

HOUSE RESEARCH

Bill Summary

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Overview

This bill, as proposed to be amended by the H0004DE2 delete-all, contains the transportation budget as well as various omnibus finance and policy provisions. Some of the provisions are highlighted as follows.

Budget

- ▶ Incorporates several change items proposed in the executive branch budget, including agency operating increases, use of fund balance in the State Airports Fund, purchase of a State Patrol fixed wing aircraft (but not MnDOT aircraft), shifting a tort claims appropriation to go to MnDOT, appropriating additional available federal funds, and appropriating the bulk of the Trunk Highway Fund balance (which is part of the Governor's NexTen proposal)
- ▶ Eliminates a \$500,000 annual base appropriation from the General Fund to MnDOT for commuter and passenger rail
- ▶ Establishes separate appropriations for (1) statewide planning (split out from program planning and delivery), and (2) snow and ice management (split out from operations and management)
- ▶ Establishes direct appropriations (i.e., spending authority in a budget or appropriations legislation), rather than statutory appropriations (i.e., ongoing spending authority in statute), from the Transit Assistance Fund for the Metropolitan Council and for Greater Minnesota transit
- ▶ Shifts base appropriations starting in FY 2018 for several budget activities to come from the General Fund instead of from the Trunk Highway Fund, for MnDOT (in the multimodal program, electronic communications, and agency management) and for the Department of Public Safety (in the administration and related services program)

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Transportation Funding

- ▶ Transfers \$228 million from the General Fund for local highways and transit in Greater Minnesota (as onetime funds that are appropriated in the budget)
- ▶ Allocates state general sales tax revenue attributed to motor vehicle repair parts (which currently goes to the General Fund) for highway purposes, distributed through the Highway User Tax Distribution Fund
- ▶ Starting in FY 2018, allocates motor vehicle rental tax revenue for transportation purposes, with the 6.5 percent general sales tax directed to a new account for metropolitan transit capital and the 9.2 percent additional tax directed to a new account for small cities assistance
- ▶ Starting in FY 2017, redirects the portion of motor vehicle lease sales tax revenue currently going to the General Fund to be for Twin Cities metropolitan area county roads and to transit in Greater Minnesota

Finance and Policy

- ▶ Authorizes \$1.3 billion in trunk highway bonds and appropriates the funds over FY 2016-22 for the Corridors of Commerce and Transportation Economic Development (TED) programs as well as for state road construction generally
- ▶ Establishes a new Transportation Stability Fund and various accounts within the fund
- ▶ Creates a program for aid to small cities that are not eligible to receive municipal state-aid street funds (funded in FY 2016-17 via a onetime transfer, and via allocation of a tax on motor vehicle rentals starting in FY 2018)
- ▶ Sets forecasted base appropriations to MnDOT for operations and maintenance as well as state road construction (utilizing most of any trunk highway fund balance after reserves for these activities)
- ▶ Sets General Fund base appropriations to the Metropolitan Council that declines in an amount corresponding to (1) growth in motor vehicle sales tax revenue allocated to the council, and (2) additional transitway operating costs covered by the Counties Transit Improvement Board
- ▶ Requires legislative authorization prior to completion of specified phases in the development process for some transitway projects
- ▶ Directs the Counties Transit Improvement Board to cover the entire operating costs of transitways that the board has previously funded for construction or operations
- ▶ Expands the types of products that can be transported under a special permit for overweight vehicles operated with six or seven axles
- ▶ Amends membership of the Met Council's Transportation Advisory Board (TAB) so that one of the current members is appointed by suburban transit providers
- ▶ Repeals the sunset on operating authority for mini trucks under local permits
- ▶ Creates a pilot program for public-private partnership projects

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Article 1: Transportation Appropriations

Overview

This article contains the transportation budget for FY 2016-17. (See the overview section above for general information on changes with the budget.)

- 1 Road and Bridge Act of 2015.** Names the bill the “Road and Bridge Act of 2015.”
- 2 Summary of appropriations.** Summarizes direct appropriations by fund for each year.
- 3 Transportation appropriations.** Defines terms. Establishes that appropriations are from the trunk highway fund, unless another is named, for the agencies and purposes specified
- 4 Department of Transportation.** Establishes the 2016-17 biennial budget for MnDOT.

Subd. 1. Total appropriation. Summarizes appropriations by fund.

Subd. 2. Multimodal systems. Appropriates money for airports and aviation, greater Minnesota transit, and freight and commercial vehicle operations. Makes FY 2016 onetime appropriations from the vehicle services operating account (from the balance in the account) at:

- ▶ \$5 million for ports; and
- ▶ \$5 million for the Minnesota rail service improvement (MRSI) program.

Subd. 3. State roads. Appropriates money for the state trunk highway system, including: operations and maintenance (with a new snow and ice management appropriation split out from general operations and maintenance); program planning and delivery (with a new planning appropriation split out) for project development activities such as preliminary engineering and project management work; state road construction (which provides for actual contracts for highway work as well as land acquisition); debt service on trunk highway bonds; and electronic communications.

Subd. 4. Local roads. Appropriates money for the county state-aid highway system and the municipal state-aid street system, and allows for increases in the respective appropriations if there are additional funds and certain conditions are met. Appropriates funds for a new small cities assistance program established in article 4.

Subd. 5. Agency management. Appropriates money for agency services (such as information technology and human resources), buildings, and tort claims.

Subd. 6. Flexible highway account transfers. Directs transfer of funds in the flexible highway account for county and municipal turnback projects.

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Subd. 7. State road construction appropriations carryforward. Allows MnDOT to use previous year trunk highway construction appropriations in fiscal years 2016 and 2017 if used for the original purpose, and requires reporting.

Subd. 8. Contingent appropriation. Allows unappropriated trunk highway fund money to be appropriated to MnDOT under certain circumstances, upon approval by a legislative group.

5 Metropolitan Council. Establishes the 2016-17 biennial budget for state funding of the transportation functions of the Metropolitan Council.

Subd. 1. Total appropriation. Summarizes appropriations by fund.

Subd. 2. Transit operations. Appropriates funds for transit service, including a direct appropriation of motor vehicle sales tax (MVST) revenue (which is available to the council under a current law through a statutory appropriation; that spending authority is eliminated in article 4). Directs increased revenue from MVST to cover the same expenditures from the reduced General Fund appropriation. Allocates funds to the suburban transit providers based on the amount received in the council's 2015 budget plus a proportional share of MVST growth.

Subd. 3. Suburban connections demonstration project. Appropriates \$1.5 million from the vehicle services operating account in each year of the biennium for passthrough grants to suburban transit providers (opt-outs) for additional transit service between suburban communities.

Subd. 4. Transportation management organizations. Appropriates \$200,000 from the vehicle services operating account in each year of the biennium for passthrough grants to transportation management organizations (TMOs) in the Twin Cities metropolitan area that exclusively or primarily serve Minneapolis, St. Paul, and Bloomington. The funds are made available for TMO administrative expenses and program expansion.

6 Department of Public Safety. Establishes the 2016-17 biennial budget for transportation as well as some division-wide functions of the Department of Public Safety.

Subd. 1. Total appropriation. Summarizes appropriations by fund.

Subd. 2. Administration and related services. Appropriates money for administrative functions, including communications and programs administered within the commissioner's office.

Subd. 3. State Patrol. Appropriates money for the State Patrol, including patrolling highways, commercial vehicle enforcement, and capitol security. Funds for the State Patrol are primarily from the Trunk Highway Fund, and capitol security is funded from the General Fund.

Subd. 4. Driver and vehicle services. Appropriates funds for driver services and vehicle services, primarily from special revenue derived from vehicle and driver licensing fees.

Subd. 5. Traffic safety. Appropriates funds for the traffic safety office.

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Subd. 6. Pipeline safety. Appropriates special revenue funds for the pipeline safety office.

- 7 Transfers; general fund.** Directs transfer of a total of \$228 million in fiscal year 2015 from the General Fund to specified transportation accounts and funds. (The transferred funds are appropriated in the foregoing appropriations sections.)

Article 2: Trunk Highway Bonding

Overview

This article contains \$1.3 billion in trunk highway bonding authorization and appropriations.

- 1 Bond sale authorization.** Authorizes sale of trunk highway bonds to fund the bond proceeds appropriations in this article.
- 2 Bond appropriations.** Provides for bond proceeds appropriations.
- 3 Department of transportation.** Appropriates \$1.3 billion over FY 2016-22 in trunk highway bond proceeds to MnDOT. Specifies separate project selection criteria for Corridors of Commerce program projects within and outside of the Twin Cities metropolitan area. Provides for bond cancellation timing. Other than the last year of bonding, appropriations are at \$200 million per year, allocated as follows:
- ▶ \$125 million each year (except for \$62.5 million in FY 2022) for the Corridors of Commerce program
 - ▶ \$5 million each year (except for \$2.5 million in FY 2022) for the Transportation Economic Development program
 - ▶ \$70 million each year (except for \$35 million in FY 2022) for general state road construction
- 4 Bond sale expenses.** Appropriates \$1.3 million to the Department of Management and Budget for expenses in selling the bonds.

Article 3: Sales Taxes

Overview

This article contains transportation finance changes related to state and local option sales taxes.

- 1 Receipts.** Makes a conforming change.
- 2 Motor vehicle lease sales tax revenue.** Changes allocation of the sales tax collected upfront on long-term motor vehicle rentals, so that none of the revenue is retained in the general fund. Starting in FY 2017:

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- ▶ 50 percent of the funds go to a transit allocation account in the Transportation Stability Fund, which is being created in article 4; and
- ▶ 50 percent goes to a county highway allocation account, also being created in the Transportation Stability Fund (with the language distributing funds among counties substantially reproduced within the provision creating the new account).

Paragraph (c) provides that the portion of revenue from the motor vehicle lease sales tax that comes from the Legacy constitutional amendment is allocated in accordance with the constitutional distribution.

- 3** **Deposit of revenues.** Provides for allocation of revenue from specified state sales taxes to accounts within the Transportation Stability Fund.

Paragraph (d) directs revenue from the state’s general sales tax (at 6.5 percent) on motor vehicle rentals to an account for small cities aid in the Transportation Stability Fund.

Paragraph (f) directs revenue from the additional sales tax (at 9.2 percent) on motor vehicle rentals to an account for metropolitan transit capital projects in the Transportation Stability Fund.

Paragraph (g) provides that the estimated amount of sales tax revenue collected on the sale and purchase of motor vehicle repair parts be transferred annually from the General Fund to an account for highway funding in the Transportation Stability Fund. Provides a definition of motor vehicle repair and replacement parts which includes tires and fluids that stay with the vehicle as part of the repair or maintenance.

For the first year (FY 2016), a transfer is specified at \$150 million. In subsequent years the transfer will be a percentage of the total sales and use tax revenue from the 6.5 percent general sales tax, including penalties and interest, and reduced for refunds. The percentage of the total tax attributable to these sales will be calculated by the Department of Revenue every four years, based on national consumption data and adjusted for state consumption, using department consumption models.

- 4** **Definitions.** Defines “transitway” for a section of statutes on the local option transportation sales tax (administered by the Counties Transit Improvement Board, or CTIB), to use the meaning of “guideway” as defined in article 4, section 37, excluding intercity passenger rail.

- 5** **Grant awards; use and allocation requirements.** Expands purposes for which CTIB may make grant awards to include capital and operating assistance for transit systems, including bus operations and arterial bus rapid transit.

- 6** **Priority of fund uses.** Provides that CTIB must fully fund operations and maintenance on existing transitways that the board has previously funded, and must not award any grants to begin or continue work on new transitways unless all debt service and existing transitway costs have been covered. Effective the day following final enactment and applies to grants made for calendar year 2016 and after.

- 7** **Repealer.** Repeals the requirement that any grant award by CTIB to the Metropolitan Council must supplement, not supplant, operating and capital assistance provided by the state.

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Article 4: Transportation Policy and Finance

Overview

This article contains various finance and policy provisions.

- 1 **Part three: detailed capital budget.** Adds project funding requests from a new account for transit capital being established in the bill (see section 4 of this article), for a requirement on state agency capital project funding request information to be provided to the legislature.
- 2 **Budget request.** Adds project funding requests from a new account for transit capital being established in the bill (see section 4 of this article), for a provision on local units of government legislative requests for capital projects funding.
- 3 **Transit assistance fund.** Modifies the accounts in the Transit Assistance Fund (for both Greater Minnesota and Twin Cities metropolitan area transit) to (1) eliminate the statutory appropriation of funds, which is replaced with direct appropriations made in article 1; and (2) provide for a forecasted base for appropriations in future biennia of all funds in each respective account. Makes technical changes. (Revenue to the accounts primarily consists of a portion of the motor vehicle sales tax.)
- 4 **[16A.89] Transportation stability fund.** Creates the Transportation Stability Fund, a new accounting fund of the state for transportation purposes. Some of the accounts function as a passthrough to other existing transportation funds and accounts.
 - Subd. 1. Fund established.** Creates the Transportation Stability Fund.
 - Subd. 2. Financial reports.** Requires financial reporting to include details on each account in the fund.
 - Subd. 3. Highway allocation account.** Creates a highway allocation account, with general sales tax revenue attributed to motor vehicle repair parts. Establishes a passthrough of funds received to go to the Highway User Tax Distribution Fund.
 - Subd. 4. Transit allocation account.** Creates a transit allocation account, with a portion of motor vehicle lease sales tax revenue. Establishes a passthrough of funds received to go to the Greater Minnesota transit account in the Transit Assistance Fund.
 - Subd. 5. County highway allocation account.** Creates a county highway allocation account, with a portion of motor vehicle lease sales tax revenue. Establishes a passthrough of funds received to go the County State-Aid Highway Fund. Requires distribution of the funds to counties in the Twin Cities metropolitan area, excluding Hennepin and Ramsey, proportionally based on county population. (This distribution reproduces a provision allocation some of the revenue from the motor vehicle lease sales tax.)
 - Subd. 6. Metropolitan transit capital account.** Creates a metropolitan transit capital account, with revenue from the general sales tax on motor vehicle rental. Identifies use of funds for legislatively specified transit capital projects in the Twin Cities metropolitan area, excluding light rail, commuter rail, and streetcars.

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- 5** **Software sale fund.** Directs sales and licensing of software created by MnDOT into the Trunk Highway Fund instead of the MN.IT services revolving fund.
- 6** **Appraisal.** Provides for creation of minimum damage acquisition reports instead of appraisals, for property with a value of less than \$25,000 that is being acquired prior to commencement of eminent domain proceedings.
- 7** **Use of appraisal at commissioners' hearing.** Makes a conforming change.
- 8** **Lighting and marking highway.** Prohibits MnDOT from utilizing state or federal funding sources on aesthetic enhancements in road projects that increase project cost, which includes monuments, markers, statues, decorative fixtures, and special materials.
- 9** **Conditions.** Modifies, in a section of statutes on drainage, the range of subdivisions using a definition of "highway." This has the effect of causing a drainage provision to apply within cities; the provision requires a permit for a landowner's drain (from natural drainage) to be connected to drains or ditches within the road right-of-way.
- 10** **[160.235] Traffic signal timing optimization.** Requires counties, cities, and towns with specified higher volume types of roads to create a traffic signal inventory and implement a traffic signal timing optimization plan.
- 11** **Temporary permit for field application.** Provides for use of the right-of-way of a road, by permit, to temporarily run a flexible pipe to apply manure to a field, and specifies permit requirements.
- 12** **Forecasted base appropriations.** Establishes base appropriations to MnDOT for the state road construction budget activity as well as for operations and maintenance. The base is determined following previous appropriations plus additional forecasted trunk highway funds, so that the yearly trunk Highway Fund balance after reserves equals one percent of forecasted revenues. Increases in available funds are allocated primarily to state road construction, with a portion to operations and maintenance based on growth in the implicit price deflator. (This provision has the effect of including any increased Trunk Highway Fund revenues in base appropriations rather than the funds dropping into the fund balance.)
- 13** **Appropriation; proceeds from state property.** Provides for MnDOT to perform property management of MnDOT lands, including sales and leasing, funded by proceeds from the management activities.
- 14** **Small targeted group business; subcontracting goals.** Clarifies, in MnDOT's small targeted group business program, a provision governing waivers from subcontracting goals in which demonstration of good faith effort is first required.
- 15** **Veteran-owned small business; subcontracting goals.** Clarifies, in MnDOT's veteran-owned small business program, a provision governing waivers from subcontracting goals in which demonstration of good faith effort is first required.
- 16** **Contract awards, limitations.** Permits, instead of requiring, limits set in administrative rules of the Department of Administration to apply to MnDOT's contracting preference programs (for small targeted group businesses, veteran-owned small businesses, and small businesses in economically disadvantaged areas).

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17 [162.145] **Small cities assistance.** Creates a transportation aid program for small cities that do not receive municipal state-aid street funds – which, with some exceptions, is available only for cities having a population of at least 5,000. (Funding for the program is included in local roads appropriations in article 1.)

Subd. 1. Definitions. Defines terms.

Subd. 2. Small cities assistance account. Creates an account in the Transportation Stability Fund for assistance under this section.

Subd. 3. Administration. Establishes administrative provisions to direct funds to be allocated based on the formula in subdivision 4, create a mechanism for distributing aid in conjunction with local government aid (LGA) distributions by the Department of Revenue, and require State Auditor financial reporting compliance by small cities in order to receive funds.

Subd. 4. Distribution formula. Identifies a formula for distributing any available funds among the cities, so that subject to a per-city maximum cut-off (of 3.5 times the average aid in a fiscal year):

- ▶ 5 percent of the funding is allocated equally across the cities
- ▶ 35 percent is allocated proportionally based on population
- ▶ 35 percent is allocated proportionally based on lane-miles (i.e., counting each lane of a road) of municipal streets within each city
- ▶ 25 percent is allocated proportionally in declining amounts based on lane-miles of county state-aid highways within each city, so that the aid amount reduces (down to \$0) as the number of CSAH lane-miles increases

Subd. 5. Use of funds. Limits uses of the aid to road construction and maintenance. Exempts projects funded under the program from any state-aid design standards.

18 **Application; fee; penalty.** Makes “drive-away/in-transit” license plates valid outside of Minnesota and only available to a business that is located within Minnesota. (Under current law, the plates are only permitted for use within this state.)

19 [168.1294] **“Start seeing motorcycles” plates.** Creates a new “start seeing motorcycles” special plate, going into effect January 1, 2016.

Subd. 1. Issuance of plates. Sets requirements to obtain the special plate, including ownership of an eligible vehicle, payment of a \$10 fee as well as other applicable fees and taxes, and payment of an annual \$10 donation to the motorcycle safety fund.

Subd. 2. Design. Directs American Bikers for Awareness, Training, and Education of Minnesota to design the plates, subject to approval by the Department of Public Safety.

Subd. 3. Plates transfer. Sets requirements and a \$5 fee for transfer of the plate to another vehicle.

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Subd. 4. Exemption. Exempts the plates from application requirements governing new special license plate proposals, including a survey, marketing strategy, and application fee.

Subd. 5. Fees. Directs the \$10 plate fee and transfer fee to the vehicle services operating account.

Subd. 6. No refund. Prevents a refund of the required donation.

- 20 Issuance.** Amends, in conjunction with a change in section 51 of this article, the effective date on a provision allocating \$30 contributions provided as part of obtaining a special Minnesota golf license plate. Under the change, allocation to the Department of Public Safety would begin July 1, 2015, instead of January 1, 2017.
- 21 Penalty.** Sets a statutory minimum fine for second and subsequent violations of the prohibition on using a wireless communications device (such as texting on a cell phone) while driving. It sets the minimum amount as \$50 in addition to the amount set by the courts in its schedule for fines for various violations that can be paid without a court appearance. (Under the current fine schedule, the change would increase the base fine—apart from the court surcharge and any other fees—from \$50 to \$100.)
- 22 Headlamps.** Increases the total number of headlamps permitted on a motorcycle, from two to four, and makes technical changes.
- 23 Driver; daily inspection, report.** Eliminates a required report on daily inspection of a commercial motor vehicle, if no defects or deficiencies are identified and the vehicle is not used to carry passengers. Makes conforming changes.
- 24 Driver; pretrip inspection.** Limits required pretrip inspection report review and safety verification to the first time a vehicle is operated following completion of an inspection report.
- 25 Exceptions.** Makes a conforming technical clarification (to reproduce a requirement contained in a cross reference).
- 26 Length limits exclusion; aerodynamic device.** Establishes a general exemption from length limits on vehicles and trailers for aerodynamic devices (which are adjustable angled panels attached to the end of commercial vehicle semi-trailers in order to reduce drag from wind) as identified under a federal exemption that applies for some highways.
- 27 Six-axle vehicles.** Permits hauling multiple product types under an expanded special permit for six-axle vehicles (see section 29). Makes conforming changes.
- 28 Seven-axle vehicles.** Permits hauling multiple product types under an expanded special permit for seven-axle vehicles (see section 29). Makes conforming changes.
- 29 Qualifying products.** Expands the types of products that can be transported under a special overweight vehicles permit for six- and seven-axle vehicles, to include (1) agricultural products and feedstocks that are hauled for processing as a biofuel; (2) various livestock feed, seed, and fertilizer products; and (3) highway and building construction materials, including materials from demolition.

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- 30 Recycling and garbage vehicles.** Creates an exemption from vehicle weight limits (and associated criminal penalties) imposed (1) by local units of government for roads under their respective jurisdiction, and (2) under spring load restrictions, which are established by MnDOT during spring thaw periods. The exemption applies to vehicles that exclusively service portable toilets, are in use only for liquid waste collection, and have a weight of up to 14,000 pounds per axle and 26,000 gross weight.
- 31 Electronic advertising device.** Defines “electronic advertising device” for the chapter on advertising along trunk highways, to mean a digital billboard device that can electronically display only static content.
- 32 Prohibited advertising devices.** Excludes electronic advertising devices (as defined in section 31) from the general prohibition on certain types of advertising visible from trunk highways, if the digital content changes no more often than once every six seconds.
- 33 Eligibility.** Adds a prerequisite for counties, cities, and towns to receive funds under the state’s Safe Routes to School program, that the local unit of government must require developers to include safe routes to school infrastructure in new subdivision developments.
- 34 [174.57] Snow and ice control; appropriation.** Creates a contingent statutory appropriation of up to 50 percent of the reserves in the Trunk Highway Fund, for snow and ice expenditures when costs of this activity exceed 110 percent of the biennial appropriation. Requires legislative reporting on use of funds under the provision.
- 35 Legislative authorization.** Clarifies that the powers of MnDOT related to passenger rail are subject to the legislative authorization requirements of section 38 of this article.
- 36 Commuter rail; exercise of power.** Clarifies that the powers of MnDOT related to commuter rail are subject to the legislative authorization requirements of section 38 of this article.
- 37 Definitions.** Modifies and adds to the definition of “guideway” in a provision on legislative reporting on transitway development, so that it includes *highway* bus rapid transit, express bus service operated primarily within a dedicated right-of-way, and some multimodal stations. Excludes from the definition *arterial* bus rapid transit (i.e., primarily operated on arterial city streets), limited-stop bus service, and express bus service that is not operated primarily within a dedicated right-of-way.
- 38 [174.94] Guideway development authorization.** Requires specific legislative authorization or funding before MnDOT or a political subdivision completes an alternatives analysis or selects a locally preferred alternative for a “guideway” project (see the definition in section 37). Provides for local planning, feasibility studies, and commencement of alternatives analyses. Effective the day after enactment and applies to any project not approved by the Federal Transit Administration for preliminary engineering or a subsequent project phase as of that date (which has the effect that the authorization requirement does not apply to the Southwest LRT project).
- 39 Federal out-of-service order; operation prohibited.** Prevents motor carriers and private carriers (who transport persons or property but are primarily engaged in a business that is not transportation services) from operating in *intrastate* commercial transportation if federal

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officials have placed an “out-of-service” order on the carrier under federal regulations governing motor carrier safety.

- 40 Federal out-of-service order; operation prohibited.** Prevents motor carriers and private carriers from operating in *interstate* commercial transportation if federal officials have placed an “out-of-service” order on the carrier under federal regulations governing motor carrier safety.
- 41 Certificate.** Establishes that a certificate issued by the Department of Public Safety for overdimensional load escort drivers is the only required certification for a person to provide an escort of oversized motor vehicles.
- 42 Escort service; appropriation; receipts.** Permits the State Patrol to set fees for vehicle escorts based on actual costs rather than based on rates set in statute.
- 43 Costs allocated; local contribution; hangar construction account.** Provides for MnDOT to set local contribution rates towards airport projects involving state or federal financial assistance. Sets a minimum of five percent from local sources with specified exceptions, which is decreased from 20 percent on non-federally supported projects, and eliminate caps on state funds towards hangar projects as well as maintenance, safety equipment, and snow removal costs of a municipal airport.
- 44 Legislative authorization.** Provides that the powers of a county regional railroad authority are subject to the legislative authorization requirements of section 38 of this article.
- 45 Forecasted base appropriations.** Reduces base appropriation of state general fund money to the Metropolitan Council for transit system operations, to the greater of zero or the fiscal year 2016 base amount (\$76,626,000), less (1) the growth in revenue from the motor vehicle sales tax compared to fiscal year 2015 (so that as motor vehicle sales tax revenue increases, the general fund base appropriation would decrease by a corresponding amount); and (2) 50 percent of the funds provided by the Counties Transit Improvement Board for transitways.
- 46 Transportation planning.** Provides that one of the public transit system appointees to the Transportation Advisory Board must be an elected official from a city participating in an opt-out transit service system appointed by the Suburban Transit Association.
- 47 Limitations.** Prohibits the Metropolitan Council from issuing debt payable from the motor vehicle sales tax revenue it receives, or any interest earnings on that revenue, for transit capital improvements.
- 48 Legislative authorization.** Provides that the powers of a responsible authority related to light rail transit are subject to the legislative authorization requirements of section 38 of this article. A “responsible authority” is defined in section 473.3993, subdivision 4, to mean either the Metropolitan Council or the commissioner of transportation.
- 49 Operating costs.** Requires all light rail transit operating and maintenance costs that are not covered by operating revenue and federal money, to come from nonstate sources. Specifies that state sources include general fund appropriations and revenue from the motor vehicle sales tax.

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- 50** **Effective date.** Eliminates the sunset on authority for mini trucks to be operated under a special permit issued by local units of government. (Under current law, mini trucks will no longer be permissible on public roads starting August 1, 2015.)
- 51** **Effective date.** Amends, in conjunction with a change in section 20 of this article, the effective date on a provision allocating \$30 contributions provided as part of obtaining a special Minnesota golf license plate. Under the change, allocation to the Department of Public Safety would begin July 1, 2015, instead of January 1, 2017.
- 52** **Department of transportation efficiencies.** Directs MnDOT to implement agency efficiencies based on recommendations from a 2008 task force, such that the efficiencies amount to 15 percent of FY 2014-15 total appropriations. Specifies that resulting funds are available for trunk highway construction and maintenance.
- 53** **Legislative Route No. 228 removed.** Provides for a county turnback of Trunk Highway 228 (running from Vargas to U.S. Highway 10, south of Detroit Lakes) following agreement between MnDOT and Ottertail County.
- 54** **Legislative Route No. 275 removed.** Provides for a county turnback of Trunk Highway 275 (running from Boyd to U.S. Highway 212) following agreement between MnDOT and Lac qui Parle County.
- 55** **Cost share policy.** Directs MnDOT to develop, in consultation with local units of government, a cost share policy on participation in construction and maintenance costs of shared projects. The policy must minimize costs borne by local government while accounting for constitutional restrictions on use of Trunk Highway Fund dollars. It is due by September 1, 2015.
- 56** **Interstate 94/694/494 interchange safety improvement study.** Directs MnDOT to conduct a study of the Interstate 94/494/694 interchange, which must include safety recommendations and associated cost estimates, and report back to the legislature. The report is due within 180 days of enactment of the bill.
- 57** **Legislative report on vehicle title transfer fee funds.** Directs the Pollution Control Agency to submit a legislative report, by November 1, 2015, on the revenue and uses of a \$10 motor vehicle title transfer fee (which is deposited in the environmental fund).
- 58** **Public-private partnership pilot program.** Creates a pilot program for public-private partnerships between MnDOT or Metropolitan Council and private entities.
- Subd. 1. Definitions.** Defines terms, including “responsible authority” to mean MnDOT or the Metropolitan Council.
- Subd. 2. Public-private partnership authority.** Authorizes the pilot program, permits use of specified partnership mechanisms, allows conversion of existing road facilities to be tolled or managed privately, and provides for receipt and review of proposals following competitive evaluation and consistency with transportation plans.
- Subd. 3. Pilot program restrictions.** Provides for various pilot program requirements and limitations, including limitation to up to three capital projects, a total project cost estimate of no more than \$100 million, mandatory temporary transfer of

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public infrastructure (if transfer is part of the agreement) for no longer than 25 years, and restriction to new transportation projects unless capacity is added.

Subd. 4. Consultation. Directs consultation with specified entities concerning review of projects and partnership agreement under the pilot program.

Subd. 5. Evaluation and selection of private entity and project. Governs proposed project evaluation and review, including directing MnDOT and the Metropolitan Council to contract privately for evaluation of proposed partnerships, identifying required expertise of the consultant, and specifying considerations in the proposal evaluation.

Subd. 6. Public-private agreement. Identifies both mandatory and permitted elements of a pilot program contractual agreement with a private entity.

Subd. 7. Funding from federal government. Permits receipt of federal funds and federal contracts for the pilot projects, directs seeking to maximize funds from non-state sources, and permits combining funds from multiple sources.

Subd. 8. Legislative reporting. Requires legislative reporting on the pilot program that identifies public-private partnership agreements, due by August 1 annually from 2016 through 2019.

Subd. 9. Expiration. Sets the authority for new agreements to expire June 30, 2019.

59 Repealer. Eliminates a provision authorizing interagency agreements in which fees are charged to agencies that are tenants in the Capitol complex for Capitol Security services, along with a statutory appropriation of the fee revenue.