system in some circumstances. Specifies eligibility, identifies contents of reinstatement requests, and directs the Department of Public Safety to evaluate the requests. Effective October 1, 2023.
- 15 **Report; deputy registrar and driver’s license agent financial stability.**
Directs the Department of Public Safety to provide a legislative report on fiscal and service issues related to deputy registrars and driver’s license agents, which is due by January 15, 2025. Specifies report contents. Provides for data practices. Effective May 25, 2023.
- 16 **Report; driver and vehicle services recommendations.**
Directs the Department of Public Safety to provide a legislative report on various operational and analysis recommendations for the Driver and Vehicle Services division made in prior third-party reviews and studies, which is due by January 15, 2024. Specifies report contents. Effective May 25, 2023.

Section Description – Article 6: Independent Expert Review

17 Repealer.

Repeals a limitation on providing vehicle registration information over the phone.

**Article 7: Driver and Vehicle Services Operating Account
Conforming Changes**

This article makes technical changes to conform statutes to the account merger of Driver and Vehicle Services accounts made elsewhere in the act.



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