

HOUSE RESEARCH

Bill Summary

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Overview

This article appropriates \$3.76 billion, mostly in dedicated highway funds, to the departments of transportation and public safety and the metropolitan council. Detail on specific appropriations can be found in the spreadsheet.

The bill authorizes sale of \$550 million in trunk highway bonds and appropriates the money to MnDOT for trunk highway improvements and authorizes the department to spend an additional \$550 million in federal advance construction funds for highways.

The bill also increases various fees for motor vehicle transfers, license plates, and DWI-related driver's license reinstatements. It directs MnDOT to seek proposals for private operation of highway rest areas, and to implement a plan for allowing single-occupant vehicles to use high-occupancy vehicle lanes for a fee. It increases the speed limit on I-35E in St. Paul from 45 to 55 m.p.h.

Additionally, it makes various policy changes in the areas of wetlands replacement, eminent domain, public employee labor relations, and municipal contracting.

Article 1

Transportation Appropriations

- 1 Total appropriation. Appropriates \$3.6 billion to the departments of transportation and public safety and the metropolitan council.
- 2 Transportation. Appropriates \$1.6 billion in each of FY 2004 and 2005 to

the department of transportation.

Subdivision 1. Total appropriation.

Subd. 2. Multi-modal systems. Requires transfer of \$3.2 million each year from the rail service improvement account in the special revenue fund to the debt service fund.

Subd. 3. State roads. Provides for specific amounts for metropolitan-area and greater Minnesota planning grants. Provides for a research contingent account for research that is paid from federal or other sources by reimbursement. Authorizes transfer of up to \$15 million each year to the transportation revolving loan fund.

Subd. 4. Local roads. Allows for expenditure of unappropriated balances in the county state-aid highway fund and municipal state-aid street funds, after notice to legislative committees.

Subd. 5. General support and services.

Subd. 6. Transfers. Allows transfers among appropriations from trunk highway fund and state airports fund, but not between funds. Provides for transfers of \$14.4 million the first year and \$8.3 million the second year from the flexible account to the municipal turnback account.

Subd. 7. Use of state road construction appropriation. Allows expenditure of prior appropriations for state road construction.

Subd. 8. Contingent. Allows expenditure of unappropriated balance in trunk highway fund, with legislative advisory commission review, for trunk highway construction, emergency maintenance, and tort or environmental claims.

3 Metropolitan council . Makes appropriations for bus and light rail transit.

Provides that the \$2.24 million in 2004 and \$3.12 million in 2005 are intended to pay 40 percent of Hiawatha LRT operations after operating revenue (fares) and federal funds. Requires the remainder to come from 40 percent from the reserves of the Hennepin county regional rail authority and 20 percent from Bloomington and Minneapolis in proportion to the miles of service in operation.

4 Public safety. Appropriates for public safety administration and transportation-related divisions.

Subdivision 1. Total appropriation.

Subd. 2. Administration. Specifies transfer of \$365,000 the first year and \$370,000 the second year for public safety officer survivor benefit reimbursements. Specifies transfer of \$314,000 each year for continued health insurance coverage for public safety officers or their survivors. Specifies \$508,000 each year for soft body armor reimbursements.

Subd. 3. State patrol.

Subd. 4. Driver and vehicle services.

Subd. 5. Traffic safety. Requires commissioners of transportation and public safety to report to legislative committees annually on expenditure of federal repeat offender transfer program funds.

Subd. 6. Pipeline safety.

- 5 General contingent accounts. Provides for contingent accounts in the trunk highway, state airports, and highway user tax distribution funds.
- 6 Tort claims. To the commissioner of finance.

Article 2

Other transportation changes

1. 1 Appraisal data as public data. Makes appraisals of property by government agencies public data when submitted to the owner under the following section.
2. 2 Reverse auction. Prohibits MnDOT from awarding contracts for highway construction or engineering services using reverse auction process.
1. 3 Wetlands replacement. Allows wetlands impacted by a public transportation project to be replaced at a ratio of 1.5 acres of replacement to 1 acre drained or filled, if located in a 50 to 80 percent replacement area. Allows public transportation authorities, including MnDOT, to purchase wetlands credits from the state. Exempts expansion projects on existing highways that increase traffic capacity from wetlands replacement requirements.
2. 4 Metro wetlands replacement. Allows wetlands to be replaced in the metropolitan area with wetlands within a watershed that drains into the metropolitan area, rather than wetlands within the same or another metro-area county.
1. 5 Sharing of appraisal data. Requires governments seeking to acquire real property by eminent domain to obtain at least one appraisal, conferring with the owner if reasonably possible. Requires the government agency to give the appraisal to the owner at least 20 days before submitting the eminent domain petition to the courts. Allows the owner to obtain an independent appraisal, and be reimbursed for its costs up to \$1,500 if the owner gives the appraisal to the government agency within 60 days of receiving the agency's appraisal.
1. 6 Requirement to use archaeologists. Amends the law that requires government agencies to use services of an archaeologist where archaeological or historic sites are known or suspected to exist based on investigations, by changing "suspected" to "based on scientific investigation are predicted to exist" with respect to highway projects.
1. 7 Review of plans by state archaeologist. Makes a change similar to the previous section in the law requiring agencies to submit plans to the state archaeologist or director of the historical society. Sets a 30-day time limit from the date of submission for the state archaeologist and historical society to make recommendations on preserving sites.

2. 8 Rest area operations. Allows MnDOT to make lease agreements with private entities for highway rest areas, including corporate or business sponsorship of rest areas. Limits leases to 20 years, with renewal option. Allows leases to permit lessees to sell products and services at rest areas, and to make leasehold improvements. Requires leases to allow the department to negotiate maintenance and service agreements that promote and encourage employment of needy elderly persons. Appropriates revenue from leases to the department for the rest area program. Provides that this section does not affect existing MnDOT contracts with state services for the blind for vending machines at rest areas. Prohibits MnDOT from taking any action that would result in loss of federal funds to the state or repayment of highway funds to the federal government.
3. 9 High-occupancy vehicle lane use. Allows the department of transportation to allow single-occupant vehicles to use high-occupancy vehicle lanes on payment of a fee. Requires the department to obtain federal authorization before allowing such use.
- Provides for deposit of fees into a dedicated account in the special revenue fund, and establishment of a separate account for each highway. Appropriates money in the account to MnDOT. Directs the department to use the appropriation to pay costs of implementing and administering the fee system, and to spend half of the remainder for transportation improvements in the corridor and the other half as a grant to the metropolitan council for expansion and improvement of bus transit in the highway corridor.
- Exempts the process from rule-making requirements. Exempts the fees from requirement for legislative approval.
4. 10 Report on trunk highway expenditures. Requires a biennial report from MnDOT to the legislature on total trunk highway fund expenditures on road construction, planning, professional and technical contracts, design and engineering, labor, environmental compliance, right-of-way acquisition, litigation costs, maintenance, and road operations.
5. 11 Payment of sales tax from trunk highway fund. Deletes payment of sales tax from the statutory list of expenditures that may not be made from the trunk highway fund.
6. 12 Town line roads. Provides for mediation, arbitration, or mediation-arbitration to resolve disputes between towns over the maintenance of a road that lies along the common town line.
7. 13 Plate fees. Establishes the following license plate fees:

<u>Plate</u>	<u>Current rule</u>	<u>Proposed</u>
Sequential double plate	\$3.00	\$4.25
Sequential special plate--double	\$4.00	\$7.00
Sequential single plate	\$2.00	\$3.00
Sequential special plate--single	\$3.00	\$5.50
Self-adhesive plate	Not specified	\$2.50
Nonsequential double plate	\$14.00	\$14.00

Nonsequential single plate	\$10.00	\$10.00
Duplicate sticker	Not specified	\$1.00

Under present law, plate fees not set by law are set by the department in an amount calculated to cover cost of manufacturing and issuing the plates.

8. 14 Transfer fee. Increase from \$2 to \$3 the motor vehicle transfer fee that is presently dedicated to the general fund.
9. 15 Title fee increases. Raises the following motor vehicle title fees:
- Application for and issuance of original title, \$2 to \$3
- Transfer and issuance of new title, \$2 to \$3.
10. 16 Speed limit on I-35E. Requires the department of transportation to set the speed limit on I-35E from West 7th Street to I-94 in St. Paul at 55 m.p.h. unless the department determines, on the basis of an engineering and traffic investigation, that a different speed limit is reasonable and safe. Effective August 1, 2003.
11. 17 Terms defined. Changes two cross-references to conform to the repeal of section 169.799 in this article.
1. 18 Sampling to verify insurance coverage. Authorizes the division of driver and vehicle services (DVS) to do a monthly sampling program of licensed drivers who own vehicles, to determine whether they have insurance.
- Requires the sample to include at least 2 percent annually of all licensed drivers who own motor vehicles. Half of the sample must be random. The other half must be targeted on drivers who, within the previous year, were convicted of a motor vehicle insurance violation, had their license suspended or revoked due to habitual traffic violations, had no insurance at the time of a reportable accident, or were convicted of an alcohol-related driving offense. Prohibits sampling based on race, religion, physical or mental disability, economic status, or geographic location.
- Requires the department to request each owner sampled to furnish insurance information within 30 days to DVS, which would send it to the insurance company for verification. Provides that if the driver falsely claims coverage, or does not respond within 30 days, DVS must suspend the driver's license. Reinstatement of the license would require providing proof of insurance for the following 12 months.
2. 19 Registration revocation and license suspension. Makes it mandatory, rather than optional, for DVS to suspend the driver's license of a person who has not maintained insurance, based on DVS records.
3. 20 Authority. Adjusts a cross-reference to conform to the repeal of section 169.799.
4. 21 Attestation of insurance required. Requires a person to "attest" that the person has insurance when the person registers, re-registers, or transfers ownership of a motor vehicle or motorcycle. This would replace the current requirement in rule, that the applicant list the insurance company and policy number on the registration form. This bill repeals that rule.

5. 22

Reinstatement fee. Requires a \$30 fee to reinstate a driver's license suspended or revoked for not having insurance, not producing proof of insurance, or not responding to the sample.

1. 23

License reinstatement fee after alcohol-related revocation. Increases from \$250 to \$300 the fee charged for reinstating a driver's license revoked because of an impaired driving or implied consent violation. The \$145 surcharge (rising to \$380 on July 1, 2003) added to the fee would be unchanged.

Makes the following changes in the allocation of the \$300 fee:

	Current	Proposed
Trunk highway fund	20% of \$250 (\$50)	20% of \$300 (\$60)
General fund	67% of \$250 (\$167.50)	56% of \$300 (\$168)
BCA account	8% of \$250 (\$20)	8% of \$300 (\$24)
Traumatic brain injury and spinal cord injury account	5% of \$250 (\$12.50)	16% of \$300 (\$48)

Reallocates the traumatic brain injury and spinal cord injury account to:

- 4 increase from 35 to 83 percent the amount spent by the health department on a contract with a community-based organization to provide resources and support to persons with such injuries and their families
- 4 reduce from 65 to 17 percent the amount allocated for the traumatic brain injury and spinal cord injury registry

2. 24

Major transportation projects commission. Provides that the major transportation projects commission expires June 30, 2004.

3. 25

Radio operators as essential employees. Designates state employees who are public safety radio communications operators as "essential" employees for purposes of the Public Employment Labor Relations Act (PELRA). Effective July 1, 2003.

(Essential employees do not have the right to strike. At the request of the employer or the exclusive representative, impasses in bargaining are resolved through arbitration.)

4. 26

Bargaining unit. Creates a new state bargaining unit, containing the employees who are designated essential employees under the previous section. Effective July 1, 2003. *179A.10*

5. 27

Motor vehicle sales tax transfer. Repeals the transfer of 2 percent of motor vehicle sales tax revenues to a metropolitan area transit appropriation account.

Repeals the 20.5 percent dedication of motor vehicle sales tax revenue to the metropolitan area transit property tax replacement fund in the 2004-05

biennium and substitutes a transfer of \$125.583 million each year. The 20.5 percent dedication would be restored beginning in the 2006-07 biennium.

6. 28 Payment of reimbursements for peace officer health insurance. Amends the law that authorizes state payment of reimbursements to local public employers for costs of continued health insurance for peace officers and firefighters who suffer a disabling injury in the line of duty that forces retirement. Under this change applications would have to be made by August 1 for the preceding fiscal year. Reimbursements would be paid on an equal pro rata share based on the availability of funds. Individual shares could not exceed actual costs of providing coverage.
1. 29 Department of public safety administrative actions. Allows the department to take administrative actions against deputy vehicle and bicycle registrars and driver license agents.
- Subd. 1. Definitions. Defines "administrative agent" to include deputy registrars of vehicles, deputy registrars of bicycles, and driver license agents.
- Subd. 2. Applicability. Makes this and next two sections apply to administrative agents under authority of the department.
- Subd. 3. Cumulative remedy. States that department authority to take administrative actions is in addition to other remedies.
- Subd. 4. Access to information and property. Allows the department to have access to books, records, and property of administrative agents.
- Subd. 5. False information. Prohibits administrative agents from making false statements in a required document, omitting material information from a required document, or altering, concealing, or failing to file a required document.
- Subd. 6. Enforcement. Allows the attorney general to proceed to enforce penalties under this section. Allows the attorney general to petition a district court to file a department administrative order as a court order. Allows the attorney general to bring civil actions for payment of unpaid penalties.
- Subd. 7. Recovery of costs and expenses. Allows the state to be allowed litigation expenses in an action to enforce an administrative action if the state prevails. Allows defendant to recover if defendant prevails.
- Subd. 8. Education and compliance account. Creates an education and compliance account to receive administrative penalty receipts. Allows the department to spend up to \$5,000 per year for education and compliance activities for administrative agents. Provides that unspent money in the account at the end of each biennium transfers to the general fund.
- Subd. 9. Plan. Requires the department to prepare a plan for using the authority in sections 9 to 11. Requires a 30-day public comment

period. Requires the plan to be finalized by July 1, 2004. 299A.80

2. 30

Orders and injunctions. Provides for orders and injunctions issued by the department of public safety against administrative agents.

Subd. 1. Corrective orders. Allows the department to issue corrective orders to administrative agents requiring them to correct a violation of law, rule, or other authority. Requires the agent to demonstrate that the violation has been corrected or that the agent has developed a corrective plan. Directs the department to determine if the violation has been corrected, and so inform the agent.

Allows an agent to request the department to reconsider an order the agent believes to be in error. Provides that such a request does not stay the order.

Subd. 2. Cease and desist order. Allows the commissioner of public safety or a designated employee of the department to issue a cease and desist order to cease an otherwise lawful activity if its continuation would result in an immediate risk to public safety. Requires the department to seek an injunction or take other administrative action authorized by law in order to restrain an activity beyond 72 hours.

Subd. 3. Action for injunctive relief. Allows the department to bring an action for injunctive relief in district court to enjoin a violation of statute, rule, or other authority.

3. 31

Administrative penalty orders. Provides for administrative penalty orders against administrative agents.

Subd. 1. General. Allows the department to issue an order requiring violations to be corrected, and imposing monetary penalties on administrative agents for violations of statute, rule, or other authority. Limits maximum penalty to \$10,000 for all violations found in an inspection or review of compliance.

Subd. 2. Considerations. Requires the department, in determining the amount of penalty, to consider willfulness, gravity, past violations, number of violations, economic benefit of violations to the violator, and other factors identified in the order.

Requires the department, in determining the amount of penalty for a violation after an initial violation, to consider the above factors and also similarity of violations, time since last violation, number of previous violations, and the agent's response to the most recent identified violation.

Subd. 3. Contents of order. Requires an order assessing a penalty to include a statement of fact, identification of violation, amount of proposed penalty, and a statement of the agent's right to review the order. Allows an order to be combined with a corrective order under the previous section.

Subd. 4. Due date. Makes penalties due and payable on the 31st day after receipt of the order, unless a review is requested, if the agent fails to provide information showing that the violation has been corrected or steps taken towards correction. Provides for accrual of interest on penalties.

Subd. 5. Expedited hearing. Allows an agent who has received an order to request an expedited hearing before an administrative law judge within the time periods in subdivision 5. Requires the ALJ to issue a report within 30 days of the close of the record. Allows the department to increase the penalty if the ALJ finds that the hearing request was frivolous or for the purpose of delay.

Allows the department to issue a final order within five days of receiving the ALJ's report.

Subd. 6. Mediation. Allows the department to enter into mediation if both parties agree.

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| 4. | 32 | Capitol security oversight committee. Provides that the capitol security oversight committee expires June 30, 2004. |
| 5. | 33 | Web site publication. Allows local governments to meet requirements to publish notice of transportation projects by publishing them on their web sites. |
| 6. | 34 | Exemption from permits. Exempts all county (including county state-aid) highway reconstruction and maintenance projects that are within the right-of-way of an existing county highway from all permits. Provides that this exemption does not relieve counties from any substantive requirement other than the requirement to obtain a permit. |
| 7. | 35 | Effect of annexation on town roads. Provides that when a municipality annexes property that abuts one side of a town road, the segment of town road abutting the property must be treated as a line road, making it subject to the law that provides for agreements on costs between the town and the city. Provides that when a municipality annexes property on both sides of a town road, the road ceases to be a town road and becomes a municipal responsibility. Allows the annexing municipality to contract with the town for maintenance. Allows such an annexed road to be considered as a town road for purposes of county road and bridge revenues for the year in which the annexation occurs. |
| 8. | 36 | Effect of annexation on easements. Provides that if a municipality annexes property in which an affected town holds an easement for public benefit, the easement interest continues unless the town agrees otherwise. |
| 9. | 37 | Unlawful bidding practices in municipal contracts. Allows a court to award attorney fees and costs to a protester protesting award of a municipal contract if the court invalidates the bid because of a finding of unlawful bidding practices. Allows the municipality to recover attorney fees and costs if the court finds no violation of law and that the protest was filed without basis in law. |
| 10. | 38 | Local approval of metropolitan council transit projects - definitions. Provides definitions for following section. Defines "capital improvement project" as a metropolitan council transit capital improvement that requires eminent domain. |

11. 39 Local approval of metropolitan council transit projects - appointment of appeal board. Provides for local approval of metropolitan council transit capital projects, using a process similar to that for non-interstate trunk highways.
- Under the process a dispute between the council and a city would be referred to an appeal board consisting of one person appointed by each side and a third appointed by the other two.
12. 40 Local approval of metropolitan council transit projects - powers of appeal board. Provides that appeal board disapproval of a metropolitan council transit capital improvement project requires the council to begin the process in the above section over again.
13. 41 1999 aeronautics appropriation. Allows money appropriated for airport development and assistance for the 2000-01 biennium to be available for five years after appropriation.
14. 42 2001 aeronautics appropriation. Allows money appropriated for airport development and assistance for the 2002-03 biennium to be available for five years after appropriation.
15. 43 Transfer from loan fund. Directs the commissioner of finance to transfer to the general fund \$8.2 million (\$4.1 million each year) of the general fund appropriation to the transportation revolving loan fund made in 2000.
16. 44 CMAQ fund allocation. Requires the metropolitan council's transportation advisory board, in its allocation of federal transportation funds in the metropolitan area, to allocate at least half of congestion mitigation and air quality (CMAQ) funds to highway projects.
17. 45 **Study of rest area program.** Requires MnDOT to create a panel to study the rest area program, including financing and partnership opportunities and the impact of changes on (1) blind and low-income seniors, (2) highway safety, (3) motor carriers, and (4) availability of parking for commercial vehicles. Requires a report on the panel's findings and recommendations by January 15, 2004.
18. 46 Leases; reports. Requires MnDOT to enter into rest area leases to the maximum feasible extent, and report to legislative committees by January 15, 2005, on leases, revenues, and effect of changes on the rest area program.
19. 47 **State airports fund.** Requires any transfer of money from the state airports fund to the general fund in FY 2003 to be restored by law to the airports fund by July 1, 2007.
20. 48 Transition. Requires the commissioner of mediation services to assign job classifications and positions to the new public safety radio communications operator bargaining unit. Provides for current terms and conditions of employment to remain in effect pending negotiations on a successor agreement. Provides for the current exclusive representative to remain in place. Effective July 1, 2003.
21. 49 **Bus rapid transit study.** Directs MnDOT to study the feasibility of a bus rapid transit system on I-35W between Minneapolis and Lakeville. Requires creation of an advisory committee representing neighborhoods, employers, transit riders and transit providers.

Requires the study to include analysis of costs and benefits of implementing a system that includes frequent operation of buses, bus platforms that facilitate fare collection, stations located near the exclusive right-of-way, traffic management improvements on I-35W, and connections with existing transit. Requires the study to recommend implementation options, and costs and benefits of each option.

Requires a report to legislative policy and finance committees by December 10, 2004.

22. 50 **Brooklyn Center transit center.** Requires the metropolitan council to construct and maintain a transit center in Brooklyn Center, north of Bass Lake Road, east of Shingle Creek Parkway, and west of T. H. 100, to be completed and operational by June 1, 2004. Requires the center to include adequate bathroom facilities and be climate-controlled. Requires the center to be off the street.
23. 51 **Rumble strip study.** Requires MnDOT to study feasibility and practicability of milled-in rumble strips on centerline of trunk and county state-aid highways.
24. 52 **Southwest transitway rail transit.** Prohibits MnDOT, the metropolitan council, and the Hennepin county regional rail authority from taking action or spending money on engineering, design, or construction of light rail or commuter rail in the southwest transitway corridor between Minneapolis and Eden Prairie.
25. 53 Crosstown highway municipal approval. Provides that for purposes of the municipal consent law, the entire T. H. 62/Crosstown/I-35W project is deemed to be an interstate project. Provides that the project limits are from 66th Street in Richfield to 42nd Street in Minneapolis for 35W, and from Penn Avenue to Portland Avenue for T. H. 62.
- Under present law if a project is treated as an interstate project, a municipality may object to MnDOT's plans but may not stop a project. If a project is treated as a non-interstate project, a dispute between MnDOT and a municipality is referred to an appeal board for a settlement.
26. 54 Grass seed. Prohibits a state agency or soil and water conservation district to require planting of native grass seeds or native wildflowers as a condition for issuance of a permit to a local government unit, except for plantings within replacement wetland acreage.
27. 55 Repealer. Repeals the statute that establishes the metropolitan area transit appropriations account (originally to be funded with 2 percent of motor vehicle sales tax revenue).
- Repeals the rule that establishes license plate and sticker fees.
- Repeals statutes and rules on proof of insurance and mandatory insurance coverage that have been superseded by the new provisions relating to survey of motorists to determines insurance coverage.
28. 56 Effective date. Makes all sections effective immediately except where otherwise specified.

Article 3

Trunk highway bonding

1. 1 Appropriations. Appropriates \$550 million from the bond proceeds account in the trunk highway fund to the commissioner of transportation for metropolitan area bottlenecks and greater Minnesota interregional corridor improvements. Requires that within each of these categories, \$25 million must go for safety and capacity improvement projects including additional lanes on highways with known safety problems.

Designates \$50 million for transit capital improvements on trunk highways. Allows up to \$93.5 million for program delivery.

Appropriates \$550,000 from the bond proceeds account in the trunk highway fund to the finance department for bond sale expenses.

Provides that appropriations do not lapse until 2013.

Requires a report to legislative committees by January 15, 2004, on projects to be funded with this appropriation. Prohibits issuance of any contract for such a project until 30 days after submission of the report.
2. 2 Bond sale. Authorizes sale of up to \$550.55 million in trunk highway bonds.
3. 3 Advance construction. Allows MnDOT to spend up to \$550 million through FY 2009 in advance construction funding authorized by the federal government. Adds any additional advance construction authorization to this amount.
4. 4 Greater Minnesota transit. Allows MnDOT to spend up to \$5 million through FY 2008 in federal funds for greater Minnesota transit capital assistance, in addition to any other appropriations for this purpose.
5. 5 Report. Requires a report to legislative committees by January 15 of each year of the 2004-05 biennium on how the department is spending the bond money and whether it can do so with existing staffing or if additional staffing is required.
6. 6 Effective date. Makes sections effective immediately.